

## UNEMPLOYMENT DURING THE GREAT DEPRESSION

### INTRODUCTION

The Great Depression of the 1930s had a significant impact on the whole of New Zealand society, bringing mass unemployment, which was followed by major social and economic changes.

New Zealand's economy had struggled throughout the 1920s as agricultural prices fell at the end of the First World War, but new levels of hardship hit when the New York (Wall Street) stock market crashed in 1929. The economic and social effects of this stock market collapse spread rapidly around the Western world, quickly impacting Britain, which was New Zealand's major trading partner.

New Zealand suffered because it depended almost entirely on the British market. Earnings from exports plummeted and farmers reacted to this by cutting their spending. This had a ripple effect through the rest of the New Zealand economy as the demand for goods and services fell. Farmers also faced a debt crisis because many were unable to meet mortgage payments, which resulted in some of them "walking off the land".

In the days before the Welfare State\*, work relief schemes were the only government support, even when reported unemployment hit 15%. These schemes were controlled by an Unemployment Board to make sure there was "no pay without work". The available work was rationed, and was sometimes meaningless and often in isolated, rugged areas that separated married men from their families.

A few New Zealanders remained wealthy, some even benefitting from reduced prices, and they were able to still buy luxury goods and live the "high life". Some of the "better-off" New Zealanders, however, worked to help the poor through charitable committees. They collected and distributed money, food, and clothes and organised fundraising events.

With little government assistance available, the numbers of people in need were greater than what community-self-help and charitable organisations were able to assist. This led to riots in Dunedin, Auckland, and Wellington in 1932. The government's response to this was to pass tougher 'public safety' laws, send unemployed men to remote labour camps, and tighten the relief rules even further. In 1935, the majority of New Zealanders – Māori and Pakeha, urban and rural – voted for the Michael Joseph Savage-led Labour Party, electing a government that offered new solutions to the economic and social problems that they were experiencing.

\* a country where the government assumes responsibility for the welfare of the people in areas such as health care, education, and employment.

### SOURCE A

#### The Great Depression of the thirties

For New Zealand, as for most of the Western world, the Great Depression of the early 1930s was the most shattering economic experience ever recorded. Exports fell by 45% in two years, national income by 40% in three ... at the worst point of the depression, the number of unemployed may have exceeded 70 000.

The sharpest price fall was that of wool, which declined by 60% from 1929 to 1932; meat fell a good deal less. The dairy price index continued to fall until 1934; dairy farmers tried to make ends meet by increasing production during the Depression and in doing so forced the export prices of butter and cheese still lower.

The Depression was, in fact, aggravated by New Zealand's extreme unpreparedness to meet it. Despite New Zealand's early reputation as a "social laboratory", her social services had in fact fallen behind those of many other countries in the post-1918 years, and the country entered the Depression without even the modest provision for unemployment relief by which the British industrial worker was protected. The policy of the Coalition Government formed in September 1931 was on the whole unenterprising and unenlightened. . .

As elsewhere, the chief concern was to balance the budget, though overseas borrowing continued until 1933. Some of the public works that formed the main relief measure were, however, useful. Especially notable were the schemes for the development of Māori land (conceived before the Depression, but speeded up essentially as relief work), which accorded well with the marked resurgence of the Māori people since the late nineteenth century; and the planting of exotic trees in the centre of the North Island, which was to lead to a thriving development of forest products 20 years later.

Source (adapted): 'The Depression of the Thirties', *An Encyclopaedia of New Zealand*, edited by A. H. McLintock, originally published in 1966, Te Ara – the Encyclopedia of New Zealand, updated 22 April 2009, <http://www.TeAra.govt.nz/en/1966/history-economic/7>

## SOURCE B

Estimated unemployment in 1933			
Ethnicity and gender	Number unemployed	Labour force	Rate of unemployment
European male adults	57 352	415 500	13.8%
European male minors	8 075	58 500	13.8%
European females	9 068	129 068	7.0%
Māori males	8 500	21 000	40.5%
Māori females	1 700	4 800	35.4%
TOTALS	84 695	628 868	13.5%
<b>Estimated New Zealand Population 1 547 100</b>			

Source of table (adapted): K Rankin (Economics Department, University of Auckland), *Unemployment in New Zealand at the Peak of the Great Depression*, paper for the 1994 Conference of Economic History Association of Australia and New Zealand, viewed 14 March 2012, <http://keithrankin.co.nz/NZunem1933/>

## SOURCE C

## Māori and welfare

During the Depression, 40% of the male Māori workforce was unemployed whereas the Pākehā unemployment rate was only 12%. According to Tipene O'Regan (Ngāi Tahu): "*In the 1930s, Māori were denied the dole on a belief that they could look after themselves better than Pākehā by living off the land*". Other sources claim, however, that 'unemployment' benefits were available to Māori but were paid at a much lower rate and were harder to obtain. At least one relief scheme paid a single Māori man nine shillings and sixpence per week, whereas his Pākehā counterpart was paid between twelve and seventeen shillings and sixpence depending on whether he lived rurally or in a main centre.

