

The Great Depression

*Maintaining the national railway, which the government took control of in 1923, also added to the public debt.

What happens during an economic downturn such as a recession or depression?

What challenges would a family face if the wage earner(s) were laid off during a period of economic decline?

The Crisis Begins

Although Newfoundland and Labrador experienced a time of economic prosperity during the war, hard times followed. This was due largely to Newfoundland's increasing public debt and the wider "Great Depression" that began with the crash of the New York Stock Exchange in 1929. As in many parts of the world, the 1930s were a time of widespread poverty and suffering in Newfoundland and Labrador.

The total cost of the First World War for Newfoundland was \$35 million. Throughout the 1920s, the country's debt continued to rise* as the government ran annual deficits. Unable to meet its financial requirements without borrowing money, the government raised bank loans to finance developments and pay the interest on the debt. One of Newfoundland's creditors, a syndicate of Canadian banks, placed increasingly restrictive terms upon these loans – and even then had to be encouraged to make the loans by the Canadian prime minister. Newfoundland's debt increased until, by 1933, the government owed over \$93 million, and a major share of its revenue (62.3 per cent) was being used to make interest payments on the debt.

Compounding the situation was the breakdown in world trade caused by the Great Depression. This significantly damaged Newfoundland's export-based economy. Particularly detrimental was a slump in the international market for dried cod, which accounted for much of the country's income. Reduced exports meant less money for importing goods and, in turn, a decrease in government revenues which came largely from customs duties** charged on imported goods.

**For example, in 1932-1933, 75 per cent of the government's revenue came from customs duties. Smaller sources of income included income taxes and liquor sales.

5.34 Excerpt from *The Evening Telegram*, Oct. 29, 1929

The Great Depression of the 1930s was a worldwide financial and social crisis. It began with the sudden crash of the New York Stock Exchange on "Black Tuesday," Oct. 29, 1929. The economy of the United States accounted for nearly half of the world's industrial output and, in the aftermath of the stock crash, industries downsized and cut spending, individuals lost their jobs, and the prices of commodities plummeted. The resulting economic decline in the United States, Britain, and other industrialized countries had a direct impact on the economy of Newfoundland and Labrador and set the stage for a decade of depression, unemployment, and widespread poverty.

They Need Your Help
Will You Save Them from Suffering?



Give to a worthy cause

Would you save a destitute family from suffering? Would you help to lessen the worry and distress that face scores of families this winter? Will you be a Good Samaritan and do a little to help deserving humanity and ease the burden of care and suffering? Every little bit contributed to The Mayor's Civic Relief Fund to aid the deserving poor of this community will help. It will keep little children from going shivering to bed . . . It will help mothers and families that cannot provide for their needs.

Give to this worthy cause . . . who will be benefitted are . . .

ST. JOHN'S, OCTOBER 29, 1929—4

Financial Panic in New York

Market Hysteria Causes Sensational Fall

Transmission began throughout the whole day's trading on the New York Stock Exchange yesterday. The market went wild and a panic set in which exceeded the worst day in the history of the exchange. During the day nearly 10,000 million shares were traded in, in general almost all fell in price, and almost double the amount made this spring when every share within shares were sold in one day. Leading stocks, such as American Express, fell to the low levels to which they had fallen following the drastic decline of last September and some thousands of small speculators had been completely wiped out. The decline of a week ago was sufficiently serious with drops of from four to fifteen points following a heart-breaking crash panic among those who were holding on by the skin of their teeth, and leading to considerable forced liquidations. While the distressed stocks will be dealt with by the market next of tomorrow's telegram, as an indication of the sensational occurrence of the day, it may be pointed out that American and Canadian Power dropped from an average of 114 to which it had dropped from a recent high of 126, to a low of 54 at a loss of 72 points. Philadelphia Saving Society was among those that saw their share of the day's trading in this afternoon of the sensational day. The market was not so wild as it had been reported to be yesterday, and telephone exchanges for additional messages and that when replies were not instantaneous, those undisturbed were immediately sold out. In all the panic and general terror, the New York Stock Exchange has never witnessed a condition of financial disaster equal to that which occurred Thursday and it is doubtful if the sales record for the day will be equaled for many years to come.

