

History Since Confederation: Part Two

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The Interwar Years

Canada's population between the world wars rose from 8 to 11 million; the urban population increased at a more rapid rate from 4 to 6 million. WWI created expectations for a brave new Canada, but peace brought disillusionment and social unrest. Enlistment in the ARMED FORCES and the expansion of the munitions industry had created a manpower shortage during the war, which in turn had facilitated collective bargaining by industrial workers. There had been no dearth of grievances about wages or working conditions, but the demands of patriotism had usually restrained the militant. Trade-union membership grew from a low of 143 000 in 1915 to a high of 379 000 in 1919, and with the end of the war the demands for social justice were no longer held in check. Even unorganized workers expected peace to bring them substantial economic benefits.

Employers had a different perspective. Munitions contracts were abruptly cancelled and factories had to retool for domestic production. The returning veterans added to the disruption by flooding the LABOUR MARKET. Some entrepreneurs and some political leaders were also disturbed by the implications of the 1917 Russian Revolution and were quick to interpret labour demands, especially when couched in militant terms, as a threat to the established order. The result was the bitterest industrial strife in Canadian history. In 1919, with a labour force of some 3 million, almost 4 million working days were lost because of STRIKES AND LOCKOUTS. The best-known of that year, the WINNIPEG GENERAL STRIKE, has a symbolic significance: it began as a strike by construction unions for union recognition and higher wages, but quickly broadened to a sympathy strike by organized and unorganized workers in the city. Businessmen and politicians at all levels of government feared a revolution. Ten strike leaders were arrested and a demonstration was broken up by mounted policemen. After 5 weeks the strikers accepted a token settlement, but the strike was effectively broken.

Industrial strife continued, with average annual losses of a million working days until the mid-1920s. By then the postwar recession had

been reversed and wages and employment levels were at record highs for the rest of the decade. Some labour militants turned from the economic to the political sphere; some labour candidates were successful early in the decade in provincial elections in Nova Scotia, Ontario and the 4 western provinces, and J.S. WOODSWORTH was elected in north Winnipeg in the 1921 federal election.

The war also left a heritage of grievances in RURAL SOCIETY. Rural depopulation had accelerated during the war, but the farmers' frustration was directed against the Union Government of Sir Robert Borden, which had first promised exemptions and then conscripted farm workers. A sudden drop in prices for farm produce increased their bitterness. In postwar provincial elections, farmers' parties formed governments in Ontario, Manitoba and Alberta, and in the federal election of 1921, won by W.L.M. KING'S Liberals, the PROGRESSIVE PARTY won an astonishing 65 seats on a platform of lower tariffs, lower freight rates and government marketing of farm products.

These social protests declined by the end of the decade. Industrial expansion, financed largely by American investment, provided work in the AUTOMOTIVE INDUSTRY, in PULP AND PAPER and in MINING. Farm incomes rose after the postwar recession, reaching a high of over \$1 billion in 1927. The political system also offered some accommodation. Most provincial governments introduced MINIMUM WAGES shortly after the war, and the federal government reduced tariffs and freight rates and introduced OLD-AGE PENSIONS. By the end of the decade the impetus for social change had dissipated. Even wartime PROHIBITION experiments had given way to the lucrative selling of liquor by provincial boards.

The GREAT DEPRESSION of the 1930s followed. For wheat farmers it began in 1930 when the price of wheat dropped below \$1 a bushel. Three years later it was down to about 40 cents and the price of other farm products had dropped as precipitously. Prairie farmers were the hardest hit because they relied on cash crops, and because the depressed prices happened to coincide with a cyclical period of drought, which meant crop failures and a lack of feed for livestock. Cash income for prairie farmers dropped from a high of \$620 million in 1928 to a low of \$177 million in 1931 and did not reach \$300 million until 1939. Disaster also struck those industrial workers who lost their jobs. UNEMPLOYMENT statistics are not reliable partly because there was no unemployment insurance and so no bookkeeping records, but it is estimated that unemployment rose from 3% of the labour force in 1929 to 20% in 1933. It was still 11% by the end of the decade. Even

these figures are misleading: the labour force included only those who were employed or looking for work, excluding most women. Those who were identified as unemployed were often the only breadwinners in the family.

