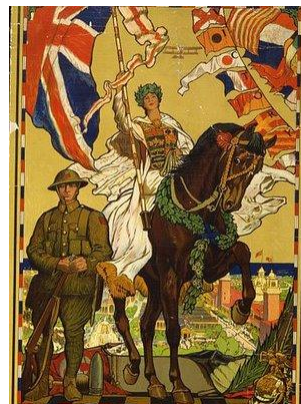


## Chapter 5 Prosperity and Depression

### Unit 3

## PROSPERITY IN THE 1920'S

- The war is over!





- 1920's were years of economic growth and prosperity, newly developed technologies became an everyday part of life. The events of the 1920's led to the Great Depression of the 1930's.





Invented in 1920 the original Sat-Nav wristwatch relied instead on good old fashioned paper maps wound around wooden rollers. It was intended to allow drivers to navigate around the UK, but with so few cars on the roads the invention never really took off





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- The First World War ended in 1918, the economy had to switch from a war time economy to a peacetime economy.
  - During the war many Canadian products were in high demand in Europe. These included things like food, and manufactured goods, especially weapons and ammunition.
  - When the war ended demands for Canadian goods decreased, creating a slump in the economy (this was greatest in the Maritime and Prairies when sales of fish and wheat declined).
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- During the war Canada produced mostly war goods so the prices of everyday goods were driven up. Wages did not keep the pace with prices and many workers found that they could not afford to buy the things they needed.
  - This lowered sales and further hurt the economy, and many returning soldiers were unable to find work.

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- By 1923 Central Canada, British Columbia, and the Prairies had begun to recover from the slump. Agricultural production increased, especially in the Prairies, because wheat had become in demand once again. Mining activity increased, particularly in British Columbia, Manitoba, and Central Canada.
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- Trade with the United States increased during the 1920's, driven by the demand for pulp and paper producing regions.
  - U.S. manufacturers such as Ford, General Motors, and General Electric built factories, called **branch plants**, in Canada to avoid the **tariff**, or tax on products imported to Canada

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- By the 1920's electricity was in widespread use, although it was not available to large numbers of Canadians outside of urban areas.
  - The use of electricity and gas-powered machinery increased productivity in the work place.
  - The introduction of the **assembly line**, a row of workers and machines in which work is passed until the final product is made, greatly increased the number of products that could be made.
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- New inventions for the home (such as the electric range, invented in Canada) expanded manufacturing and retail. As the decade progressed employment increased and more workers could afford to buy the new products. A consumer society intent on purchasing all the latest devices, was coming to life.




## Complete the following


1. How would the assembly line and mass production increase profits for a company?
2. What impact would greater trade with the United States in the 1920's have had on Canadian identity?




## A Stalled Economy for Others

- The Maritimes and Newfoundland and Labrador did not get the boom of the 1920's that the rest of Canada had. This was because shipbuilding had begun to decline even before the First World War and had not been replaced by another industry.

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- Ports in Saint John and Halifax could not modernize quickly enough to compete with Montreal.
  - Other federal policies after the First World War also harmed those regions economies. Freight rates were higher because industries in the Maritimes and Newfoundland were located further from their markets than the rest of Canada and the U.S. Manufacturers were forced to increase prices making their products a lot less desirable.
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- Hydroelectricity was slower to develop in the Maritimes than in Central Canada because less money was available to invest in it. The lack of electrical power meant industries could not take advantage of the new technologies. As a result, **secondary industries**, such as pulp and paper, were much slower to develop.

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- **Primary industries**, such as fishing, farming, mining, and forestry were the main source of employment in the Maritimes. These industries also faced problems because the U.S. raised tariffs on these products. The coal industry also saw ups and downs as many manufacturers began to prefer oil and electricity for their power.
  - Maritimers promoted the idea of a Maritime union that resulted in a report that recommended lower freight rates for the Maritimes.
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