STARTLING DECLINE MARKED THURSDAY'S TRADING

As an indication of the startling low levels to which the leading stocks on the New York Exchange have fallen, the following table compiled yesterday is interesting. The table does not take account of the lower levels to which most stocks fell on Thursday's trading but the prices, even after the recovery that was made in the closing hours of the afternoon, were, and consequently were compared with the year's high recorded by the stocks quoted. The amount in issue of the stocks.

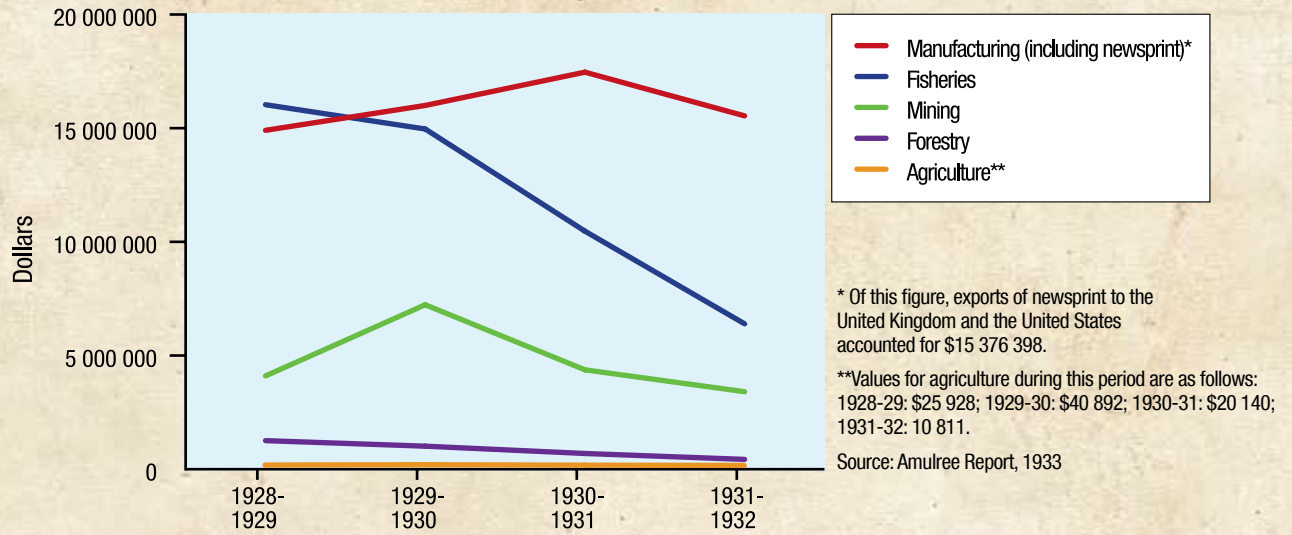
NEW YORK STOCK EXCHANGE

Thursday
H. L. 1929 close

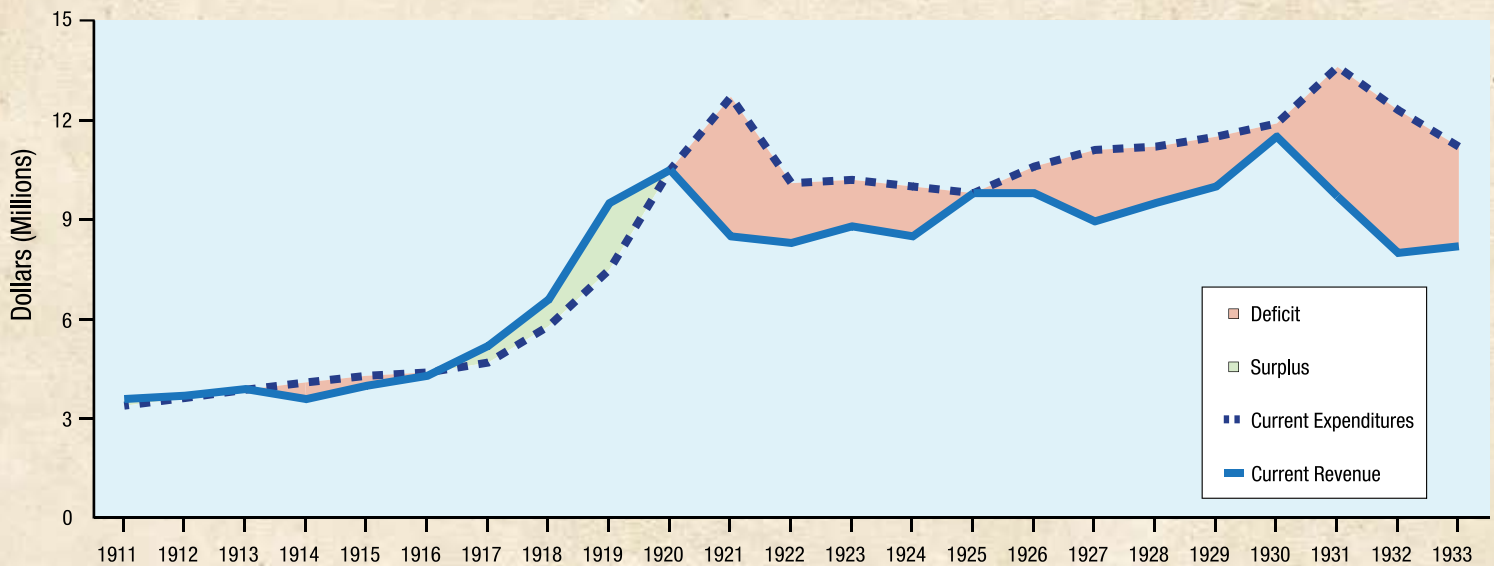
American Can.	124 1/2	124 1/2
Am. & Pac. Power	106	114 1/2
Accounts	145	152 1/2
Dunlop's Steel	141	151 1/2
	41	51 1/2

5.33 Civic relief ad from *The Evening Telegram*, Feb. 16, 1932
The Civic Relief Committee was established by St. John's Mayor Charles Howlett in 1932 to help the city's poor during the Depression.

5.35 Exports by sector, 1928-1932



5.36 Government revenue/expenditure 1911-1932



5.37 Imports by country 1927-1932 (dollars)

Countries	1927-28	1928-29	1929-30	1930-31	1931-32
Canada	12 141 574	11 832 415	12 992 600	10 675 348	8 351 188
United States	9 330 697	9 880 431	12 101 752	9 266 133	5 714 939