The Labour Government theorised about equality for Māori and Pākehā and acted to abolish unequal benefit rates in 1935, but there is evidence that, in practice, discrimination persisted.

Official papers state that where Māori shared in social security provision, benefits were paid at lower rates. The practice of paying Māori less, because they lived communally and shared living expenses, persisted. The sharing of benefit payments was seen as a misuse, much as it is today when beneficiaries do not declare their living arrangements. For Māori, the assumption that they shared was tacit\*. In order to receive a European level of benefit, Māori had to live like Europeans.

\* understood or implied without being stated.

Source: L Mitchell, May 2009, *Māori and Welfare: Te Oranga o te Iwi Māori: A Study of Māori Economic and Social Progress*, Working Paper 5, New Zealand Business Roundtable, pp 11–12, viewed 34 March 2012, < <http://www.nzbr.org.nz/site/nzbr/files/publications/maori%20and%20welfare%20by%20lm%20final.pdf>>

## SOURCE D

## Household economies

We all remembered our mothers' economical housekeeping ... nothing was wasted. They saved the dripping<sup>1</sup> from the Sunday roast and sometimes baked with it, or made it into soap to use in the laundry. Jan remembers eating bacon fat as a savoury spread instead of butter on bread.

They turned<sup>2</sup> the collars on shirts, and cut worn sheets down the middle and sewed the outside edges together to make them last longer or made pillow slips with the good parts. The sleeves were turned in hand-knitted jerseys to postpone holes developing in the elbows, and when the jerseys wore into holes they were unpicked, the wool was washed and that wool was made into a smaller garment or combined with other wool for a striped jersey. Fair Isle<sup>3</sup> patterns were popular, partly as they used up small amounts of wool.

Smaller children were often dressed in garments that were made from the good parts of bigger clothes. Helen remembers her mother having her tailored suit turned to show the new-looking underside of the fabric.

"Everything was mended", Jan commented. "Women would have a sock basket and mend holes while they chatted. We used a wooden shape with a metal clip round to hold the sock in place." Socks were made of pure wool which wore out at the toes and heels, so holes occurred very often.

## Sugar and flour bags highly valued

If the budget allowed, families bought sugar in large quantities – a 32 kg bag made of jute. Joan recalls how much these bags were valued and remembers them being turned into aprons and oven cloths. They were embroidered and used for cushions, too. The Women's Division of Federated Farmers had a competition for the most attractive article made from a sugar bag and lots of woollen embroidery featured in the prize-winning articles. This is why the time of the great Depression of the 1930s is often referred to as 'The Sugar-bag Years.' Flour was also bought in large quantities; this came in softer cloth bags which were used for pillowcases, stitched together for sheets or used to line children's trousers to prevent chafing by the coarse worsted fabric of the sugar bag.

Source of extracts (adapted): *Growing up in New Zealand 1925–1950: Part 1 - Household Economies And Food*, April 2000, NZine, viewed 21 March 2003, <[http://www.nzine.co.nz/features/guin25-50\\_part1.html](http://www.nzine.co.nz/features/guin25-50_part1.html)>

- 1 fat
- 2 re-used (turned over to put the frayed side underneath)
- 3 multi-coloured design

**SOURCE E**

A gathering at a Wellington soup kitchen, c. 1932 (Alexander Turnbull Library).



Source: The Evening Post, *Soup Kitchen*, c. 1932, photograph, Alexander Turnbull Library, National Library of New Zealand, Wellington, <http://mp.natlib.govt.nz/detail/?id=37622&l=en>

**SOURCE F**

Unemployed men and boys from the Penrose relief camp in Auckland, constructing a fence during the Great Depression.



Source: The Evening Post, *Unemployment relief work during the Depression*, 1930s, photograph, Alexander Turnbull Library, National Library of New Zealand, Wellington, <http://mp.natlib.govt.nz/detail/?id=19412&l=en>

**SOURCE G**

Workers pulling a chain harrow to even the land for fine, level seed-beds in Petone, 1932. This sort of work was usually done by horses.



Source: J V Garvitch, *Relief workers pulling a chain harrow at Petone*, 1932, 1932, photograph, Alexander Turnbull Library, National Library of New Zealand, Wellington, <http://mp.natlib.govt.nz/detail/?id=7211&l=en>

## SOURCE H

**Impact of the Great Depression**

The Depression deprived many children of any education beyond the school leaving age. They were forced to leave school and take any work, at however small a wage, to help the family to survive. Most men who kept their jobs had cuts in salaries or wages. Many businesses struggled to survive or were forced to close. Many farmers unable to keep up their mortgage payments walked off their farms. Young people finishing their training or an apprenticeship might get only three months' work in a year. Many people lost their jobs, and men had to work for a pittance on schemes for the unemployed.

