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THE RESPONSE TO DEPRESSION:  
RANGITIKEI COUNTY, 1928-1935.

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ABSTRACT

This thesis examines the effect of the depression of 1929-35 on one rural area - Rangitikei County - and its interior boroughs. First, it deals briefly with the history of the county and second, identifies and evaluates the various local responses made to the depression by Government, local bodies, charitable organizations, farmers and the spokesmen of political parties.

The predominant response to the depression within Rangitikei was conservative and introspective. Local bodies, faced with the responsibility of administering relief schemes used relief labour to help subsidise their own operations, particularly the maintenance of roading. Many of the Unemployment Board schemes were unsuited to rural areas, a fact that irked local bodies who were called on to administer them. Other schemes were not always administered in accordance with the directives of the Unemployment Board due to varying interpretations and local needs. During the depression there developed an undercurrent of distrust and antagonism between local bodies and the Unemployment Board, adversely affecting the crucial relationship between local and central government.

Local bodies in Rangitikei responded to the depression by making drastic cuts in capital works and by using the Unemployment Fund to subsidise their own labour costs. Although local rates were substantially reduced, most local bodies increased the amounts they held in credit. By refusing to maintain their capital works programme, particularly in regards roading, and by their reluctance to use relief labour for developmental work, many of the local bodies left a legacy of incomplete work to their successors.

Although unemployment in Rangitikei was less of a problem than in larger urban areas, local groups and organisations provided substantial amounts of relief for distressed families. But the longer the depression

went on the less generous people became. Some charitable groups did accumulate substantial amounts of relief but were unsure how to disperse it, or were seemingly reluctant to do so. Consequently, several groups ended 1935 still holding funds accumulated for the purpose of unemployment relief.

The response of the farmers echoed the mood of introspection and retrenchment. Many farmers saw the relief schemes as a way out of their financial difficulties and used them as sources of cheap labour. Few used them for the developmental works for which they were intended. Although the recipients of much of the Government's attention, many farmers were increasingly disgruntled both with the nature and timing of legislation and the criticism they received over their use of relief labour.

M.P.'s for Rangitikei electorate, from 1928 to 1938 varied considerably in their attitudes to social and economic problems. Moreover the electorate throughout was volatile resulting in the defeat of the sitting Member at each successive election. Dissatisfaction with the handling of national problems particularly unemployment, was to be the main factor in accounting for political change rather than the personalities of the candidates.

PREFACE

A good deal of research and commentary has been produced over the years on the depression of the 1930s in New Zealand. Most have concentrated on the economic and political aspects of depression though of late there has been a notable increase in the number of social histories of the "sugarbag years."

In the absence of an authoritative text of the depression there remain many gaps in the coverage afforded to the early thirties. Though the much maligned legislative attempts of the Coalition Government have been well documented as have been the economic reasons for, and political consequences of, depression, little is recorded on the effects of the depression outside of the main centres.<sup>1</sup>

This thesis attempts in part to remedy this situation. In so doing, it avoids, where possible, mention of the broad economic, legislative and political changes wrought by the depression, a chapter on which has traditionally been an integral part of all but the most recent theses on the depression. A number of more than adequate and detailed chronological surveys of the depression and/or aspects of the depression are contained in many of these earlier theses.<sup>2</sup> Mention, of course, has been made of economic factors of government legislation pertaining directly to the text.

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<sup>1</sup> There is in fact little documentation of the effects of the depression on local bodies, and in particular, on the response of local government bodies to the unemployment schemes. Oakley's thesis on the social effects of the depression in Christchurch (P.J. Oakley 'The Handling of Depression Problems in Christchurch 1928-1935: A Social Study' Canterbury University, 1953) provides a valuable insight into the relationship between local and central government and is a pioneering work on the operations of local bodies during the depression. Although not available when this thesis was concluded, a thesis has been completed during the past year on Oamaru during the depression of the thirties (NZJH, No. 2, October 1977, p.207). Most other theses of the period have their heart elsewhere and pay only lip service to this crucial relationship between local and central government.

<sup>2</sup> The following theses in particular provide useful and informative chapters on the early thirties: A. Ashton-Peach, 'The Social Effects of the Depression in Auckland 1930-1935,' Auckland University, 1971;

The subject of this thesis 'Rangitikei 1928-35 - Response to Depression' is essentially an amalgam of two types of history - a local body history of the county of Rangitikei and its interior boroughs and town districts and a social history of a community under stress. Because of my intention to identify Rangitikei with the broader front of depression, I have had to be more severe in the division of my material than would otherwise have been necessary. For instance, there is a single chapter on unemployment relief schemes, though it has been necessary to allude to several of the schemes in other chapters. Also the local government response to the depression, while permeating other chapters, particularly those on administering charitable aid and the various relief schemes, has been, where possible, dealt with in isolation. Nor do the anomalies end there. The concluding chapter on the political response of the Rangitikei would seem to hang initially on the fact that the name of the county and the electorate are the same and that they overlap to a considerable extent. The differences between the two regions, however, are not as great as a comparison of maps would suggest. The name Rangitikei as used by the newspapers in particular transcended the changes in electorate and local body boundaries, to refer to the broad geographic region surrounding Marton and Taihape. As such, it was limited as much by the circulation of the three newspapers, as by the boundaries of the county.

