

The time span between my dad living through it, and me writing it here is roughly the same, and weirdly that makes the Great Depression seem closer.

When my father "graduated" from the orphanage and foster system in Nova Scotia as a young adult, he found Halifax financially destitute. It was the 1930's, and the economy had already been suffering in the Maritimes for years, but this was the decade in which it came to a head. The poor who had immigrated within the past five years were sent back to their countries of origin, considered threats to scant job opportunities. Hungry, unemployed young people, like my father, were considered undesirables.

A brief encounter between my father and his step father (involving fists and faces) resulted in him heading west by train. Hobo class. A stowaway, looking for food, work, and shelter.

Dad was 5'5" and had to rely on his speedy left hook to survive, but his travelling companion was a very large man with fists the size of cinder blocks, so the two took care of each other along the way. They managed to survive by joining soup lines, and stealing corn from farmers' fields along the way, and somehow survived the next few years until the war came.

About 40 years later, we were a lower middle class family living in North Vancouver. That winter, an unusually deep snowfall had fallen, something like three feet. The nearby British Properties had some of the most expensive homes in the country, and even more snow, so my older brother walked a couple of miles with a snow shovel and offered to clear some roofs for a very handsome fee, as teenage boys' fees go. Later he actually laughed at the people who were paying him so much to save their precious homes from the heavy wet snow. And I can imagine the wealthy homeowners felt as though they had the better of the transaction. They would never miss the \$20. Both sides were giddy, the hallmark of a good trade.

Trade is a virtue

In a good trade, both sides can hardly believe their good fortune. And this implies that throwing gravel in the intricately balanced machinery of a trade relationship will suck the life out of the party.

Perhaps the current mood, from at least one man riding in power, reflects the elephant ecosystem analogy. The huge animal wanders through the thick jungle, stomping trees, clearing paths for others, and creating room for smaller creatures to thrive in its wake. Even its dung is the happy home of teeming bionetworks of critters, and thus those who feed on them. But to the rest of us, this argument is just a steaming, steaming pile of... hubris.

Despite what the current trend might be in the US, or elsewhere, the trade relationships which have grown up over the last several decades are not surrogates for international aid. The US isn't buying Canadian steel, or Chinese manufactured products because it is a magnanimous, gentle giant. It's because they can make a buck in the process.

I draw here on something I wrote about a year ago, now that the Trump protectionist threats, are coming closer to the forefront. While there is debate, the consensus opinion of the Great Depression which so impacted my father and others, is that protectionism deepened and worsened it. Freer trade might have alleviated it.

Hawley-Smoot, a Case in Point:

In the dawn of the Great Depression, two US law makers co-sponsored a bill designed to protect American industry from what was seen as opportunistic foreign trading partners of their day. But, according to USHistory.org, "The amount of protection received by industry did not offset the losses brought by a decrease in foreign trade. The Hawley-Smoot Tariff proved to be a disaster."

More than 1,000 economists signed a letter asking then US President Hoover to veto the act, but they were derided for being "cloistered in colleges," or reprimanded as men who had "never earned a dollar by the sweat of their brow."

While the act cannot be said to have caused the Great Depression, the situation significantly worsened due to its aftermath. The Economist chimes in with an even more damning statistical rebuke of the legislation:

“Between 1929 and 1932, American imports fell by 40%. Exports collapsed even more dramatically, by 49%. This was at least partly the result of a whole host of measures taken by other countries after Smoot-Hawley that were designed to divert trade away from America. Canada, the country's biggest trading partner, began to trade much more with other British colonies and dominions. America's trading partners were particularly incensed by the poor timing of the new legislation: after all, their economies were already struggling. ...A number of European countries were particularly upset that America chose to raise tariffs just as they were attempting to negotiate a “tariff truce” through the newly formed League of Nations.”

Sound familiar?

The Economist concludes: “The act's reputation for vitiating international trade relations is thus well deserved. It was a useless piece of legislation.”

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