**Relief work for married men**

Married men were usually given relief work near to their homes, but as the Depression grew more and more serious, even the relief days were rationed and a stand-down week was introduced after four weeks' work so that the meagre payments decreased still further ...

Some unique good results came from relief work. Skilled stone masons who were unemployed built the *Sign of the Takahē*, the castle-like restaurant, originally designed as a walkers' rest house, on the Cashmere Hills. Evidence of the economies needed in those years is found in the huge kauri beams in the ceiling, salvaged from an earlier bridge over the Hurunui, and the stone quarried from rocky outcrops on the hills above. Pieces of packing cases were used for unemployed men with artistic skills to decorate with coats of arms to form the magnificent friezes.

**Relief work for single men**

Single unemployed men were sent to camps in isolated areas and usually lived in primitive conditions. Their huts had no floors and were often in areas where there was heavy rain and the camp became a sea of mud. There were usually no bathing facilities or laundry areas for mud-encrusted clothes. The relief work was on road construction or drainage works, but there was no heavy machinery, just shovels and wheelbarrows. The men were paid on a piece work system, and as most of them were unused to heavy manual work they often earned very little, sometimes as little as five shillings a week.

The road from Te Anau to Milford was one of the projects on which the men in the camps were employed. Work began at Te Anau in 1929, and 200 men built the road as far as Te Anau Downs Station. By 1934, the road reached The Divide, a total of 85 kms. The severe winters in this area must have made working and living in the conditions provided for the relief workers almost intolerable.

## SOURCE H continued

**The situation for married women**

Few married women could help by going out to work as there were no jobs, except perhaps doing housework for the well-off. Most stayed at home and made such economies as sewing articles from sugar and flour bags, patching clothes, making new garments out of old ones, and preserving what was grown in the garden. They tried to keep cheerful and organise inexpensive fun for the children.

**No relief for unemployed women**

For single women or mothers with no husband to support them, there was no dole. Their situation was desperate. Jane remembers that families who could afford to pay for it often had a woman to come and give household help.

"Many women were glad to earn the extra money. The woman who helped my mother was in a very sad situation, unfortunately not uncommon at the time. She was living with two children in real poverty in a damp basement flat in Tinakori Road, Wellington. She had no husband to provide for them. She began her day at 4 am cleaning offices in the Government Buildings, ate her breakfast and caught the tram to the foot of the zig-zag and struggled up to save a penny on her tram fare. She arrived full of coughs. Her son would walk regularly along the railway line to pick up coal."

Source of extracts: *Growing up in New Zealand 1925-1950: Part 11 - Impact and Memories of the 1930s Depression*, February 2001, NZine, viewed 22 March 2003, <[http://www.nzine.co.nz/features/guinz25-50\\_part11.html](http://www.nzine.co.nz/features/guinz25-50_part11.html)>

**SOURCE I****Memories of the Great Depression**

We were living in Bell Hill during the Depression. My husband had a job in the mill – he was never out of work, so we were lucky. But they brought some men into the district. The government was paying them about five shillings a week to pan gold in the creeks up the back. All the gold went to the government, they didn't get any of that themselves, although I think some of them used to keep a bit back. The poor beggars were living on boiled potatoes. That's all they could afford. The wives at the mill used to club together and put in a few pence now and again and buy them some tobacco. It wasn't much, but it was something.

We moved to Christchurch later on. People used to walk over the hills to Lyttelton, about thirteen miles in some cases, just to catch a fish for something to eat. They wouldn't go to Sumner much. It was nearer, but you had to pay a penny to get on the pier to fish and they couldn't afford that.

Source: Tony Simpson, *The Sugar-bag years* (Martinborough, New Zealand: Alister Taylor Publishing, 1976), p 34.

**SOURCE J****Memories of the Great Depression**

Every day we said prayers at school for the unemployed, a term now synonymous with poor and starving people. The Government had not come up with any relief scheme for such an emergency as New Zealand was now suffering.

"They're running around like a chook with its head off", Mera said, and so they were. Not until 1931 was any relief work scheme instituted, and even then there was no assistance for unemployed women.

Where there had once been eight or nine swaggies\* at the back door in a month there were now twenty. My mother, the kindest of women towards the needy, was often in tears as she said to some dusty, exhausted man, "All I can give you is some bread and butter and a cup of tea." ...

Sometimes they left little presents, clothes-pegs whittled from wood, a scarf ring carved from a lamb's leg bone. My mother received these offerings with the sweetest grace. She could do this as readily as she could think up the most bloodthirsty fate for the then-Prime Minister of the failing Coalition Government.

\*swaggies unemployed temporary workers who travelled by foot looking for work, carrying their possessions rolled up into a swag.

Source: Ruth Park, *A Fence Around the Cuckoo* (Australia: Penguin Books Australia, 1992), pp 69–70.