While Rangitikei is occasionally used, particularly by contemporary newspapers, to denote a general region approximately coinciding with either the county, the river valley or the electorate, the boundaries and area of the county are the yardstick by which Rangitikei is used in this thesis. Despite substantial increases in area after its inception in 1876, no changes occurred in the boundaries of the county during the period 1928-35 of 1684 square miles with the area being that defined in the opening chapter.

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2 (contd.)

J.R. Belshaw, 'The Crisis in New Zealand 1930-1934,' Auckland University, 1934; Rosslyn J. Noonan, 'The Riots of 1932: A Study of Social Unrest in Auckland, Wellington, Dunedin,' Auckland University, 1969; P.J. Oakley, 'The Handling of Depression Problems in Christchurch 1928-35: A Social Study,' Canterbury University, 1953; N.T. Ruth, 'The Labour Force and Unemployment in New Zealand From 1926-1945,' Otago University, 1949; S. Wigglesworth, 'The Depression and the Election of 1935: A Study of the Coalition's Measures during the depression and the effect of these measures upon the election result of 1935,' Auckland University, 1954 (Chapter Two).

Rangitikei County was chosen for several reasons. It provided a variety of farming types including sheep, dairying and crop farming enabling a more balanced study to be made of the farmers' response to the depression than would otherwise have been possible. Its interior boroughs were large enough to provide a counterweight to the county population, yet remained small rural centres whose lot was closely intertwined with the fortunes of the farmer. The county itself was called on to play a major role in administering relief works, as to a lesser extent were the other local bodies. For the RCC, however, the county's size and the sparseness of unemployed posed considerable difficulties in the adaptation and administration of unemployment relief schemes.

By 1926 Rangitikei found itself at the crossroads. The number of timber mills and the demand for fodder crops which had largely sustained its early growth were in decline. During the decade after 1926 the population had begun to decrease significantly and continued to do so until after the Second World War. The effect of the depression was to hasten the decline in population and accentuate the state of flux in which the county found itself in the mid-twenties. It was a combination of these factors that made the county an eminently suitable case study of what was a predominantly rural community during the depression years.

Selecting the time span for a thesis on the depression traditionally involves few difficulties. Most commentaries on the depression conclude in 1935 because that was the year in which the flagholder of the depression, the Coalition Government, was replaced by the first Labour Government. Falling numbers of unemployed and rising export prices in the same year help to make the choice logical as well as politically convenient. As to the starting point, 1928 stands out for two reasons: first, because it is far enough removed from the worst of the depression to allow for a sufficient lead into the period 1930-35 (while also allowing some examination to be made of the contention that the slump affected the country two years before reaching the towns); and second, because it was an election year which saw the start of seven

years of political unease. Throughout the county, needless to say, some of the material for the thesis extends outside of this period, particularly to the years immediately preceding 1928 and subsequent to 1935.

The depression brought out a variety of responses from all sections of the community. The initial legislative response, that of adhering to a policy of economic retrenchment, is well documented as is the political response culminating in the 1935 elections.<sup>3</sup> Not so well known, however, were the responses of various other groups who became the intermediaries between the unemployed and the government or its subsidiary body, the Unemployment Board. Little information is available, for instance, on how local bodies viewed or utilised the unemployment schemes outside the four main centres. Nor have the relationships between central and local government, particularly crucial during this period of mutual interdependence, been fully explored. The degree of responsibility with which bodies administering unemployment relief viewed their role tended to vary significantly from one local body to the next. In most instances the response was cautiously conservative and often smacked of self-interest. It is apparent that most local bodies reduced expenditure and staff by using the unemployment funds to subsidise their operations, thereby emerging from the depression years with substantial credit balances. Few, it appears, devoted their efforts to using the relief schemes and the assistance of the Unemployment Board in the best interests of the country.

A number of minor issues received attention in the course of the thesis including the frequently voiced accusation that the farmers were very much a privileged class, and the contention that the country suffered disproportionately from the depression in relation to the towns.<sup>4</sup>

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<sup>3</sup> A number of theses have been written on the 1935 elections and the political climate of the early thirties. Prominent among these are the following: R. Clifton, 'Douglas Credit and the Labour Party, 1930-35,' Victoria University, 1961; E.P. Malone, 'The Rural Vote: Voting Trends in the Waikato, 1922-1935,' Auckland University, 1958; M.C. Pugh, 'The New Zealand Legion and Conservative Protest in the Great Depression,' Auckland University, 1969; and S. Wigglesworth, 'The Depression and the Election of 1935: A Study of the Coalition Measures during the depression and the effect of these measures upon the election result of 1935,' Auckland University, 1954.

<sup>4</sup> H. Wilson, 'My First Eighty Years,' Hamilton, Pauls Book Arcade, 1959, p.205.



