

Why were many investors buying stock “on margin” in the late 1920’s	<ul style="list-style-type: none"> -Canadian companies profitable : issuing stock to value of 700 million -assumed prices of stock would continue to increase as they had in the past 10 years -loans were easy to obtain
What is ‘on margin’	purchased shares with only 10% down
What drove the price of stocks up beyond their real value?	<ul style="list-style-type: none"> -loans were easy to obtain -everyone was buying which drove the prices up
What brought about the end of the Canada’s economic boom in 1929?	<ul style="list-style-type: none"> -some cautious investors started selling to cash in on high profits -when others followed suit, led to panic as prices dropped -New York, Montreal and Toronto stock markets collapsed on October 29, 1929
What did the collapse of the stock market mark the beginning of?	Depression (a period of severe economic and social hardship, massive unemployment, and terrible suffering)
Why were the effects of the collapse devastating?	<ul style="list-style-type: none"> -investors who borrowed heavily went bankrupt in a single day -contributed to the severity of the depression (DID NOT CAUSE IT)
What were the reasons for the depression?	<ul style="list-style-type: none"> -overproduction (more goods produced than were being sold) -this led to decreased production with resulting layoffs, less income and spending for families) -tariffs imposed on exported goods reduced export opportunities -Germany’s inability to meet financial obligations under the peace agreement of 1919
What was the major weakness in the Canadian economy?	<ul style="list-style-type: none"> -dependency on the export of primary resources (wheat and newsprint) made Canada vulnerable to the changes in world markets -close ties to US economy meant that when US “crashed” Canada’s economy did too

What was the chain of events that occurred when international markets reduced their demand for Canada's products?	<ul style="list-style-type: none"> -people lost their job in the export industries -reduced buying power, stopped buying factory goods -factory workers lost jobs because reduced demand for these products -millions now out of work
How did the Canadians manage without jobs?	<ul style="list-style-type: none"> -loss of job meant loss of respect -many existed on "pogey"
What was "pogey"?	-government relief payments given to those who had no other source of income
What was it like to ask for "pogey"?	<p>Humiliating experience:</p> <ul style="list-style-type: none"> -people had to wait in line for hours -publicly declare their financial failure -swear they had nothing of value -prove they were being evicted from home
What did they receive if on 'pogey'?	-vouchers that could be used to buy food (but there was never enough to cover expenses)
What other help was available for the desperate?	<ul style="list-style-type: none"> -private charities provided used clothing and soup kitchens -many couldn't bear hardship
What did the young, homeless and homeless men do?	-Travelled (by hopping on freight trains) from one place to another looking for non-existent work
Why was the Depression particularly severe in the prairie provinces?	<ul style="list-style-type: none"> -Collapse of the wheat market -Disastrous drought and windstorms that from 1928 for 8 years -Plague of grasshoppers
What did the federal government do for the farmers?	-Passed the Prairie Farm rehabilitation Administration Act which helped build irrigation systems and reservoirs but many had already left their farms
Which group suffered greatly?	-Aboriginal, Chinese and other immigrants, Jews, women (blamed working women for the depression)

What did the government do for immigrants	-Deported 10 thousand immigrants in the first ½ of the depression -In 1931 put a complete stop to immigration
What was the Prime Minister Mackenzie King's response to the Depression crisis?	-said it was the responsibility of provincial governments -consequently lost the election to R.B. Bennett
What did R.B. Bennett do?	-gave provinces 20 million to create work but didn't improve economy -tried to use tariffs: raised them by 50% to protect Canadian industries
What was the world's response to Canada's tariffs?	-Other nations erected trade barriers against Canada -made situation in Canada worse and Prime minister became a target for frustration (newspaper called a Bennett blanket)
Why did the government ban the communist party?	-worried that the jobless, homeless drifters would come under the Communist party influence
What were work camps?	-Make work projects for unemployed single men -earned 20 cents per day building roads, digging ditches living in horrible conditions
What was the On to Ottawa Trek?	-1000 BC men protesting camp conditions with the support of their Union (the Relief Camp Workers Union) -travelled in freight cars collecting more and more supporters -RCMP in Regina stopped the protesters from going to Ottawa: only allowed the leaders to go there - trek was unsuccessful resulting in violence, and arrests
What is "laissez-faire" policy	-government involvement in the economy kept to a minimum
What is a competitive state?	-role of government is to create an atmosphere of healthy competition for

	businesses
What is a mixed economy?	-role of government is to provide a certain level of social services yet to be not intrusive in planning and running country
Where did some Canadians look to for solutions to coping with the Depression?	-alternative political parties such as the CCF and Social Credit
Who did the CCF (Cooperative commonwealth Federation) appeal to?	-wide range of Canadians (anyone who didn't agree with the current government): farmers, labourers, socialist, intellectuals discontented Liberals
Who was the CCF leader?	JS Woodsworth
What policies did the CCF support?	-public ownership of key industries -social programs to assist people in need of money (ie elderly and unemployed) -spend money on public works to create employment
Which political party was the CCF the forerunner for?	The New Democratic party (NDP)
Why was the Social Credit party so popular in Alberta?	-Depression had devastated their economy -they resented the power and control of the banks in Central Canada
What was social credit theory based on?	-the belief that capitalism was a wasteful economic system because banks hoarded money -felt that government should release money into economy so that people could spend it
Who led the Social credit party?	William Aberhart won a landslide victory in the 1935 Alberta election
What did "Bible Bill" Aberhart promise Albertans?	-promised each citizen 25\$ a month to buy necessities -was challenged by the Federal government and disallowed by the Supreme court
How long did the Social Credit Party remain in power?	-until 1971 (36 years)
How did many voters express their dissatisfaction with government inaction	-by voting out ruling provincial parties in Ontario, Quebec, and BC

