

Responses to the Great Depression Jigsaw Canada Fact Sheet

Directions: Study the following information about Canada's response to the effects of the Great Depression. After you have read over this individually, you will have the opportunity to work in an expert group to discuss the effects of the Great Depression on Canada and how the nation was challenged. Afterward you will be responsible for teaching another group about Canada's responses to the effects of the Great Depression. Your group will take notes on the Jigsaw Organizer. Your teacher may assign you to do additional research on Canadian responses to the Great Depression.



[1]



Caption: Unemployed men hop train, Canada [2]

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Caption: Soup Kitchen during the Great Depression [3]

As you study the information below think about the following question:

1. What was Canada's response to the effects of the Great Depression?

"The interests of the people are the interests of labor, and the interests of labor are the interests of the people."

Congress of Industrial Organizations, 1938 slogan

In the years between 1919 and 1929, Canada had the world's fastest growing economy. The 1920s were an especially successful period of growth, with living standards improving remarkably. Then, suddenly, in the 1930s, the economy took a severe turn for the worse.

As an export-dependent nation, Canada was hit hard by the Great Depression. Many businesses closed, as corporate profits of \$398 million in 1929 turned into losses of \$98 million in 1933. Canadian exports shrank by 50% from 1929 to 1933. Worst hit were areas dependent on primary industries such as farming, mining, and logging, as prices fell and there were few alternative jobs. The wheat industry collapsed. Families saw most or all of their assets disappear, and their debts became heavier as prices fell.

The causes of the recession in Canada mirror the causes in countries all over the world.

- Due to the dependency Canada had on the U.S., when an economic depression hit the United States, Canada was thrust into one as well.
- The population of Canada started to panic when they saw their stocks decrease in value and went to withdraw their money. The banks had no money left to give.
- The Canadian people bought too much on lease and credit, including stocks. Therefore, when the stock market crashed (partly due to the credit buying), Canadians were in debt and faced a trying time as they attempted to sell their

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personal belongings, which in many cases led to repossessions of partly paid-for purchases.

- The Prairies were hit extremely hard by several years of drought starting in the summer of 1930. Dust storms swept across the prairies, making it impossible for farmers to grow the quantities of wheat they needed to provide for the markets. The wheat that survived the dust storms could not grow tall and healthy due to a lack of rain. Thus, since the farmers had frequently bought their seed and machinery by using credit, when they couldn't pay off their debts, the farmers were often bankrupted.
- The decreased world demand for natural resources created a significant drop in Canadian sales, leading to an economic depression.
- Canadian companies expanded their industries so they could generate more profits, but economic activity shrank, and companies were left exposed with heavier debts and a lack of cash flow.
- Canada's efforts to get out of a recession by raising export tariffs backfired due to competition from other countries and Canada's lack of variety in its exports.

By 1932, Canadian industrial production fell to 58% of the 1929 level, which was the second lowest level in the world (after the United States). The GDP fell by 33% between 1929 and 1933. Between 1929 and 1939, the gross national product dropped 40% (compared to 37% in the US). The total national income fell to 56%. Unemployment reached 27% in 1933.

In the 1930s, the Canadian government also placed severe restrictions on immigration as a response to the Great Depression. Union activity galvanized Canadian autoworkers into a new social and political force in the country and led to a nationwide political shift to the left.

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Responses to the Great Depression Jigsaw Chile Fact Sheet

Directions: Study the following information about Chile's response to the effects of the Great Depression. After you have read over this individually, you will have the opportunity to work in an expert group to discuss the effects of the Great Depression on Chile and how the nation was challenged. Afterward you will be responsible for teaching another group about Chile's responses to the effects of the Great Depression. Your group will take notes on the Jigsaw Organizer. Your teacher may assign you to do additional research on Chilean responses to the Great Depression.



[1]