The main bulk of the thesis, however, is concerned with examining the variety of responses elicited from the different sections of the county - its local government bodies, its charitable organisations, its farmers and people - so as to provide some insight into the ways in which a particular rural area was affected by depression.

The opening chapters are concerned with providing a backdrop for the ensuing thesis. They concentrate on giving a brief historical survey of the Rangitikei and include some mention of farming and settlement patterns, the rise of local government and population and economic trends within the county. In Chapter Three attention is turned to the efforts of local bodies and later the Unemployment Board in providing relief for all able-bodied unemployed. Clearly, some of the UB schemes for unemployment relief were more suitable for rural areas than others, depending upon the supervisory and administrative demands placed on local bodies. In several instances there emerged a considerable discrepancy between the provisions of the schemes as laid down by the UB and their interpretation by local bodies. Whatever was decreed in Wellington was frequently modified and adapted in the 'outer provinces'.

The fourth chapter is concerned with the other side of relief - the allocation of charitable aid and the efforts of individual people and organisations in providing relief through an assortment of charities and fund-raising schemes. The depression for many became a time of shared responsibility in which the membership of churches, social and service clubs increased markedly. Sadly, though they were able to accumulate considerable relief funds, many organisations were reluctant to disperse it to those in immediate need.

The response of local government bodies to the depression dominates the fifth chapter, particularly the uneasy relationship that existed between local and central government. The contribution made by local government bodies in providing relief varied considerably. Predictably, most maintained a tight grip upon their own purse strings, especially where funds from the UB were available to subsidise their own operations. The sixth chapter, entitled 'The Response of the Farmer',

looks briefly at the farming trends of the previous decade before raising a number of specific issues including the farmers' use of the subsidy schemes, the rise of the farmers' union and the attempts of the farmer to produce or diversify his way out of the slump. The seventh and final chapter, on the political response of the county, dwells almost solely on the three elections of 1928, 1931 and 1935 and the efforts of the respective members of parliament on behalf of their constituents.

Each chapter is in the main separate and self-contained, raising its own premises and drawing its own conclusions. The result is intended as a microcosm of rural society during the depression in some way complementing the number of theses already written on the effects of the depression in the larger centres.

Several difficulties were confronted in the writing of this thesis, not the least of which was a shortage of material pertaining to unemployment in the county. Statistics on the numbers of unemployed were infrequently recorded particularly as totals for the whole county and what figures there were came from a variety of often conflicting and overlapping sources, notably newspapers and unemployment committee minutes. Unfortunately also, the only unemployment committee whose minutes and correspondence files I was able to uncover was in Marton. As ad hoc bodies formed to fulfill a specific role it seems little effort was made to retain their records when circumstances made their function obsolete. I was also unable to track down a full holding of one of the three newspapers then operating within the county, the Huntermville Express, although events in and around Huntermville were adequately covered by the other two papers.

Most of the thesis is based on primary sources, notably local authority minute books, rate books and letter books, as well as a substantial amount of unbound miscellaneous correspondence. Much of the material was unpaginated with the result that some minutes or letters are referred to by their date of entry. I was fortunate that the local body records of both the county and boroughs were easily

accessible and without the large gaps that can so bedevil local body historians.

Newspapers provided a substantial amount of material for the thesis. The Rangitikei Advocate and the Taihape Times gave a full and interesting commentary on day-to-day life in the county with the Advocate providing a constant stream of interesting and provocative editorials which served to capture the mood of the county during the depression. Other papers consulted included the Wanganui Chronicle, the Manawatu Daily Times and where available, the Huntermville Express. These were in turn supplemented by collections of newspaper clippings held by local bodies.

In writing the thesis I was fortunate in the number of persons who were willing and able to recapture some of the mood of the depression years in the Rangitikei. While agreeing with Noonan that "interviews are always of limited reliability because of the vagaries of memory", they did serve to provide an invaluable background to the depression within the county.

Acknowledgements Any person researching for and writing a thesis is constantly indebted to those about him. Certainly I owe a debt of gratitude to a number of people without whose assistance the writing of this thesis would have undoubtedly suffered.

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LIST OF ABBREVIATIONS

AJHR	<u>Appendices to the Journals of the House of Representatives</u>
FU	<u>Farmers' Union</u>
HUC	<u>Huntermville Unemployment Committee</u>
LAH	<u>Local Authorities Handbook</u>
MBC	<u>Marion Borough Council</u>
MDT	<u>Manawatu Daily Times</u>
MHB	<u>Main Highways Board</u>
MTB	<u>Manawatu Town Board</u>
MUC	<u>Marion Unemployment Committee</u>
NZ Gazette	<u>New Zealand Gazette</u>
NZJH	<u>New Zealand Journal of History</u>
NZS	<u>New Zealand Statutes</u>
PD	<u>Parliamentary Debates</u>
PWD	<u>Public Works Department</u>
RA	<u>Rangitikei Advocate</u>
RCC	<u>Rangitikei County Council</u>
TBC	<u>Tairāhema Borough Council</u>
TT	<u>Tairāhema Times</u>
UB Circular	<u>Unemployment Board Circular</u>
WHB	<u>Whanganui Hospital Board</u>