during the Depression?	-becoming frustrated with RB Bennett and returning Mackenzie King to power
What did Mackenzie King do about the state of unemployment?	-set up a Royal commission in 1936 who recommended that the government spend millions of dollars in job creation and training -King would only spend a fraction of the recommended amount
What did the employment crisis do to the federal provincial relationship?	-created a great deal of tension because of disagreements over which had the right to collect taxes and which should pay for social and employment assistance
What did the Royal Commission that King appointed recommend?	-federal government have more control over taxation -federal government give the poorer provinces grants -federal government be responsible for unemployment insurance and pension
What are equalization payments ?	-grants of money given to poorer provinces to ensure that all citizens receive the same services
Why were these recommendations not implemented until many years later?	-wealthy provinces did not like equalization payments -provinces felt that they would lose provincial power -the economy had started to turn around
What distractions from despair did Canadians have?	-entertainment such as movies, magazines and radio -birth of Dionne quintuplets -Grey Owl (really British not native) wrote books and made movies
What were European countries experiencing during the time of the Depression?	-social and political upheaval:-high unemployment, scarce food and lawlessness
How did people become divided as to possible solutions?	-some felt needed communism -some believed in strong military not public ownership
What solution was the result?	-the rise of leaders who became powerful

	dictators who suppressed all opposition and dissention
What happened when Stalin took over from Lenin as the leader of the communist party in the Soviet Union?	-his agricultural and economic polices caused the death of millions of workers -he created a totalitarian state
What is a totalitarian state ?	-dictator run state where every aspect of people's live are controlled by the Communist party
Who came to power in Italy in 1922?	Benito Mussolini or Il Duce who created a Fascist government
What are the features of a Fascist government?	-are opposed to democracy -extremely nationalistic -rely on military and police power to maintain control -control all media and use propaganda
What was the most powerful fascist party?	Nazi Party or German Nationalist Socialist Party led by Adolf Hitler
How was Germany managing after WW1?	-increasingly unhappy with the terms of the peace agreement -resented the war guilt clause -spiralling inflation because printing more money -collapsing world markets affected Germany more than most countries
How did Hitler gain support in Germany?	-by criticizing the weak German government and the humiliating terms of the Treaty of Versailles -claiming he had solutions to bring Germany out of the Depression and make it great again
What did Hitler do once he won control of the German parliament in 193?	-stopped all reparation payments -started a massive expansion of armed forces -subsidized farmers to rebuild farms -built public projects such as Autobahn -abolished all other political parties in the country -banned trade unions

What was the result of Hitler's economic efforts?	Unemployment decreased and economy started to improve
What is the autobahn ?	Network of high speed freeways running across the country
How did Stalin, Mussolini and Hitler rule their countries?	With fear and intimidation
How was the Nazi party racist?	-believed German people were a "master race of Aryans" -all non-Aryans (Jews, Gypsies Slavs were considered to be inferior -mental and physical disabilities were despised and prosecuted -Communists and homosexuals also targeted
Who are Aryans ?	-Supposedly pure race of northern Europeans
What did Japan do to China in 1931?	-invaded Manchuria to acquire needed resources -. China appealed to the League of Nations but they had no clout and Japan withdrew from the League
Who did Italy attack in 1935?	Abyssinia (Ethiopia) to create empire for Mussolini
What was the response by the League of Nations?	-immediate trade sanction except for oil which Italy needed to import. -Oil not included because France and Great Britain didn't want to punish Italy in case they needed Italy's support against Germany
What offensive moves did Germany take in 1936?	-invaded the Rhineland (along Germany's western border that was demilitarized by the Treaty of Versailles.
What offensive occurred in Spain by the Fascist Franco?	-started a civil war -won with military support from Hitler and Mussolini

What was the world's response to the above offensive actions?	<ul style="list-style-type: none"> -democratic governments chose not to get involved -some socialist supporters went to Spain to fight Fascism -western democracies adopted a policy of appeasement
What is appeasement?	Concessions made to Hitler in the 1930's to avoid war and maintain peace
What was the effect of the policy of appeasement?	<ul style="list-style-type: none"> -made Hitler bolder and stronger -Hitler then took over Austria, and demanded Sudetenland (part of Czechoslovakia)
What did the France and Britain say in response to Hitler's demands?	-agreed because Hitler promised it would be his last territorial claim
What was Hitler's next invasive moves?	Invaded the rest of Czechoslovakia , followed by Poland
Why did Hitler have to be cautious about invading Poland?	The soviet Union could consider the invasion as a threat to it's own security
How did Hitler solve this problem?	<ul style="list-style-type: none"> -made a non-aggression pact with Soviet Union -agreed to divide Poland between them
What were the terms of the non-aggression pact?	-agreed not to fight each other if one of them went to war
What was the response of the world	<ul style="list-style-type: none"> -stunned, shocked -France and Britain ordered Germany out of Poland -Germany refused and Britain and France declared war
What was Canada's response to the events in rest of world?	<ul style="list-style-type: none"> -remained isolationists -some felt Treaty of Versailles was too harsh - others adopted a pacifist position when they remembered deaths from WW1
What were isolationists?	-individuals uninterested in affairs outside their borders

What reason was given for Canada not accepting Jewish refugees?	-because Canada has an unemployment problem -Canada did not want to become involved in an international problem
What was the outcome of Canada not accepting German Jewish refugees aboard the St. Louis?	The ship was forced to return to Europe and many died in concentration camps