United Kingdom	4 986 838	6 211 906	5 527 575	4 192 300	3 182 625
British West Indies	256 374	282 440	191 675	178 156	194 282
Ceylon	269 208	257 671	262 032	185 575	152 269
Germany	65 103	122 954	140 146	207 778	119 429
Spain	181 825	174 236	132 995	86 859	61 924
Holland	69 648	87 081	84 964	89 639	45 516
Japan	4 008	13 687	19 703	26 226	43 044
Czechoslovakia	554	2 493	18 550	44 780	40 019
Belgium	33 279	15 095	27 823	49 994	37 074
France	54 882	52 214	36 248	29 168	24 482
St. Pierre	23 736	13 356	23 134	38 470	22 193
Dutch East Indies	-	32 721	39 791	17 681	19 699
Greece	42 293	48 818	34 731	16 306	19 346
Argentine Republic	18 672	31 708	41 307	26 530	18 263
Portugal	29 034	26 220	15 440	6 548	11 987
Norway	30 227	40 302	51 687	12 808	10 382
Various	99 241	111 633	128 998	111 402	66 990
Total	27 637 193	29 237 381	31 871 151	25 261 701	18 135 651



5.38 Fishers, St. John's Harbour

Poverty was common among Newfoundland and Labrador fishers during the Great Depression. As prices for dried cod tumbled throughout the 1930s, many fishers became continuously indebted to merchants who loaned them gear, food, and other supplies on credit and took their catch as payment. Some fishers fell into such deep debt that merchants refused to give them any more supplies on credit.