Voters turned to governments for an economic security that the economic system could not provide. Most governments were slow or unable to respond and were replaced by others at the first opportunity. King's Liberals, elected in 1926 after a brief period of Conservative rule, were again rejected in 1930, this time in favour of a Conservative government under R.B. BENNETT. New political parties contested the 1935 federal election - the CO-OPERATIVE COMMONWEALTH FEDERATION (CCF), SOCIAL CREDIT and the short-lived Reconstruction Party - with promises to regulate credit and business.

Even Conservative leader Bennett promised improvements (see BENNETT'S NEW DEAL), and Mackenzie King and the Liberals, who won the election, spoke vaguely of reform. At the provincial level, the UNION NATIONALE was elected in Québec under Maurice DUPLESSIS and Social Credit in Alberta under William ABERHART, with the older parties in other provinces often turning to new and more dynamic leaders who promised active intervention on behalf of the less privileged.

Governments tried to provide emergency relief, but they too soon needed help. Prairie farmers needed relief in the form of food, fuel and clothing, but they also needed money for seed grain, livestock forage and machinery repairs. Neither municipal nor provincial governments could meet these demands for assistance; in the drought year of 1937 almost two-thirds of Saskatchewan's population required some relief. Other provinces had declining revenues but were not as close to bankruptcy, with the possible exception of Alberta. Inevitably, as the Depression continued, the federal government had to contribute to relief costs.

The role of governments changed, but not dramatically. Most governments would have preferred to provide jobs by undertaking major public-works projects, but with declining revenues and limited credit the cost of materials and equipment was prohibitive. Direct relief was cheaper in the short run. Governments did become more involved in the regulation of business: mortgages and interest payments were scaled down by legislation, and new regulatory institutions such as the BANK OF CANADA and the CANADIAN WHEAT BOARD were established. The major expansion of the bureaucracy, however, would

come only after the outbreak of WORLD WAR II in 1939. Trade-union activity revived with the beginning of industrial recovery: by 1937 trade-union membership was back to the 1919 level. Canadian auto workers and miners followed the American lead and formed INDUSTRIAL UNIONS. Their effectiveness was limited by the opposition of Mitchell HEPBURN in Ontario and Duplessis in Québec, and the significant gains, once again, would come only during the war.

In the years between the wars, 2 machines may have done more than the BUSINESS CYCLE to alter the Canadian way of life: the automobile and the radio. The 1920s were the decade of the automobile; in 1919 there was one car in Canada for every 40 Canadians and 10 years later it was one car for every 10. The car created Canadian suburbs and altered the social patterns of the young. In the 1930s it was the radio: there were half a million receiving sets in 1930 and over a million by 1939, bringing news and entertainment into most Canadian homes. The changes brought about by mass production and popular entertainment posed problems for Canadian identity. The tariff (see PROTECTIONISM) provided Canadian jobs by ensuring that cars and radios would be assembled in Canada. There was little concern at the time for this expansion of a branch-plant pattern, but there was concern for the BROADCASTING of American programs by Canadian radio stations. The result was the CANADIAN BROADCASTING CORPORATION, with French and English networks broadcasting a combination of Canadian and popular American programs. By 1939 Canadians looked to governments to provide cautious assistance to maintain a Canadian way of life.

H. BLAIR NEATBY

History Since 1945

Canada's political landscape had been fundamentally changed by WWI. During WWII many Canadians predicted another transformation. In 1943 the CCF, a product of 1930s political discontent, stood highest in new public opinion polls. It became the official Opposition in Ontario in 1943 and in 1944 won decisively in Saskatchewan. In Québec, Maurice Duplessis's Union Nationale recaptured power. Federally, Québec's BLOC POPULAIRE retaliated against conscription in 1944. Once again it seemed that the Canadian party system would become a casualty of a European war.

In the federal election of 11 June 1945, held while thousands of veterans were just beginning to come home, Canadians returned the LIBERAL PARTY to office. Mackenzie King's majority was very small, but his survival is nevertheless remarkable: among Allied wartime leaders, only Stalin and he led through both the war and the peacemaking. In 1945 the Liberals added a new commitment to social welfare and Keynesian management of the economy (see KEYNESIAN ECONOMICS). Liberal welfare policies - not least among them the FAMILY ALLOWANCE, begun in 1944, and unemployment insurance (see EMPLOYMENT INSURANCE), begun in 1940 - attracted many workers and farmers, and rebuffed the challenges from the CCF on the left and the Conservatives on the right. Although the national Liberals continued to enjoy some support in all regions and from all economic groups, CCF and Social Credit held, respectively, Saskatchewan and Alberta throughout the 1950s and into the 1960s, and Social Credit governed BC from 1952 to 1972.

