



Second phase of industrialization



What were the different
changes that occurred during
the second phase of
industrialization?



What is happening in these photos? What type of work is this?



The second phase of industrialization: natural resources

- Lasted from around **1900-1920**
- Was inspired and driven by the exploitation of natural resources and electricity
- Natural resources that were in demand at the time included: ore containing copper, silver, asbestos, gold and nickel. They were important for the automotive, chemical and electrical industries



2.23 The Shawinigan Water and Power Company station in 1912.

New technologies and natural resources

New technologies helped increase production

- The tractor helped increase **agricultural production**
- The **Prairie** provinces became a major source of **grain** for the USA and the UK
- Quebec became known for producing high quality **dairy products**-especially cheese
- British Columbia became an **exporter of timber** producing pulp and paper
- **Pulp and paper mills were set up in Quebec** especially in regions that had hydroelectric power plants like Abitibi, Gaspé, Estrie and Mauricie



2.22 A tractor pulling 10 plows in the Prairies, circa 1922.



Manufacturing and domestic production

- Improved farming techniques meant that less people were working in the field and there was a **reduction in the importance of labour in the agricultural field**
- The service sector was increasing as jobs like banking, retail, construction and communication expanded as the population grew

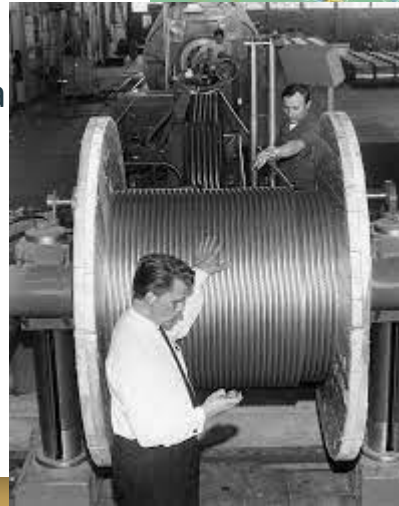


2.24 Two telephones in 1934. At that time, telephone companies hired switchboard operators to connect calls.

Manufacturing and domestic production

Large factories were emerging in Ontario and Quebec

- They were often built in areas with **natural resources** required for the industry which **encouraged the area to develop further**
 - The Mauricie region evolved around **hydroelectricity**. When a dam was built in Shawinigan in 1899, it attracted different industries that required electricity such as **aluminum smelters and pulp and paper mills**



Production during industrialization

- Factories were becoming more efficient and more specialized as production increased
- **Montreal was Canada's industrial centre** and had concentrations in railways, textiles, flour mills and refineries
- **Technical schools** were created to train workers to meet the demand for products like bicycles, sewing machines and new types of weapons



2.25 The Charlie Chaplin film *Modern Times* demonstrates the inhumane aspects of assembly line work.







Capitalism: economic system
where companies are privately
owned by those who try to
maximize profits



Foreign Investment

- Since 1896, many **British financiers** invested in **Canada**
- **Anglophone** businessmen in Montreal and Toronto also invested in industries
- Soon **American businesses** began to invest in Canadian natural resources and companies
 - **Canada had cheap labour. American businessmen would build factories to make a profit**
- The amount of foreign investment led to **Canada being dependant on the investments**



2.27 In this cartoon depicting the capitalist system, those who possess capital are at the top of the pyramid, while the workers are at the very bottom.



Monopoly capitalism

Businesses wanted to combine and strengthen their investments

- They aimed to **monopolize** specific sectors so they had **control of the prices and could increase their profits**

Non-monopolized companies could not lower their production costs and offered the same prices which **reduces their profits**

In these situations, workers were exploited to reduce the cost of production



Transportation development

Since the population was growing, there was an **increase in traffic**

- In response to this increase in traffic, the government made **improvements to streetcar, railway and boat transportation services** to make life easier for citizens and for merchants who were transporting goods
 - The Port of Montreal was updated (railways, elevators and conveyors) to move loads more easily
- Since the number of cars was increasing, the government invested in **paved roads**



The federal government allocates one million dollars to upgrade port facilities





Trucking and aviation developed quickly during this time



Image Source: Vintag ES - An early Coca-Cola delivery truck from 1910.

The Trucking industry began to emerge as competition for the railway industry

FOCUS on...

THE BEGINNING OF CIVIL AVIATION IN CANADA

Civil aviation in Canada began in the 1930s. In 1937, two aviation companies merged to form Trans-Canada Air Lines, which changed its name to Air Canada in 1965.