Unemployment and the “Dole”

The decline in demand for Newfoundland and Labrador products led to widespread unemployment as paper mills, logging and mining companies, and other industries reduced salaries and dismissed workers. In the fisheries, the income of everyone involved, from merchants to sharemen, plummeted. The combined increase in the cost of harvesting fish and the low prices received for a catch made it difficult for average fishers to make ends meet. Some Newfoundland merchants hesitated to provide credit to fishers or supply them for the fishery out of fear that the fishers would not be able to pay off their debts.

5.39 Example of food rations for a month

The following were the maximum food rations that an adult could receive based on the 1932 dole of \$1.80/month. This meant an adult was surviving on 6¢ a day.

- 25 lbs. flour
- 1 qt. molasses
- 3 3/4 lbs. fatback pork
- 2 lbs. beans
- 1 lb. split peas
- 2 lbs. cornmeal
- 3/4 lb. cocoa

With limited employment options available, thousands of Newfoundland and Labrador families were compelled to turn to government assistance. The “dole” varied over time and from place to place, but usually consisted of food rations totalling \$1.80 per person per month in the outports in 1932. There was no option to purchase food not on the government list. Vegetables were added to the list for families in St. John's, but families in the outports were expected to grow their own.

Most people resented the dole. To them the amount of food was not enough and they had to accept whatever was offered. With the economy in serious decline and the national debt at unprecedented proportions, relief demands on revenue pushed the government to the edge of bankruptcy. Relieving officers were hired with sweeping powers to investigate applicants and to decide how much relief they should get. They could inspect bank accounts, reduce rations, or cut off relief completely if they learned that the applicant had money, vegetables, or other food. They could even force people to sell their possessions and live off the money received, before applying for relief.

Mayor Howlett's Appeal to Relieve Destitution

Instances Cited to Show the Urgent Need for Assistance—Work in the City to be Provided for Able-Bodied

The following appeal for aid for the destitute in the city was broadcast last night by Mayor Howlett through Station YOWR:

"Tonight, my seven millions, the poorest part of the human race, is in a ghastly condition. It is my sad duty to advise a thousand of them to go to bed tonight, and to advise a thousand more to go to bed tonight, and to advise a thousand more to go to bed tonight, and to advise a thousand more to go to bed tonight. I speak tonight of the spectre of cold, hunger, and death. Winter is upon us, winter which may be cruel as death, as hungry as the grave, which is the cold enemy of our race. In the streets and alleys here the streets are filled with the homeless, who have no shelter, who have no food, who have no work, who have no hope, who have no future. I speak tonight of the spectre of cold, hunger, and death. Winter is upon us, winter which may be cruel as death, as hungry as the grave, which is the cold enemy of our race. In the streets and alleys here the streets are filled with the homeless, who have no shelter, who have no food, who have no work, who have no hope, who have no future."

...ing each other in a tumble down out in the corner, trying to give and take the heat of their bodies. There is no coal, or wood either, for two days. What about food? There are a few scraps of bread left by neighbours, but much better off. What can we do? Even a few days more of this and a cemetery will solve the problem for one or two of these kids. If you and I don't do something, let's do it and do it quickly. Come on out of here and let's see another home. John's was that of what we call the ordinary poor. His age and lack of education were his main trouble. He was a man who had no other resources to depend on.

