Government Reaction to the Depression

Canadian History 1201
Fighting the Depression

• Today, Canada has a system of government support for people who are ill, poor, or unemployed.

• No such system existed in the 1930s and there was general opposition to approaching the government for help.

• Many Canadians believed that if people were poor or unemployed then it was their own fault and they should help themselves.
Government Relief

- During the Great Depression, thousands of men and women who had never asked for help from the government or charities were forced to go on relief
  - Financial aid paid from public funds and given to the poor by the government

- By the late 1930s, many Canadians came to believe that governments should play a more direct role in care for its disadvantaged citizens who were often not to blame for their economic difficulties
Government Relief

- At the beginning of the Depression, political reaction was virtually non-existent as the prevailing thinking of the time was that this was a normal stage in the business cycle and government should not be involved.

- When the Depression began, Mackenzie King was the Canadian Prime Minister.
  - Initially he refused to act.
  - In his “Five Cent” speech, he said that he would not help any Conservative provincial government.
I WOULDN'T EVEN GIVE YOU FELLAHS THE CORE
Private and Public Relief

• *Church* and charitable organizations organized *soup kitchens* to feed the hungry

• Clothing and shelter to unemployed

• Milk supplied to women with babies

• Churches across Canada sent relief shipments to help people on the Prairies
Private and Public Relief

• Municipal governments also started soup kitchens

• By 1931-32 they also began providing a form of welfare payment to cover the bare necessities of life
  • This was called *Dole* or *Pogey*
Government Response

• No one, including Liberal PM King, thought that the Depression would last ten years.

• He thought that the economic situation was normal and the country would fix itself in time.

• So, when a group of Western mayors came to Ottawa seeking help for the unemployed in their cities and towns King claimed it was municipal and provincial responsibilities.
Government Response

- When opposition MPs in Parliament suggested King help the unemployed of Canada, King delivered his famous ‘five-cent piece’ speech.

- In it, King declared that he would not give a “five-cent piece” to any province that did not have a Liberal government.

- This speech was one of the reasons why Liberals lost the 1920 federal election to the Conservative party under R.B. Bennett who replaced King as Canada’s PM.
Government Response

- In 1931 Bennett’s government passed two relief acts that directed $20 million of federal money to municipalities to be spent on public work projects
  - Such as: roads, bridges, dams, government buildings, etc.

- Only a small amount went directly to individuals in need
Government Response

• As conditions worsened, Parliament passed a 3rd relief act in 1932 which abandoned public works projects and focused entirely on relief payments to needy individuals.

• By 1935, 10% of Canada’s population was on relief with families getting preferred treatment.

• For single, young men, thousands left their homes and rode the rails looking for work.

• Without a permanent residence they could not apply for relief.
Relief Camps

• To deal with the 1,000s of young unemployed single men travelling the country, the government decided to set up a chain of relief camps in isolated areas such as interior BC.

• Run by the Department of National Defense, these were designed to keep young men out of the cities where they might congregate and protest.
  • Workers in Relief Camps were paid 20 cent a day.

• Over 170,000 men had spent time there before they were turned over to the provinces in 1936 and conditions gradually began improving there.
On To Ottawa Trek

• In June 1935, 1800 men tired of life in BC relief camps boarded box cars towards Ottawa to protest against the government.

• Along the way, other trekkers joined them in their quest for clear economic reforms:
  • ie. minimum wages, decent system of unemployment and social insurance.
On To Ottawa Trek

• The trekkers were stopped in Regina by Mounted Police

• PM Bennett thought that they were breaking the law and plotting to overthrow his government

• A riot broke out, dozens were injured, one killed

• Their complaints fell on unconcerned ears in the government
R.B. Bennett

• Initially Bennett was very cautious in fighting the Depression, and in 1934 he hoped to establish financial stability by creating the *Bank of Canada*

• As the 1935 federal election approached he offered Canadians a *‘new deal’* which included such things as unemployment insurance, a minimum wage law and a shortened work week
Many Canadians expressed their frustration with the continuing hard times by naming their make-do measures after R.B. Bennett

- **Bennett Buggies**: Cars with no engines pulled by horses
- **Bennett Blankets**: Newspapers
- **Bennett Barnyards**: Abandoned Prairie farms
- **Bennettburgs**: Hobo jungles
1935 Election

• Despite the dramatic nature of his reforms, Canadians voted Bennett out of office in 1935 and re-elected King as PM

• While the Liberal party had won the election over the Conservatives, the inability of these politicians to solve problems during the Great Depression caused people to look to others for solutions
Federal Election Results 1935

<table>
<thead>
<tr>
<th>Party</th>
<th>Seats Won</th>
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<tbody>
<tr>
<td>Liberal</td>
<td>173 (45% if popular vote)</td>
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<tr>
<td>Conservative</td>
<td>40</td>
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<tr>
<td>Social Credit</td>
<td>17 (new parties are 26% of PV)</td>
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<tr>
<td>CCF</td>
<td>1</td>
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<tr>
<td>Reconstruction</td>
<td>1</td>
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<td>Other</td>
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- New national political parties appeared as a result of the Great Depression and would have great impacts on the future of politics in Canada