



Canada was hit hard by the Great Depression. The international Great Depression, which began in the United States in late 1929, reached Canada. Between 1929 and 1939, the gross national product fell by 40% (compared to 37% in the US). Unemployment reached 27% at the depth of the Depression in 1933. Many companies closed as the Corporation's \$398 million profit in 1929 turned into a \$98 million loss as prices fell. Farmers on the Prairies were particularly hard hit by the collapse in wheat prices. Despite the emergence of numerous radical parties, the government was run by the main parties. The depression ended in 1939 when world war II began.





## Impact.

The economy of Canada at this time was just beginning to shift from primary industry (agriculture, fishing, mining, and registration) to manufacturing. Raw material exports plunged, and employment, prices, and profits fell in every sector. Canada was the hardest hit because of its economic situation. This was further affected as its main trading partners were the UK and the US, both of which were terribly affected by the international depression. One area not affected was the flight of the Bush, which, thanks to the boom in mining and exploration, continued to flourish during this period. Despite this, most of the Bush flying companies lost money, which was affected by the government's cancellation of airmail contracts in 1931-2.



## Unemployment

Urban unemployment nationally was 19%; Toronto's rate was 17%, according to the 1931 census. Farmers who stayed on their farms were not considered unemployed. By 1933, 30% of the labor force was inactive, and one-fifth of the population became dependent on government support. Wages have fallen as well as prices. In some areas, such as mining and rumbling areas, the decline was much worse.

## Recovery

The Canadian recovery from the Great Depression continued slowly. Economists Pedro Amaral and James McGee find that the Canadian recovery has important differences with the United States. In American productivity, recovered quickly, while the labor force remained depressed for a decade. In Canadian employment, quickly recovered, but productivity remained well below trend. Amaral and McGee suggest that this decline is due to a long decline in international trade during the 1930s. In the middle of the Great Depression, the Crown in Council tried to raise people and created two national corporations: the Canadian Radio Broadcasting Commission (CRBC) and the Bank of Canada. The former, established in 1932, was seen as a means to keep the country united and uplifted in these harsh economic times. Many poor citizens found radio as a salvation and used it to restore their own faith in a brighter future. Broadcasting coast to coast primarily in English, with some French primarily in Quebec, CRBC played a vital role in continuing morale for Canadians everywhere. The latter was used to regulate currency and credit, which was horribly managed among Canadian citizens in previous years. It was also set up to serve as a private banker's bank and help and advise the Canadian government on its own debts and financial matters.





**The liberals are coming back.**

**The onset of the Depression led to a Liberal defeat in the 1930 election.**



The Bank has played an important role to help regulate government spending in the right direction. The Bank's effort took place during the harsh years of the depression and on the prosperity that followed in and after world war II. Both of these corporations, as noted as shifts by the Canadian government, helped get the economy back on track. 1937 was an important year in the recovery from the great Depression. The Bank of Canada was nationalized that year, and the Canadian Radio Broadcasting Commission (CRBC) became the Canadian Broadcasting Company (CBC) in the same year. Both corporations were successful contributors to the cultural and financial recovery of the Canadian economy during the great Depression.



It took the sudden start of world war II to pull Canada out of the depression. Since 1939, increased demand in Europe for materials and increased spending by the Canadian government have created a strong boost for the economy. Unemployed men joined the armed forces. By 1939, Canada was in its first period of prosperity in the business cycle in a decade. This coincided with a recovery in the US economy, which has created a better market for exports and a new influx of capital that is much needed.



**Thank you for  
your attention.**