Historians have attributed Liberal success to the period's unparalleled prosperity, to consensus on foreign policy arising from COLD WAR fears (few had objected when Canada joined the UNITED NATIONS in 1945 or, 4 years later, signed the North Atlantic Treaty and then followed this by sending troops to Europe in 1951), to the nation's need for stability after depression and war, and to a highly competent Cabinet and bureaucracy.

After 1954 these advantages began to disappear. There was a sharp economic slump in 1954, followed by worries that Canada's postwar boom was too dependent upon (mainly American) FOREIGN INVESTMENT. The Cabinet's competency obviously weakened in 1954 when 3 prominent ministers, Douglas Abbott, Lionel Chevrier and Brooke CLAXTON, resigned. In 1956 the PIPELINE DEBATE revealed apparent Liberal arrogance and political clumsiness. Western allies divided during the SUEZ CRISIS when France, Britain and Israel attacked Egypt, and the US and Canada did not support them.

On 10 June 1957 the Conservative Party was elected. Probably most significant in explaining the victory is the Conservatives' choice of John DIEFENBAKER as leader. He brought a flamboyance and a populist appeal that his predecessor, George DREW, completely lacked. He was also a western Canadian who understood and shared the area's grievances against Ottawa. Diefenbaker's brief first term saw taxes cut and pensions raised. The new government also took Canada into the NORAD agreement with the US, and 2 years later scrapped the AVRO ARROW interceptor and purchased BOMARC MISSILES, effective only

with nuclear warheads. Seeking escape from the confines of a minority government, Diefenbaker called an election for 31 March 1958. Although the Liberals had Lester PEARSON as leader, Diefenbaker won 208 of 265 seats on the strength of his charisma, his "vision" of a new Canada and his policy of northern development. His support was well distributed, except in Newfoundland (which had become the 10th province in 1949).

No one had predicted the extent of the Conservative triumph, but that did not prevent many commentators at the time forecasting a Conservative dynasty and a return to the 2-party system. Historians and political scientists tend to consider the 1958 election as an aberration that neither reflected nor affected the fundamental character of Canadian politics. Yet closer scrutiny reveals a lasting imprint. Since 1958 Conservatives have commanded western Canadian federal politics, and Liberals have found western seats increasingly difficult to obtain. On the other hand, Conservatives, who won 50 seats in Québec in 1958, did not recover from Diefenbaker's failure to build upon his victory there for more than 25 years.

The CCF and the Liberals began rebuilding almost immediately, the Liberals by appealing to urban Canadians and Francophones, and the CCF by strengthening its links with organized labour. Provincial bases were important in this reconstruction. Social Credit governments in Alberta and, to a much lesser extent, BC assisted the Liberals. Within 5 days in June 1960 the party was elected in Québec and New Brunswick. In Québec Jean LESAGE modernized Québec Liberal traditions and introduced the QUIET REVOLUTION. In Saskatchewan the CCF sacrificed most for its federal counterpart. Longtime Saskatchewan Premier Tommy DOUGLAS went to Ottawa to lead the CCF's heir, the NEW DEMOCRATIC PARTY, whose formation was an explicit attempt to create a closer link with the labour movement. Without Douglas, the NDP in Saskatchewan bravely introduced medicare in 1962 and, under the lash of a scare campaign, lost the next election to the Liberals. Medicare, however, proved successful and soon became a popular national program.

By 1962 Diefenbaker's 1958 "vision" of Canada had become a nightmare to some and a joke to others. There had been postwar peaks in unemployment, record budget deficits and, in May 1962, a devaluation of the dollar. But neither Pearson nor Douglas made much impact as leaders before the election of 18 June 1962; the Conservatives stayed in power as a MINORITY GOVERNMENT. By early 1963 the Cabinet began to bicker, members resigned ostensibly on the

issue of Canadian defence policy, and finally the government collapsed. In a bitter 1963 election campaign Diefenbaker charged that the US, which had openly criticized his refusal to accept nuclear weapons, was colluding with the Liberals to defeat him. The Liberals brushed off the attack and excoriated Diefenbaker for alleged incompetence. The NDP declared a pox upon all who stayed outside its camp. On 8 April 1963 the Liberals won a minority government.