PRAYING FOR DEATH

Let's go to a different type of case. This one looks like a case of the first. Things are also and clean here. Really cleanliness is not an index of poverty. There are only three people here: an aged couple (the man, blind) and an invalid daughter, helpless for fourteen years with arthritis. A son died two years ago. He had a thousand dollars in the insurance. It kept the three of them for six or seven years ago in fact. There are two beds here, but not very soft to rest old and bedridden bones on; and the bedsheets, patched and ragged, are so thin. All in this house are praying for one thing — death. Yes, perhaps death would be kind to them, but what if you and I now we are here? Food there is none. Fuel? A shill has been put out of the stove. A table has gone that was, and a trunk, good bed, bed, we will get you fixed up soon here.

Now we have been to two typical houses, both destitute. You go out back to the Newfoundland Hotel, and we will discuss it around the comfortable fire. The water given at the fire, the healthy look of those around the fire, the warmth of beds and, let us hope, warmth of heart. Let us plan to see this one tomorrow and also...

This investigation of all cases is reported by each house. Upon satisfactory investigation the applicant if an able-bodied man will receive a work card. He reports to the work bureau and is assigned to a certain job. Having worked there for a time sufficient to cover his immediate needs, he returns the work card and receives one of the commodities which the organization is distributing. A woman as to the work to be performed. There are several disturbing sights around the city. For example near the N.E. Hotel, near the Court House and other places. The York Park can be easily improved by raising the big hill at the northern portion of it. Ramsey Park can have its long wooded hillside made good. The ground around Ramsey's House, where the pool is being dug up, several streets could be constructed. All good winter work. All work of citizens in general will benefit from.

NOT CONNECTED WITH COUNCIL

A word here re Municipal Council and Civic Relief Committee's work. While the Mayor is the chairman of the Civic Relief Committee, there is no connection whatever between the two bodies and while the work undertaken by the Relief Committee will naturally have to involve the sanction of the Council, the responsibility of the Council ceases there.

Finally that is the plan. It is not a trick, however, it does not suit him at his independence. He has received the relief that we are to be able to give him.

To accomplish both of these objects it is not to be done at the door and on the street. Althought the most of those cases that give us a hard task meet at the door we provide as we be gotten to double of people.

Newfoundland Postal Telegraphs
Operating in Connection with
COMMERCIAL CABLES TO ALL PARTS OF THE WORLD

3 H M TSPD 82X UPPER ISLAND COVE DEC 27TH 1932

HON MR EMERSON
MIN OF JUSTICE
ST. JOHN'S.



PEOPLE OF THIS PLACE STILL FACING STARVATION & W V A HAVE DONE ALL THAT LIES IN THEIR POWER CANNOT DO ANY MORE HAVE WIRED ALL AUTHORITIES WE NOW ASK YOU AS HEAD OF THE LAW OF THIS COUNTRY WHAT CAN BE DONE AND ARE WE ALLOWED TO LIE DOWN AND STARVE PLEASE SIR DO YOUR BEST TO HELP THE PEOPLE TO AVOID STARVATION PLEASE REPLY.

COMMERCIAL CABLES TO ALL PARTS OF THE WORLD

1 P K 57 COLLECT 82X BURGESS NF 4P JANU 24-1934

HON MINISTER OF JUSTICE, DEPT OF JUSTICE,
ST. JOHN'S.

ABOUT FORTY MEN TO ME IN STARVING CONDITION I CONSULTED RELIEVING OFFICER WHO INFORMED ME NOTHING CAN BE DONE THEIR ALLOWANCE WILL NOT BE DUE TILL EIGHTH AND NINTH FEBRUARY STOP IMPOSSIBLE THESE FAMILIES EXIST FOURTEEN DAYS WITHOUT FOOD STOP CAN ANY ARRANGEMENTS BE MADE HELP OUT SITUATION IF NOTHING I FEAR CONSEQUENCES.

