

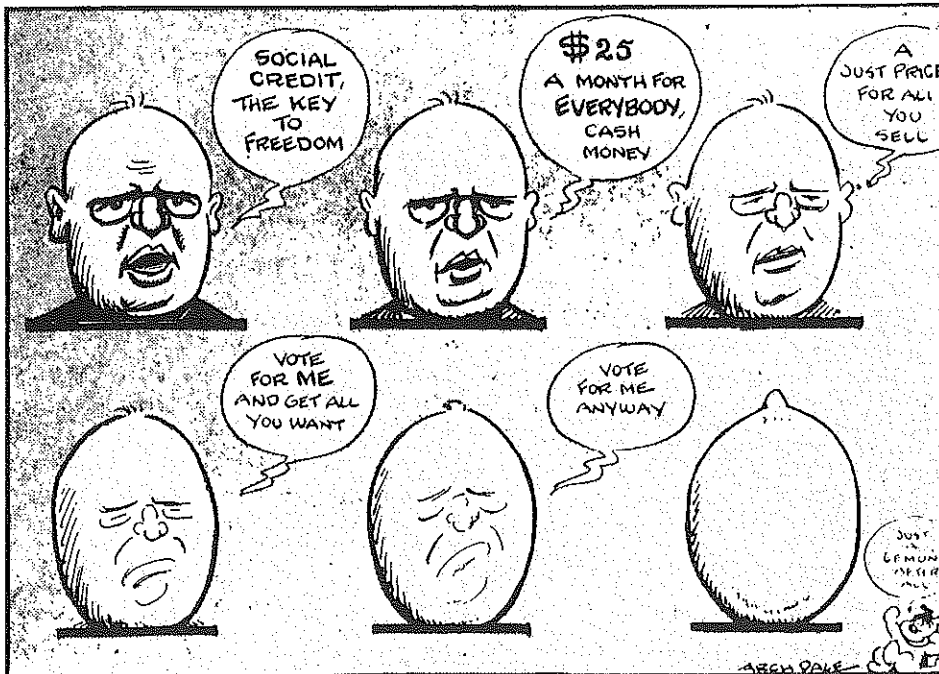
A New Deal?

In 1930, Canadians had turned to the Conservatives because R.B. Bennett claimed to have the "cure" for the Depression. But Bennett failed. By 1932, four provinces were bankrupt, and the federal government might have followed if Bennett had not slashed federal spending and raised taxes. If the Conservatives had no solutions, the Liberals were little better. They called for greater economy and reduced spending. Were Canadians ready for a new approach to the problems of the economy?

One such approach was the economic theory known as "Social Credit". As early as 1922, a Calgary M.P. had spoken of it in Parliament. In 1932, William Aberhart, a Calgary high school principal and radio preacher, turned Social Credit into a political message. In brief, Social Credit theory argued that it was the difference between the price paid to the producer and the price paid by the consumer which created "poverty in the midst of plenty". This difference had to be made up by the government, or people could not afford to buy. It would be paid to the people as a "social credit". Aberhart's audiences, terrified by debt, poverty, and insecurity, believed him when he spoke of the "fifty bigshots" who manipulated the world's economy. The bankers who had sneered at Social Credit in the 1920's, Aberhart claimed, were simply trying to hide the truth. In 1935, Albertans elected Aberhart and his Social Credit Party as their provincial government, in place of the United Farmers of Alberta. There were few followers of Social Credit outside Alberta, however.



"Bible Bill" Aberhart and Social Credit offered hope to desperate Albertans during the Depression. By the end of the 1930's, Aberhart's party had altered or rejected most of the original Social Credit theories.



This cartoonist from the Winnipeg Free Press does not seem to have shared Alberta's faith in Aberhart's Social Credit message. What point is the cartoonist trying to make?



J.S. Woodsworth, first leader of the Co-operative Commonwealth Federation (CCF), had played an active part in the Winnipeg General Strike of 1919. He was also a pacifist in both the First and the Second World Wars.

Another economic and political theory was more widespread in the Depression years—socialism. For years, Canadian socialists had offered Canada a “co-operative commonwealth” to replace the injustice and failure of capitalism. However, socialists themselves did anything but cooperate. They ranged from communists through trade unionists to social service workers, and seldom agreed with each other’s views. By the 1930’s, socialist ideas had become sufficiently widespread that the time had come for a socialist party in Parliament. A radical remnant of the Progressive Party and local Labour parties formed the nucleus. J.S. Woodsworth, the former Methodist minister, had been a Labour M.P. since 1921. In 1932, he convinced the annual meeting of the quarrelsome western Labour parties and farmer organizations that the Depression called for unity. At this meeting, the Co-operative Commonwealth Federation (CCF), representing Progressives, various Labour parties, and farmers, was born. A year later, the CCF held its first convention and adopted the Regina Manifesto, a lengthy document which set forth its goals.