The campaign left its mark on subsequent parliaments. The Pearson government sought to be innovative, and in many ways it was - the armed forces were unified and social welfare was extended; but the foul atmosphere obscured its merits. The party became ever more identified with the "politics of national unity," dedicated to containing Québec's aspirations through "co-operative federalism." The NDP argued that this focus distorted the voters' view of their economic circumstances. The Conservatives held that the Liberal approach to national unity was concerned too much with Québec and too little with problems elsewhere. In reality all parties shared a commitment to reform and to the need to deal with Québec's demands for changes in Canada's federal system.

Hence, these years were marked by personality quarrels and numerous political scandals, especially the MUNSINGER AFFAIR. They were also notable for the establishment of the CANADA PENSION PLAN and the signing of the CANADA-US AUTOMOTIVE PRODUCTS AGREEMENT, a treaty intended to give Canada a larger share of the continental auto market. Desperate to escape from the minority straitjacket, Pearson called an election for 8 November 1965. He won only 2 more seats, remaining 2 short of a majority. Diefenbaker ran a stirring campaign, picking up strength in Atlantic Canada, and took 46 of the 72 western seats. Regional voting patterns persisted as the Liberals took 56 seats in Québec.

In 1967 the Conservatives replaced Diefenbaker with Nova Scotia Premier Robert STANFIELD. Pearson resigned at the end of 1967, to be succeeded by Pierre TRUDEAU, who largely restored party unity. The choice of Trudeau emphasized the Liberals' commitment to finding a solution to the "Québec problem." Trudeau's vigorous opposition to Québec nationalism (see FRENCH CANADIAN NATIONALISM) and to "special status" won support in English Canada, while his promise to make the French fact important in Ottawa appealed to his fellow Francophones. Conservatives and the NDP found difficulty in developing a similarly appealing platform, not least because both lacked support in Québec. In 1968, Québec's place in Confederation

and Trudeau's personality dominated federal political debate. This dominance endured almost uninterrupted into the 1980s.

In 1968 Trudeau won a majority, appealing across class lines and even across regional barriers. The Liberals won more seats west of Ontario than since 1953. Trudeau's harsh response to terrorism in Québec during the 1970 OCTOBER CRISIS, the growth of leftist sentiment in the NDP and Conservative leadership bickering strengthened Trudeau's position. However, when he called an election for 30 Oct 1972, the Liberals' position was considerably weaker. Their emphasis on BICULTURALISM angered many English Canadians who feared fundamental changes in their lives and their nation; many were also unhappy with the cuts in defence and particularly in the forces dedicated to NATO. The Liberals won only 109 seats, Conservatives 107. The NDP held the balance of power with 31, their highest number to that point. Believing that a Liberal defeat in Parliament would bring a Conservative election victory, NDP leader David LEWIS backed the Liberals. Trudeau took his government towards the left to guarantee NDP support. The Liberals benefited from this political minuet, where the partners pirouetted but never embraced.

In the 1974 election Trudeau's reformist legislation and his opposition to the Conservative policy of WAGE AND PRICE CONTROLS brought many working-class voters to his side, especially in BC and Ontario. The Liberals won 141 seats, the Conservatives 95 and the NDP 16. Political scientists have identified how the 1974 election reflected continuing trends. The regional pattern of support persisted even when economic rather than bicultural issues dominated the campaign. Liberals depended upon Québec to win elections and upon urban Ontario for majorities. Similarly, Conservatives were strongly western oriented in opposition, and they too depended upon Ontario for majorities. New Democrat strength has grown among unskilled workers but dropped among skilled. Nevertheless the NDP percentage of the popular vote has grown, albeit intermittently, since the 1950s. Research indicates that fewer voters remain committed to a single party than was true earlier. Bloc voting is still a characteristic of several ethnic groups and leadership has become much more significant than before. Trudeau's political success is perhaps best explained by the voters' perception that Conservative leaders Robert Stanfield and Joe CLARK were ineffective.

