Economic Cycles and the Labour Movement in Canada

Socials 11 Exam Review
The Economic Cycle

Diagram showing the economic cycle with phases of peak, trough, recession, recovery, and growth.
Figure 1: Time Stages of the Business Cycle
Recession

- A slow down in economic activity.
- GDP (Gross Domestic Product) and income levels fall.
- Unemployment rises.
Depression

• A very long and severe recession

• Great Depression lasted 10 years (1929-1939) and unemployment reached 27% in Canada.
Recovery and Prosperity

- **Recovery:** A period in which the economy regains or exceeds levels of performance before a recession.

- **Prosperity:** Economy is doing well. High levels of economic activity, economic growth, low unemployment.
Deficit

• Every year the government makes a budget for how much money they will earn (revenue) and how much they will spend (expenditures).

• If they spend more than they earn, they are considered to have a deficit that year.

• The deficit is the difference between what they spent and what they earned.

• Governments try to avoid budget deficits as it can lead debt to pile up.
Inflation

• A sustained increase in the price of goods and services. Everything starts to cost more and more.

• The currency (money) becomes less valuable because you need a lot more to buy something.

• It is normal to have some gradual inflation every year. That’s why everything costs more today than it did in 1950.

• Sometimes inflation can get out of control and cause the economy to suffer greatly. Ex: Germany before WW2.
Example of Inflation

- Bread in 1952: 12 cents
- Bread today: $3.00
Supply and Demand

- Economic theory
- The price of a good is determined by the supply (how much is produced) and the demand (how much consumers want to buy).
- When supply = demand then there is "economic equilibrium."
- If there is too much supply, the price will fall.
- If there is too much demand, the price will be too high.
Great Depression

- Unemployment
- Government Intervention
- Protest Parties
- Soup Kitchens
- Origins of Social Welfare State
Canadian Labour Movement

- During the 1920s in Canada, large numbers of workers began to demand better working conditions and wages.

- There were many strikes: When workers refuse to work and protest for better conditions.
In the Maritime Provinces (1920s)

- Many coal and steel factories closed after WW1.
- Some communities depended on just one factory.
- Workers lost jobs or were forced to accept worse conditions and wages.
- Labour wars: 4 years of long strikes, some violent
- Company brought called in police and army to break up strikes.
One Big Union

- At the Western Labour Conference in 1919, union leaders joined together to form a union that would represent all Canadian workers.

- Western Labour Movement leaders had more socialist and communist views: believed ordinary people should have a greater say in government and distribution of wealth.
Winnipeg General Strike

- May 1919: Metal and building workers went on strike.
- Demanded better wages, shorter work week, and collective bargaining (right of union leaders to negotiate with employers on workers’ behalf)
- General strike: people from all different sectors went on strike: firefighters, postal workers, newspapers, streetcars, food deliveries.
- Winnipeg was paralyzed without these services.
Winnipeg General Strike

- Mayor of Winnipeg: Appointed special police, fired city workers, had leaders of strike arrested.

- Federal government: Amended Immigration Act so they could deport foreign-born union leaders.

- Bloody Saturday: Strikers held a parade to protest the mayor’s actions. It turned violent when police charged into the crowd. Many injured and arrested.

- Strikers returned to work after 43 days.
Results

• Short-term: Arrested leaders served time in prison, workers were not rehired, distrust between working class and employers grew.

• Long-term: Over time many of their demands were achieved. Some leaders turned to politics. Example: J.S. Woodsworth who was arrested during the strike founded the party that would later become the NDP.
On-to-Ottawa Trek

- During the Great Depression the government set up work camps
- Examples of work included: building roads, clearing land, digging ditches
- Conditions were terrible: bad food, bug-infested beds
- In 1935 over one thousand men left camps in BC to protest conditions. They decided to take their complaints to Ottawa.
Work Camp Conditions
• They rode trains and picked up protesters on their way.

• When they got to Regina, RCMP held them in a large stadium and only leaders could go to Ottawa to meet with PM Bennett.

• Bennett called them troublemakers and radicals, and didn’t listen to their demands.
• When the RCMP ordered people to leave the stadium in Regina, there was a huge riot and people were injured, killed, and arrested.
Cooperative Commonwealth Federation (CCF)

- A political party formed to represent the rights of framers and labourers.
- Forerunner to today’s NDP.
- Was started with by socialists with aim to end capitalism and put in place a socialist economy.
- Although didn’t win many seats, was influential on ideas like public health care, Old Age pensions, unemployment insurance.
CCF poster
The platform of the CCF, developed in 1935.

Public ownership of key industries.

Social programs to assist people in need: elderly, unemployed, homeless, sick.

Government should spend money on public works to create employment.
Workers’ Rights Today

- Today there are many laws that protect worker’s rights
- Employment standards in each province govern things like:
  - Hours of work and overtime
  - Minimum wage
  - Vacation time
  - Meal breaks
  - Holiday pay
  - Safety standards
There are many unions which protect the rights of workers:

- Teachers and University professors
- Nurses and hospital workers
- Pilots
- Government workers
- Postal workers

If employers and unions cannot agree, sometimes there is a strike.
Analyze Political Cartoons

- captioning: a sentence or phrase that is the title for the cartoon.
- labelling: words in the drawing to identify people, ideas, or objects.
- relative size: figures are drawn much larger or smaller than others to make a point or statement.
- shading (light and dark): use of white space and dark shading to create an effect.
Analyze Political Cartoons

- composition: the arrangement or location of figures or objects in the cartoon
- signs and symbolism: a sign such as a facial expression, gesture, or body position, and symbols, an object used to represent something else
- caricature: a distorted, oversimplified, or exaggerated stereotype used to represent something else.
YOU'RE A LOUSY COMMIE, AREN'T YOU?

NO

THEN YOU'RE A FASCIST!

NO

ANARCHIST!

NO

WHAT THE HELL ARE YOU THEN?!

HUNGRY
Amicable Advances!
NEW ARRIVAL: "I WANT IN, TOO!"

Saturday Night, Toronto, 16 October 1943

James Allen
THE DYNAMITERS

WAGE CUTS