CLOSE - UP

The Regina Manifesto

The following passage comes from the introduction to the CCF’s Regina Manifesto:

We aim to replace the present capitalist system, with its inherent inhumanity and injustice, by a social order from which the domination and exploitation of one class by another will be eliminated. . . the present order is marked by glaring inequalities of wealth and opportunity, by chaotic waste and instability; and in an age of plenty it condemns the great mass of people to poverty and insecurity. . . This social and economic transformation can be brought about by political action, through the election of a government inspired by the ideal of a Co-operative Commonwealth and supported by a majority of the people. We do not believe in change by violence.

The fourteen points of the manifesto called for

1. the establishment of a planned economy
2. control by the people, through the government, of all financial machinery such as banks and currency
3. government ownership of transportation, communications, electric power, and other essential services
4. help for farmers through security of land ownership, crop insurance, removal of tariffs, co-operatives, etc.

5. import and export boards to control trade
6. encouragement of producers' and consumers' cooperatives
7. a national labour code to cover such matters as unemployment insurance, old age pensions, accident insurance, *etc.*
8. publicly organized health, hospital, and medical services
9. the amendment of the *British North America Act*, so that the federal government would have the power to deal with crises such as the Depression
10. foreign policy to promote international cooperation and peace
11. changes in the tax laws
12. freedom of speech and of assembly
13. humanization of the law
14. an emergency program to deal with the problems brought on by the Depression

QUESTIONS

1. Write a paragraph which summarizes the policy outlined in the CCF's Regina Manifesto.
2. With which of the manifesto's points do you agree? Disagree? Explain your reasons.

The CCF started strong. In the 1933 provincial election in British Columbia, it came in second. It was just edged out by T. Duff Pattullo, a Liberal who promised "work and wages", as well as the socialist idea of medicare. In 1934, the Liberals won in southern Saskatchewan, but the CCF got enough seats in the north to become the opposition in that province too. The West and Ontario boasted hundreds of CCF clubs. But the party had many enemies as well. Not even the Depression could sway most Canadians towards socialism. The Communist Party saw the CCF as a deadly rival; if the CCF were successful in bringing about economic change, there would be no need for a revolution—nor, therefore, for the Communist Party. Roman Catholic bishops called the CCF's socialist ideas a threat to the faith. By the end of 1934, the CCF's advance had slowed down.

Many owners of small businesses and other victims of the Depression found the economic theories of Harry Stevens more acceptable than those of either Social Credit or the CCF. Stevens, a British Columbia Conservative whom Bennett chose as Minister of Trade and Commerce, was himself a small businessman. He knew that large firms were surviving the Depression by squeezing smaller suppliers and

President Roosevelt's New Deal

The New Deal included many programs to put Americans to work building dams, renewing forests, and erecting public works. New Deal policies raised farmers' incomes, encouraged workers to form unions, and gave many people hope. Some saw it as the hope of America; others hated its reforms. Historians still argue about whether the New Deal actually helped end the Depression in the United States.

A "Bennett buggy". Horses were cheaper to fuel than cars during the lean years of the early thirties. Many farmers removed the engines of their vehicles, hitched a couple of horses to the bumper, and used horsepower. The man in the driver's seat in the photograph is William Lyon Mackenzie King. Why would Mackenzie King want to be seen in a photograph such as this?

retailers. Big companies used their buying power to get lower prices from manufacturers. Small businesses could not get the same low prices and so could not sell for as little as the bigger firms unless they cut wages or lengthened work hours.

Stevens set up a parliamentary committee, then a Royal Commission, to study the situation. Both revealed how badly such famous companies as Eaton's and Simpsons treated employees and suppliers alike. Canadians, though used to the ravages of the Depression, were shocked to hear of the sweat-shop conditions in which women and children worked long hours for meagre wages. Bennett, many of whose other ministers had close connections to big business, forced Stevens to resign. But many Canadians saw Stevens as a hero. In July, 1935, he left the Conservatives and formed the Reconstruction Party, designed to help small businesses and workers.

Still another new approach to the economic woes of the 1930's came from across the border. In 1932, Democratic presidential candidate Franklin Delano Roosevelt swept to power in the White House. As a candidate, he had been anything but a radical. Once in power, however, the new President introduced the policies which he called his "New Deal". The New Deal seemed to accomplish what Bennett's tariffs and other policies could not. Thanks to radio, Canadians were exposed to Roosevelt's ideas when they tuned in to his "fireside chats" with the American people. For the first time, they envied the Americans' political leadership.