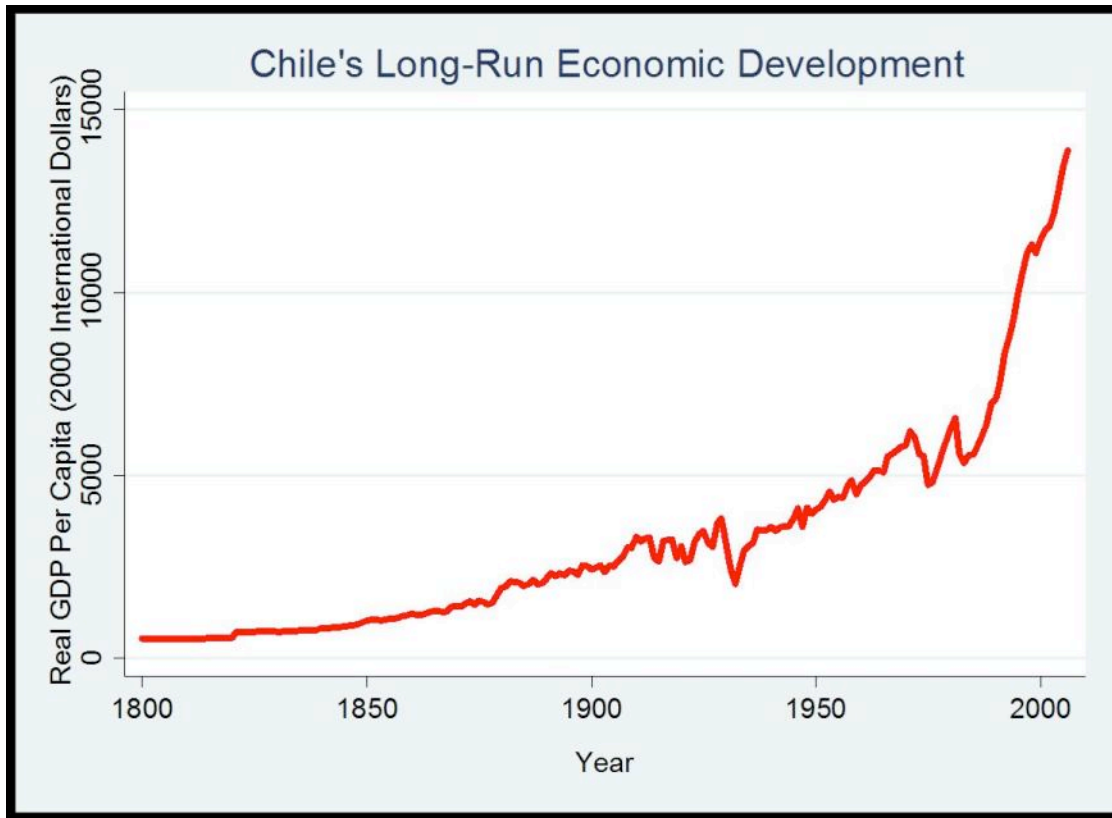
TABLE 1
CHILE: GDP, EXPORTS AND TARIFFS, 1928-1940
(1926=100)

	GDP	Total Exports	Nitrate	Copper
1928-1929	124	134	136	187
1930	106	93	96	122
1931	84	69	40	80
1932	71	26	17	33
1933	87	38	15	57
1934	105	63	22	95
1935	111	60	32	91
1936	117	71	32	106
1937	133	112	36	223
1938-1940	138	89	42	176

Source: based on Díaz, Lüders, Wagner (2003).

[2]

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[3]

As you study the information below think about the following question:

1. What was Chile's response to the effects of the Great Depression?

Chile first started to suffer the effects of the Great Depression in 1930 when the GDP dropped by 14%. An export-dependent country especially dependent on mining, Chile suffered as mining income declined 27% and overall exports fell by nearly 30%. The GDP dropped to levels less than 50% of 1929 levels by 1932. Businesses failed in large numbers, and unemployment soared.

The League of Nations named Chile one of the hardest hit nations in the world because 80% of government revenue depended on mining and the export of copper and nitrates, which were in low demand during the worldwide recession.

Seeking to insulate the Chilean economy from future external shocks, leaders implemented policies to develop local industries. The government managed six years of austerity measures that eventually re-established the country's credit. The Chilean officials elected between 1935 and 1938 were elected on platforms of promoting the country's economic growth through strong government involvement or intervention. These officials were also typically left-of-center.

The Chilean economy started to recover in 1938, but the country also suffered an enormous earthquake in 1939. The Production Development Corporation (PDC) was created by the

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government to promote industrialization in the country to generate import substitution products internally. The PDC subsidized local industries and also invested in these businesses directly. This kind of protectionism became a central component of the Chilean government's ongoing economic policy.

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Responses to the Great Depression Jigsaw Japan Fact Sheet

Directions: Study the following information about Japan's response to the effects of the Great Depression. After you have read over this individually, you will have the opportunity to work in an expert group to discuss the effects of the Great Depression on Japan and how the nation was challenged. Afterward you will be responsible for teaching another group about Japan's responses to the effects of the Great Depression. Your group will take notes on the Jigsaw Organizer. Your teacher may assign you to do additional research on Japanese responses to the Great Depression.



[1]



Caption: Bank run during the financial crisis [2]

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As you study the information below think about the following question:

1. What was Japan's response to the effects of the Great Depression?

"The global depression of the 1930s ushered in a period of protectionism that significantly affected the Japanese economy. During this period more than forty countries raised tariffs on Japanese goods Most affected were the growers, processors and labourers involved in Japan's silk industry as demand for silk stockings, seen as a luxury good in a time of hardship, almost completely collapsed. This decline in demand coincided with a rise in competition from rayon and other substitute textiles. Also harshly affected was the price of cotton and rice, both Japanese staples. . ."