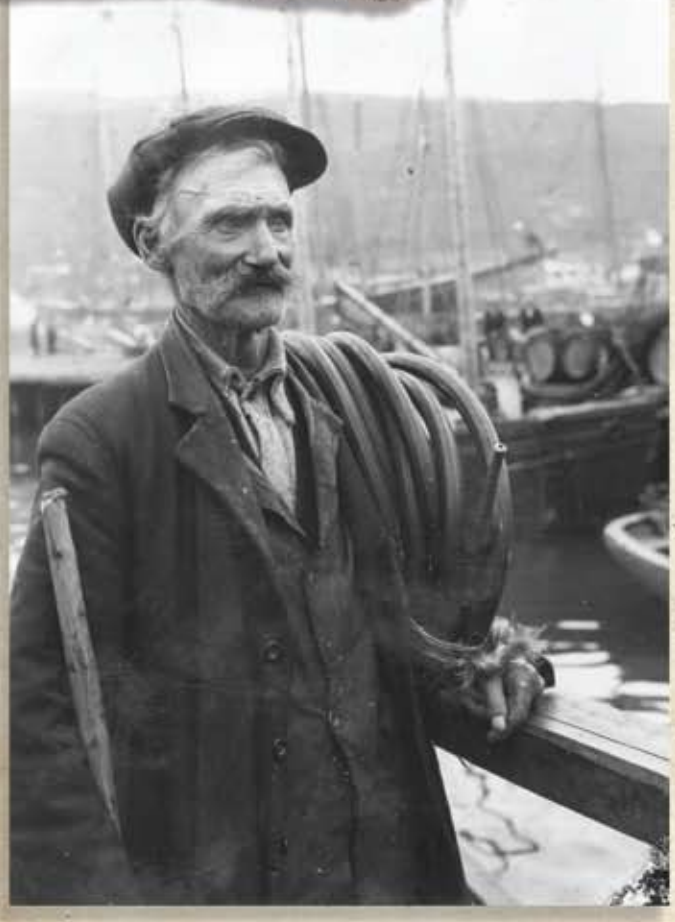
5.40 Telegrams to the Minister of Justice from community leaders asking for relief (top right)

5.41 Excerpt from The Evening Telegram, Jan. 6, 1932 (top left)

5.42 Excerpt from The Evening Telegram, Feb. 25, 1932 (right)

TWO TYPICAL CASES

John A. Anderson, and his family, address live in the first case. John's youngest child is three years old. His mother died three years ago. The other child is three years old. The father is a carpenter by trade. He has no other resources to depend on.



5.43 Many people went hungry during the Depression. This picture of an unidentified man was taken at the St. John's waterfront in 1939.

Welfare Association New Department

SEVENTH-DAY ADVENTISTS WILL OPERATE DEPARTMENT TO SUPPLY CLOTHING

While thanking the public generally for their active and sympathetic cooperation in the work we are doing we wish to state that we are opening a new department to supply clothing of various kinds, and would further appeal to our charitable and philanthropic citizens for used garments, shoes, underwear, bed clothing, shop goods, etc.

The owner of the building in which we now operate has generously donated the two rooms above the kitchen for the work of this new department.

Our lady helpers will assort and prepare all such articles to meet the requirements of those cases which come before them from time to time.

It is almost impossible to describe the cases of destitution that come before us daily. Men, women and children come to our Relief Station without sufficient clothing to cover them, much less protect them from the elements. While zero weather prevailed we have seen people with their naked feet literally on the ground, and in one case an old lady well over seventy came to our station on a bitterly cold evening with out a glove on her hands. She had walked about three miles from one of our outlying settlements. One of our lady assistants gave this poor soul her own gloves.

Under these circumstances we can assure you that regardless of its condition, anything you have in your home can be made use of by this Station.

The Welfare Station is situated at 23 New Gower Street. Phone 1578W.
G. H. MORGAN, Pres.
J. F. FIFIELD, Sec.

Excerpt from *Connecting Rooms: A Tribute*, a Play by Florence Button

Florence Button's play, *Connecting Rooms*, pays tribute to "all the hardworking women who worked in the fishery of Newfoundland and Labrador down through the centuries." In the following excerpt, Johannah, a stationer's daughter, talks about how working was more important than school during the Depression years.