Bennett, too, was impressed. With boundless enthusiasm, he had set out to beat the Depression, but failed. The Liberals might portray him as a tyrant, but he was not. The thousands of letters from desperate Canadians which poured into his office affected him deeply. He was in torment when he heard shantytowns called "Bennettburghs", or the horse-drawn cars of those who could not buy fuel called "Bennett



buggies". Bennett had already been an innovator. Now he suggested new reforms, borrowing the "New Deal" slogan to catch attention. On January 3, 1935, Bennett made his intentions known on coast-to-coast radio. "There can be no permanent recovery without reform," he declared, "and, to my mind, reform means government intervention, it means government control and regulation, it means the end of *laissez faire*." That spring, as he had promised, Bennett introduced legislation for unemployment insurance, a minimum wage, maximum hours of work, marketing boards to raise farm prices, and a trade commission to stop the price-fixing discovered by Harry Stevens.

Then Bennett fell ill. Once recovered, he went to England for the silver jubilee of King George V. By the time he returned, Canadians had become convinced that his proposals would never take effect. Critics pointed out that most of the suggested laws were beyond Ottawa's powers. Bennett's new reform image was finally shattered by the 1935 Dominion Day riot in Regina.

CLOSE - UP

Letters to R.B. Bennett

Many Canadians wrote letters to the Prime Minister, R.B. Bennett, during the Depression years. Most described their circumstances or gave their views of the Depression. Knowing that Bennett was a very rich man, some asked for assistance. Bennett saw to it that his secretary answered the letters—and the appeals. Desperate writers often found a \$5 bill inserted in Bennett's reply.

Dear Sir:

I am writing you as a last resource to see if I cannot, through your aid, obtain a position and at last, after a period of more than two years, support myself. . . The fact is: this day I am faced with starvation and I see no possibility of counteracting it or even averting it temporarily.

I have applied for every position that I heard about but there were always so many girls who applied that it was impossible to get work. . . First I ate three very light meals a day; then two and then one. During the past two weeks I have eaten only toast and drunk a cup of tea every other day.

Day after day I pass a delicatessen and the food in the window looks oh, so good! So tempting and I'm so hungry! . . . The stamp which carries this letter to you will represent the last three cents I have in the world, yet before I will stoop to dishonour my family, my character or my God, I will drown myself in the Lake.

Hamilton, Ontario

Dear Mr. Bennett:

I suppose I am silly to write this letter but I haven't anyone else to write to. . . we are just one of many on relief and trying to keep our place without being starved out. . . trying to get a start without any money and 5 children all small. . . I am sure we can make a go of this place. . . if we could just manage until next fall. Just had 70 acres in last year and the dry spell just caught it right along with the grasshoppers.

Please help me by sending me some money and will send you my engagement ring and wedding ring as security. . . My two rings cost over \$100.00 15 years ago but what good are they when the flour is nearly all done and there isn't much to eat in the house. . .

Burton, Alberta

Dear Sir:

I wish to give my opinion of relief. First it is a shame for a strong man to ask for relief in this country. . . The best thing that can happen to a young man is to toss him overboard and compel him to sink or swim, in all my acquaintance I have never known one to drown who was worth saving. . . It takes hardship to make real men and women so cut out relief. . . There are some people in this country who are in hard circumstances, but I can safely say there is no one having the hardship that we pioneers had 28 or 30 years ago.

Blaine Lake, Saskatchewan

QUESTIONS

1. Why did some Canadians write to Bennett to tell him how the Depression affected their lives?
2. Write an answering letter from Bennett for any one of the letters quoted.

Change was in the air in 1935. In that year, Harry Stevens formed his Reconstruction Party. It was also in that year that the Social Credit Party's victory in Alberta wiped out the United Farmers of Alberta. Yet another political change was to come. "King or Chaos" was the Liberal campaign slogan for 1935. With Canadian voters split among the new parties or clinging loyally to the Conservatives, the Liberals needed no more votes than in 1930 to win a lopsided majority: 171 Liberals faced only 39 Conservatives, 17 Social Credit members, and 7 CCF M.P.'s. There were also 11 independents, most of them leaning to the Liberals. Harry Stevens's party won almost as many votes as the CCF, but he was the lone Reconstruction M.P.



A political cartoon showing three federal party leaders in 1935. Were they all really playing the same tune?

The new Liberal government soon showed that it had some ideas of its own. In 1938, it put the Bank of Canada, hitherto privately run, under government control. In contrast, it made the Canadian Radio Broadcasting Commission, which had started out as a government agency, more independent and therefore politically neutral. (Its name was changed at this time to the Canadian Broadcasting Corporation or CBC.) The government also launched Trans-Canada Airlines (now Air Canada).

Prime Minister King inherited an improving economy and Bennett's biggest success—"blasting a way" into U.S. markets. In the months before the election, Bennett had negotiated a partial reciprocity treaty with the United States. King went to Washington to confirm the agreement.

