



Prosperity & Depression

*Grade Nine Social Studies
Chapter 5 - Mr. Stephen Pimsent - Crescent Collegiate*

5.1 Prosperity in the 1920's

- ◆ When the First World War ended, many Canadians hoped that life would return to normal.
- ◆ This did not happen. When the economy switched from war time, to peace time, Europe's demands for goods dropped and a temporary slump in the economy occurred.
- ◆ The greatest effected by this slump was in the Maritimes and the Prairies when sales of fish and wheat declined.

A Buoyant Economy for Some

- ◆ By 1923 Central Canada, B.C. and the Prairies had begun to recover from the economic slump and entered a period of growth.
- ◆ Agriculture and mining both increased, as did forestry and the pulp and paper industries, as well Ford, General Motors, and General Electric all built factories in Canada to avoid tariffs (taxes) on imports.
- ◆ Changing technologies also spurred economic growth.

- ◆ The use of electricity, and gas powered machinery increased production in the work place.
- ◆ As well the introduction of the assembly line, or row of workers and machines along which work is passed until the final product is made greatly increased the number of products that could be made.

A Stalled Economy for Others

- ◆ The economic boom of the 1920's did not reach the Maritimes.
- ◆ Shipbuilding, a long time mainstay (grade 8 S.S.) began to decline in the years before the First World War.
- ◆ Increased railway freight rates, meant that it was more expensive to ship and receive materials in the maritimes - this made items more expensive, and discouraged factories and manufacturing in this region.

- ◆ Between 1920 & 1926 these areas lost 42% of its manufacturing jobs.
- ◆ Hydroelectricity was slow to develop in this region as well. The lack of electricity meant that industries could not take advantage of new technologies.
- ◆ Raised tariffs on fish and farm products in the U.S. also hurt these staple maritime industries.

The Economy of Newfoundland

- ◆ During this time Newfoundland was still an independent colony with the British Commonwealth.
- ◆ Its economy during the 1920's was similar to that of the Maritimes.
- ◆ There was expansion in the forestry industries and mining (Ch. 7 - 8 S.S.)
- ◆ Over half the labour force still worked in the fishery, and profits varied greatly from year to year. (Ch 3 - 8 S.S.)

- ◆ Because the investors in the paper, forestry, and mining industries mainly came from outside of Newfoundland, very little profit was invested back into the economy.
- ◆ Through the 1920's the price of fish and newsprint declined and the government faced increasing debt due to the First World war and the construction of the railway.
- ◆ As the 1920's ended Newfoundland's economy was very fragile.

5.2 Lifestyle & Technology

- ◆ The 1920's are often referred to as the Roaring Twenties because of the good times and social freedoms of the decade. New technology and inventions began to make life a lot easier.

The Haves

- ◆ Economic prosperity brought about many changes. Wages increased, workers had more money, and the “instalment plan” was introduced for those without money or patience.
- ◆ For the first time large numbers of people could buy on credit.
- ◆ People believed that the good times were here to stay, and few had worries about going into debt.

- ◆ Cars topped many people’s wish lists.
- ◆ In 1923 a new Ford cost \$440 (\$5730 in today’s money)
- ◆ Cars often could not be afforded, so loans were taken out. Cars made travel easier, and people in the country could now easily come to the city to shop.
- ◆ Telephones started to become popular in this decade.
- ◆ Newly developed appliances were now in great demand. Monthly payments, and layaway plans made these attainable.

5.2: The Have Nots

- ◆ Not all Canadians benefited from the prosperity of the 1920’s.
- ◆ The “working poor” did not benefit from the economic boom.
- ◆ In many rural areas people still relied on bartering with storekeepers for basic necessities.
- ◆ Poor working families struggled with day to day existence.

- ◆ Many African Canadians and Asians of Canadian descent found themselves among the working poor.
- ◆ Conditions for women at this time were very different.
- ◆ Most girls left school by grade 8.
- ◆ They were expected to become wives and mothers and had to leave the workforce when they married.

- ◆ Conditions for children had been improved by child labour laws.
- ◆ By 1929 child labour laws prevented children under 14 from working in factories and mines in most provinces.
- ◆ The First Nation, Inuit, and Metis, peoples of Canada saw little benefit from the economic growth.
- ◆ First Nations people had been relocated to areas that often had poor land and few economic resources. Life in these communities was very difficult.