After 1974 Trudeau gave indecisive leadership. Personal problems, weakness in the Cabinet and intractable economic difficulties plagued his government between 1974 and 1979. He surged forward in 1976-

77 when René LÉ VESQUE'S PARTI QUÉBÉCOIS gained power in Québec; the Liberals clearly benefit most when Canadians focus upon their bicultural nature. When Canada did not collapse within 2 years of Lévesque's win, voters began to worry more about slow economic growth. In May 1979 Clark defeated Trudeau, sweeping English Canada. Although Liberals gained in Québec, Clark was only 4 seats short of a majority.

The Liberal situation seemed more desperate than in 1958. Provincially, especially in the West, they were pathetically weak. Their Québec base might be threatened if an Anglophone replaced Trudeau. Moreover, leadership material was thin, and the successor might face internal party acrimony. But Clark remained personally unpopular, and his party, dependent upon support from the resource-rich western provinces, could not develop an economic or energy strategy that satisfied central Canada, where rapidly rising oil prices were unpopular.

In December 1979 the government presented a tough budget and lost a subsequent nonconfidence motion, and an election was called for February 1980. Cleverly manipulating the Conservatives' internal differences, the Liberals under Trudeau (who had resigned and then returned) regained their majority in an election in which Ontario swung strongly behind the Liberals, whose policies on resource pricing they favoured and the West abhorred. The Liberals won no seat W of Manitoba and only 2 there. Deep regional divisions in Canadian politics resulted from economic strategies marking a fragmented party system, which mirrored a fragmented nation.

After 1980 Trudeau's government followed a nationalist course for a time. The National Energy Program (soon to be modified) offered great incentives to encourage domestic ownership in the PETROLEUM INDUSTRY. There was a more independent direction taken with respect to the US. After Trudeau had been instrumental in preventing Québec SEPARATISM in a 1980 Québec referendum, the Canadian CONSTITUTION, in which was entrenched the CANADIAN CHARTER OF RIGHTS AND FREEDOMS, was "patriated" to Canada. But the prime minister became ever more unpopular as inflation, interest rates and unemployment rose. In 1984 the Liberals paid the price for alienating the electorate. The Conservatives had replaced Clark with a bilingual Quebecker, Brian MULRONEY, in 1983. The Liberals chose John TURNER as Trudeau's successor a year later. Turner quickly called an election. The result was an overwhelming Conservative victory, as the Tory strength in the West endured while the Liberal fortress of Québec

crumbled. Mulroney won 211 seats, 58 of them in Québec; the Liberals retained only 40. The Mulroney government quickly became unpopular, falling into third place in the polls. This unpopularity, however, encouraged the government to be bolder and in 1987 2 initiatives, the so-called MEECH LAKE constitutional accord (see MEECH LAKE ACCORD: DOCUMENT) and the FREE TRADE agreement with the US, gave the government 2 strong issues on which to face the people.

The Meech Lake Accord did not become a major election issue but FREE TRADE did. The Mulroney Conservatives won another majority government, and in 1989 Canada and the US began a new trading regime that was later expanded to include Mexico. The North American Free Trade Agreement (NAFTA) contributed to a greater integration of the North American economy and, some would argue, a harmonization of social programs and a weakening of Canadian cultural protections.

In 1990 the Meech Lake Accord was not ratified, and Québec reacted angrily. The Mulroney government and the provinces worked out a new agreement called the CHARLOTTETOWN ACCORD (see CHARLOTTETOWN ACCORD: DOCUMENT). Despite support from all of the major parties and provincial governments, the accord was rejected in a national REFERENDUM in October 1992. The rejection was probably as much the result of the angry public mood created by the worst postwar RECESSION as the contents of the accord itself.

In October 1993, the Liberals under Jean Chrétien were elected as a majority government. The Conservatives were reduced to two seats, and the Official Opposition become the separatist Bloc Québécois. Another QUÉBEC REFERENDUM (1995) resulted in a narrow victory for the "no" side. The Liberal success with the economy and the opposition's failure to provide a unified, credible alternative led to the re-election of the Liberals in the 1997 election. While the NDP enjoyed a modest resurgence, regaining official party status, the Reform Party and the Conservative Party were left confused about how to take the next step, together, or at the expense of one another. With Jean Charest leaving the Conservative leadership to head the Québec Liberals, Joe Clark back to head the federal Tories, and Lucien Bouchard focused on Québec's economic and labour problems, the millennium approached with the "Canadian" question in abeyance but unresolved.

JOHN ENGLISH