King's years in opposition had not changed his opinions fundamentally. He still wished to see low taxes, a balanced budget, and nothing that would divide Canadians. His answer to unemployment was a National Employment Commission which would cut down on excess government spending. To King's dismay, the Purvis Commission reported that unemployment was a national problem. Ottawa must take responsibility for it, instead of leaving it up to the municipalities and provinces. Moreover, its report urged, the government should pour \$20 million into the economy to create jobs. King, with his old-fashioned economic views, found these suggestions unacceptable, though some of his ablest ministers welcomed them. In the end, the Commission got \$1 million for its policies.

The Purvis Commission's report highlighted a longstanding Canadian problem: the inequality among the nine provinces. How could rich and poor provinces offer their citizens similar levels of service? Could Canadian unity survive the enormous regional differences in wealth, education, and opportunity? Throughout the 1930's, conflict among provinces and between the provinces and Ottawa undermined efforts to cope with the Depression. The creation in 1937 of a Royal



Maurice Duplessis waves to his supporters.

Maurice Duplessis' Padlock Law brought protests from both francophone and anglophone citizens of Québec.

Commission on Dominion-Provincial Relations to investigate the problem infuriated such relatively wealthy provinces as British Columbia and Ontario. Québec, as always, feared for its autonomy. Alberta, whose Social Credit program had angered Ottawa, opposed federal intervention. Furthermore, the courts had ruled in 1936-37 that the federal government did not have the constitutional power to enact Bennett's "New Deal" reforms. The Royal Commission, headed by Newton Rowell and Joseph Sirois, faced enormous difficulties.

Canadians expressed their feelings about the conflict between the provincial and federal governments through the premiers they elected. T. Duff Pattullo of British Columbia, William Aberhart of Alberta, and Mitchell Hepburn of Ontario were all flamboyant figures who defied Ottawa. Their promises of reform gave people hope; their criticism of Ottawa's failure to end the Depression brought satisfaction. In 1936, Maurice Duplessis joined this group of controversial premiers. Though Duplessis was a Conservative, he managed to persuade radical Québec nationalists to join him in the *Union Nationale* Party. Duplessis won the 1936 Québec election from the Liberals, who had been in power for 39 years, by promising to nationalize the privately owned electricity trust headed by Sir Herbert Holt. Once in power, he forgot about the reforms he had promised. Instead, he used his power to focus *Canadien* frustrations against union leaders, communists, and Jehovah's Witnesses. The most controversial of Duplessis' policies was the so-called Padlock Law, which allowed the police to lock any building allegedly used for "communistic" purposes. The law, however, nowhere defined "communistic".

Like Duplessis, once in power, the other provincial premiers tended to forget their radical promises. Instead, they grew less progressive and more authoritarian. The change was in keeping with the spirit of an age in which judges handed down stiff sentences and hungry, frightened people grew intolerant. Mitch Hepburn, who had started political life



as a farmer candidate, now delighted in associating with the rich and powerful. Pattullo told a reporter, "What I say goes in this province." Aberhart proposed forcing Alberta newspapers to publish Social Credit opinions on their front pages. Ottawa, under pressure from bankers and publishers, used its power of disallowance to quash the proposed law. However, it did not interfere with Duplessis' Padlock Law.

In the United States, the "New Deal" had not really cured the Depression. Nor had any of the other new political avenues which Canadians explored during the 1930's. There were ideas that might have helped Canada, but lack of agreement among the provinces and between the provinces and Ottawa seemed to make real change impossible. Meanwhile, Canadians waited and wondered whether the Depression would ever end.

QUESTIONS

1. Why were the policies of William Aberhart and his Social Credit Party popular in the 1930's?
2. (a) How was J.S. Woodsworth able to unify various socialist groups?
(b) What name was given to the resulting new party?
3. (a) What was U.S. President Roosevelt's New Deal?
(b) How did it influence Bennett's approach to ending the Depression in Canada?
4. Why were the leaders of many provinces "infuriated" by the appointment of the Royal Commission on Dominion-Provincial Relations?
5. Why does the text describe Maurice Duplessis as a controversial premier?
6. Did any of the new political solutions of the 1930's cure the Depression? Explain.

Isolationism or Involvement?

After peace had been made in 1919, Canadians tried to forget about war, diplomacy, and the rest of the world. The rewards of the war had been few: a separate signature on the Treaty of Versailles, and a seat in the quarrelsome League of Nations. Its legacy was bitterness and division among Canadians. In the 1920's, the conciliatory policies of Prime Minister King had managed to bring about some agreement between French and English. Still, King and many others feared that another war would divide Canada even more than World War I had.

King saw a way to avoid the possibility that Britain might involve