Foreign trade

Canada's main trading partner was the United States, then the United Kingdom

- Canada provided **raw materials and manufactured goods**
- Canada also had **trade ties** with countries such as the Cayman Islands who provided Canadians with white sugar

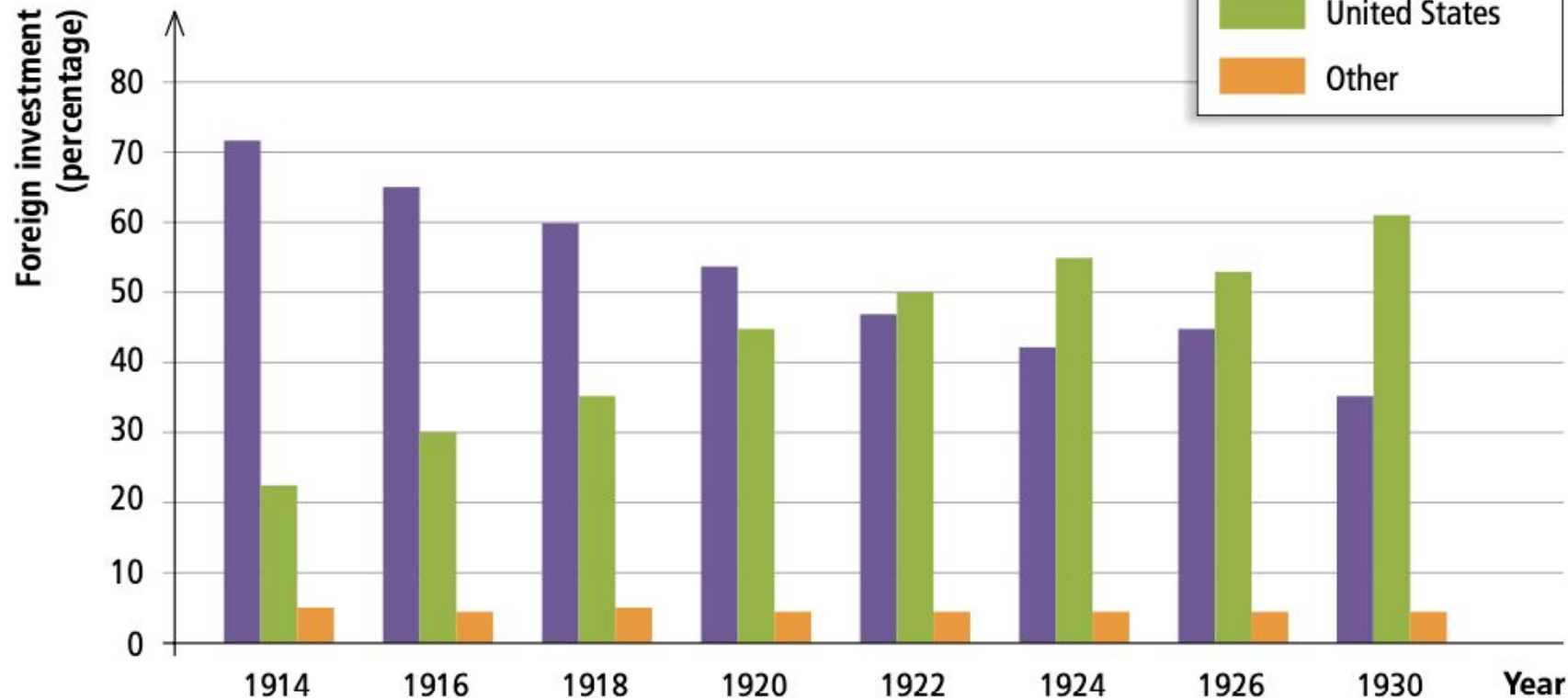
In Quebec:

- **Agricultural sector exported the most** of all sectors
- Eventually this changed to the manufacturing sector-wood, paper and aluminum

2.29 RELATIVE PORTION OF SOME INDUSTRIES IN THE QUÉBEC GROSS DOMESTIC PRODUCT (GDP), IN 1926

INDUSTRIES	PERCENTAGE
PRIMARY SECTOR	
AGRICULTURE	20
FORESTS, MINES, ELECTRICITY	10
MANUFACTURING SECTOR	
LUMBER AND PAPER	17
ALUMINUM SMELTING	1.7
TOTAL	48.7

Foreign investment in Canada, 1914–1930



Data from: Malcolm Charles Urquhart and Kenneth A. H. Buckley, *Historical Statistics of Canada*, 1965.

Role of the State

The Quebec government supported free competition, economic progress, successful businesses and the well being of workers-this led to **policies that promoted industrialization**

The **state was only moderately involved** in business because with capitalist ideology, too much state interference was seen as a **threat to individual freedoms** of investors, entrepreneurs, consumers and other economic players



Economic development Quebec

In Quebec, Premier Lomer Gouin (1905-1920) and Louis Taschereau (1920-1936, made efforts to **stimulate economic development** including:

- Maintaining **low tax rates**, encouraging **development of natural resources**, **improving conditions for workers** and also **attracting new foreign capital**



Gouin



Taschereau