Johannah: Ever since I can remember, I always loved going to school. Going down to the room in May and not getting home 'til up in the fall of the year meant I missed close unto three months going to school here in Carbonear every year, but that couldn't be helped. Times was hard on everyone then, in the 30s it was, and the depression was on ... all hands tryin' to make a livin' and keep body and soul together and like always, people tried to do their best to feed their families, whether 'twas goin' down to the Labrador to go fishin' or whatever else they had to do.

Of course I wasn't the only one who missed time in school and when families left for the rooms to go fishin' on the Labrador, the young ones had to go with 'em and the teachers understood that. I know I was one of the lucky ones. I always caught on quick and picked up everything the teacher showed us and every now and again I'd help the ones that couldn't. Even when we'd come back late up in October and we'd be after missin' nigh unto two months in school by then, I'd still catch up in a couple of weeks. Not everyone could though and some never did and they left school right young because it was just too hard on 'em to understand what they missed and they was always behind with their book learnin' and they got tired of it and give it up.

Growing Discontent

Throughout the 1920s and into the early years of the Great Depression, Newfoundlanders became increasingly discontented with their government. Falling wages, unemployment, inadequate public relief, and rampant nutritional diseases combined to create a desperate situation for many members of the labouring classes. Likewise, many of the major "Water Street" merchants of St. John's became concerned about their own financial stability as the crisis deepened, and it looked as if the government might have to default on its debts. Already threatened by collapsing export prices and by general financial difficulties, some merchants began to talk about suspending responsible government and replacing it temporarily with a commission that could put the country's affairs in order. There were those who saw the sacrifice of responsible government as a small price to pay for financial stability.

In addition, there were allegations of government mismanagement and corruption. In 1932, Finance Minister Peter Cashin resigned, and then accused other members of the government of tax evasion and forgery. He also said that Prime Minister Sir Richard Squires, had falsified Minutes of Council to cover

up improper financial transfers to himself and his constituency account. Such accusations angered the desperate unemployed, who deeply resented politicians taking money from the Treasury while they suffered the brunt of the Depression.

Opposition forces were out to get Squires, who was vulnerable, given the charges against him, and his evasions. The Opposition took advantage of this situation to organize a demonstration on April 5, 1932. Some merchants gave their employees a half-day holiday to attend, and approximately 10 000 people turned up to protest the Squires government. At the Colonial Building, the protest turned violent and the building was ransacked. Prime Minister Squires barely escaped without injury and was voted out of government in the June election. In the aftermath of the riot, the government summoned a British light cruiser, the H.M.S. *Dragon*, to help prevent further disorder. With confidence in the government at a low and the continuing harsh conditions of the Depression, many people began to advocate for a new form of leadership for the country – government by a commission.

5.45 Excerpt from *The Evening Telegram*, April 6, 1932



5.46 The April 5, 1932 riot in front of the Colonial Building

Experiencing The Arts

Building on the work you did in the earlier *Experiencing The Arts* exercise in this chapter:

- Decide on the setting for your scene. As you make this choice, remember you are writing a scene which is part of a play that would probably be performed in a theatre. Jot down some notes on

what the setting would look like and how this could be accomplished with props on a stage.

- Using jot notes, plot a beginning, middle, and end to your scene. As you do this, remember the rules of unity for scenes created by Aristotle. (See page 395.)

Questions:

1. Create a diagram that illustrates the sequence of events between the end of the First World War and the civil unrest of the early 1930s.
2. Who might have fared better during the depression, people living in rural or urban areas? Explain.
3. What government programs emerged in response to the issues that arose during the Great Depression?
4. What do the primary sources in this lesson tell you about the experiences of some families during the 1930s? Research the experiences of others from this time period. Then, with a partner, create a short one-act play that illustrates the difficulties faced by a family during this time.