James Graham
May 2004

Source: *HistoryOrb.com*: Graham, James, 'Japan's Economic Expansion into Manchuria and China in World War Two, *www.HistoryOrb.com*, online, 2004, available at:
http://www.historyorb.com/asia/japan_economic_expansion.shtml (May 2004)

Although the Great Depression began for Japan in 1929, the country was not severely affected. The Japanese economy shrank only 8% between 1929 and 1931. China and the United States imposed tariffs on Japanese exports, which contributed to a 50% decline in Japanese exports.

At this time in history, textiles were a major export for Japan, and Japanese textiles – at the lower prices with the Japanese currency devalued -- began to replace British in export markets. In fact, industrial production doubled in the 1930s, and, by 1940, heavy industry overtook light industry (like textiles) in Japan.

Japanese recovery from the Great Depression started in 1931. The government policy decisions that helped the country to navigate the difficulties of recession included leaving the gold standard and devaluing currency in 1931. The Japanese Finance Minister at the time, Takahashi Korekiyo, also implemented an especially effective fiscal stimulus involving deficit spending. The deficit spending went toward munitions for the armed forces. The rearmament program in Japan led to quick economic recovery. Japan, like most other countries, also increased tariffs on imported goods.

Japan was out of recession by 1933. In 1934, Korekiyo moved to reduce arms spending, fearful that the economy was in danger. Militant nationalists moved against this decision and military dominance followed Korekiyo's assassination. The newly empowered Japanese military government introduced price controls and rationing schemes to reduce, but not eliminate inflation.

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Responses to the Great Depression Jigsaw New Zealand Fact Sheet

Directions: Study the following information about New Zealand's response to the effects of the Great Depression. After you have read over this individually, you will have the opportunity to work in an expert group to discuss the effects of the Great Depression on New Zealand and how the nation was challenged. Afterward you will be responsible for teaching another group about New Zealand's responses to the effects of the Great Depression. Your group will take notes on the Jigsaw Organizer. Your teacher may assign you to do additional research on New Zealand's responses to the Great Depression.



[1]



Caption: Lunch at the soup kitchen of the Salvation Army Men's Shelter, Buckle Street, Wellington, New Zealand, 1931; Photographer unknown, courtesy of the Salvation Army Archives, Wellington, New Zealand. [2]

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Caption: A room full of shoes to be given to the wives of unemployed men during the Great Depression, 1930; Photographer unknown, courtesy of Alexander Turnbull Library, Wellington, New Zealand (PAColl-6304-33). [3]

As you study the information below think about the following question:

1. What was New Zealand's response to the effects of the Great Depression?

"Surely never before has a new year dawned under such a universal cloud of fear, uncertainty, and want." -- H. J. Kelliher, Businessman, 1935

Like most other countries, New Zealand was hard hit by the Great Depression of the 1930s, which affected the country via its international trade. New Zealand was vulnerable because it depended on Great Britain buying its agricultural exports. As export earnings plummeted, farmers stopped spending – with drastic effects. Farming export drops affected the money supply, consumption, investment, and imports. The country was most affected around 1930-1932, when average farm incomes dipped below zero.

Unemployment rates peaked, hitting 15%. This figure excluded women and the native peoples known as the Maori. Real unemployment was believed to be around 30%. The Great Depression caused mass unemployment in New Zealand and changed the socio-political landscape. Job and wage cuts left people desperate, and families and charities struggled to cope.

In 1932, the unemployed rioted, demanding greater government help. Riots erupted in major cities, reflecting the growing frustration of the unemployed. Police, armed sailors, and volunteer "constables" responded with force, injuring or arresting many rioters. The government reacted by introducing tougher "public safety" laws, and sending unemployed men to remote labor camps.

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Many New Zealanders were forced to rely on charity in the absence of adequate government support. But the limits of private support were tested by the numbers in need. Accepting charity was too humiliating for some people, who looked for other ways to get by. 'Do-it-yourselfers' made or recycled anything they could, created backyard vegetable patches, or hunted and fished.

Despite widespread hardship, a small portion of the population remained wealthy – and some even benefited from reduced prices. They still bought luxury goods and continued their high-society traditions. Some of the better-off, however, tried to help the poor. They collected money, food, and clothes, organized fundraising events, and offered odd jobs.

Unlike in later years, there were no public benefit welfare payments, but the unemployed were given "relief work". Relief work had to be rationed because such large numbers of people applied. Typical occupations in relief work included road work, park improvement, and farm work. Some work schemes were even dubbed "slave camps". Women also increasingly registered as unemployed. The native Maori people received government help through land development schemes.

Attempts by the conservative Liberal-Reform coalition to deal with the situation with spending cuts and relief work were ineffective and unpopular. By 1935, economic conditions had improved, and the newly elected Labor Government established a full welfare state, which included free health care, education, and state assistance for the elderly, infirm, and unemployed.

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