

The Great Depression - October 1929 to September 1939

- The End of the Roaring Twenties:

- the booming economy (low unemployment) and high wages came to a halt by 1929.

Causes of the Great Depression

Cause #1: Over production and Over expansion

- too many goods are made by too many factories
- products were stockpiled in hopes that sales would increase
- factories 'slowed down' production to sell off stockpiled goods, so workers were laid off
- laid off workers could not afford to buy products

Cause #2: Canada's Dependence on a Few Primary Industries

- Canada's economy depended on natural resources (farming, fish, mining, paper, etc)
- world wheat prices fell, so farmers stopped spending

Cause #3: Canada's Interdependence on the United States

- 40% of Canada's exports were sold to the U.S.
- U.S. branch plants (e.g. Chrysler) gave Canadians jobs, but profits went to the U.S.
- the U.S. no longer purchased as much from Canada
- U.S. branch plants in Canada closed

Cause #4: High Tariffs Choked off International Trade

- a tariff is a tax placed on imported goods
- other countries also raised tariffs which slowed down Canada's sales even more

Cause #5: Too Much Credit Buying

- pay a deposit to purchase an item, and pay a little bit off each month
- families got deep into debt
- some lost their homes

Cause #6: Too Much Buying of Stock on Margin

- someone could buy stock (shares), pay a deposit, then borrow the rest of the money
- stock prices dropped in October 1929
- some were forced to sell their shares at low prices

Beginning of the Dirty Thirties....

- 30% of Canadians were unemployed
- 1 in 5 became dependent on the government for relief
- Ontario and Quebec were less severely afflicted because they had many different industries
- in the Prairies, wheat prices dropped, dust storms raged, drought stricken, a plague of

grasshoppers ate crops

Who suffered the most?

- farmers, young people, small businessmen, and the unemployed

But, property owners and people with secure jobs actually had their standard of living increase.

Review of Impacts...

- unemployment was high
- people lost everything, farms were sold to pay off debts
- people moved to find work
- people were hungry
- there were bread lines

The Department of Defense ran Unemployment Relief Camps, and paid workers 20 cents per day

Church groups and Private charities helped the needy.

Defeated families were able to get 'relief' payments from the government

Canada's economy was built on exporting goods to America

Provincial governments were in debt

R. B. Bennett was Prime Minister from 1930 - 1935; people thought he could fix the economy

What did Bennett do?

- passed the Unemployment Relief Act
- raised tariffs
- the Depression got worse
- created Unemployment Relief Camps

New political parties were created.

Due to poor living conditions, the inhabitants of work camps rebelled. You would lose your job if you spoke your mind.

The New Deal:

- Bennett announced new reforms
 - Health and Unemployment Insurance
 - Financial Assistance to farmers

The Liberals won the 1935 election, and Mackenzie King was back in power

The End of the Depression (1939)

- homelessness and unemployment were declining
- Canadians were optimistic