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HARD TIMES? DEMOGRAPHIC CHANGE
AND THE 1930S DEPRESSION
IN NEW ZEALAND

A thesis presented in partial fulfilment of the requirements for the
degree of Master of Philosophy in History at Massey University

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ABSTRACT

The 1930s depression is well established in both the historiography and the popular consciousness in New Zealand as a major event with wide-reaching consequences. In this thesis New Zealand demographic data relating to marriages, fertility and mortality are examined for evidence of interruptions that can be attributed to the effects of the economic downturn associated with the 1930s depression. The conclusion reached is that while some interruptions are discernible, they are essentially slight and of short duration. This raises the possibility that the depression did not in fact have a very severe impact in New Zealand. Another possibility is that the relationship between economic circumstances and demographic behaviour may no longer be close, an argument that would seem to be supported by the inconsistency of trends over time, and in other English-speaking countries studied. Data relating to the incomes of five groups are then examined. The evidence is of a wide diversity of financial experience during the depression, with a marked effect on many, particularly the least skilled, the owners of small farms and other small businesses, and those already towards the lower end of the economic scale. In addition, it is shown that the cuts in wage rates and pensions were in general not a major factor in reducing real incomes, which suggests the relative importance in this of unemployment. Statistics relating to unemployment are then analysed. They support the findings regarding income, since the least skilled were the worst affected. It is concluded that while the scale of unemployment in the 1930s was an anomaly in this country, the period of severe unemployment was relatively short compared with that experienced by some other countries. In respect of the groups most likely to suffer unemployment, the depression was an intensification of the normal situation rather than an anomaly. Some possible reasons are suggested for the lack of correlation between demographic and economic trends, and for the prevalence of the belief that the depression was a "community trauma" in this country.

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ABBREVIATIONS

<u>AJHR</u>	<u>Appendices to the Journals of the House of Representatives</u>
<u>Census</u>	<u>Census of New Zealand</u>
<u>NZOYB</u>	<u>New Zealand Official Yearbook</u>
<u>NZPD</u>	<u>New Zealand Parliamentary Debates</u>

INTRODUCTION

The central concern of this thesis is to investigate the effect of the depression of the late 1920s and early 1930s on demographic trends in New Zealand.

Connections have often been made between economic and demographic changes. As early as the late eighteenth century T. R. Malthus thought that awareness of the financial cost of raising a family deterred some men from marrying, which served as a "preventive check" against rising population numbers at times of economic stress.¹ Demographic historians such as J. Hajnal, E. A. Wrigley and Emmanuel LeRoy Ladurie have argued more recently that in pre-industrial society people adjusted their fertility levels to keep the population in balance with the available resources. This was achieved mainly by adjusting the age at first marriage, lowering it when real income per head rose, raising it and thus reducing fertility when harvests were poor and incomes fell, though some have also seen some evidence of direct fertility control within marriage.²

There have been some debates about the continuing relevance of these theories for post-industrial societies. D. V. Glass, writing in the 1930s, saw close correlations between marriage rates and economic prosperity in England during the mid-nineteenth century. He noted that these became progressively weaker over the next half-century, a

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- 1 M. W. Flinn, Readings in Economic and Social History (London, 1964), p. 181.
 - 2 J. Hajnal, "European Marriage Patterns in Perspective", in Population and History, ed. D. V. Glass and D. Eversley (London, 1965), pp. 132-3; Emmanuel LeRoy Ladurie, The Peasants of Languedoc (Urbana, Ill., 1974); E. A. Wrigley, Population and History (London, 1969), pp. 108-13.

tendency he expected to increase as marriages became less fertile and women's work force participation increased.³ Morris Silver's study of births and marriages in relation to business cycles in the United States between 1871 and 1961 led him to conclude that both are sensitive to economic changes. He estimated that while birth rates varied by about 20-30% as much as did the national income, marriage rates were even more sensitive to such movements.⁴ K. Basavarajappa has tested some of these theories against Australian evidence, finding, like Silver, that marriage rates were more affected by business cycles than were births. He thought that marriage rates might be more responsive to changes in employment than to changes in personal income.⁵ Other writers have, however, cast serious doubt on theories involving simple correlations between economic and demographic changes, concluding that changing social norms are more important than constraints of income.⁶ Analysis of United States economic and demographic data led Dudley Kirk to conclude that while short-term deviations from trends may be influenced by economic fluctuations, longer term trends are derived from quite independent underlying forces.⁷ This thesis examines New

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- 3 D. V. Glass, "Marriage Frequency and Economic Fluctuations in England and Wales, 1851-1934", in Political Arithmetic: A Symposium of Population Studies, ed. Lancelot Hogben (London, 1938), pp. 251-282.
 - 4 Morris Silver, "Births, Marriages and Business Cycles in the United States", Journal of Political Economy, 73(1965), pp. 237-55.
 - 5 K. Basavarajappa, "The Influence of Fluctuations in Economic Conditions on Fertility and Marriage in Australia, 1920-1 to 1937-8 and 1946-7 to 1966-7", Population Studies, 25(1971), pp. 39-53.
 - 6 For example, Alan Sweezy, "The Economic Explanation of Fertility Changes in the United States", Population Studies, 25(1971), pp. 255-267.
 - 7 Dudley Kirk, "The Influence of Business Cycles on Marriage and Birth Rates", in Demographic and Economic Change in Developed Countries (Princeton, 1960), p. 254.

Zealand data in the light of these debates.

Depressions have been seen as causes of demographic change in New Zealand. For example, the "long depression" of the 1880s has been blamed for the rise in age at first marriage at the end of the nineteenth century.⁸ Andre Siegfried had expressed concern about this country's declining birth rate at the turn of the century,⁹ and during the 1920s and 1930s fears about possible "race suicide" were widespread in New Zealand, as the birthrate of European women seemed again to be falling rapidly. W. B. Sutch reported that he and other economists working with Gordon Coates during the early 1930s were monitoring both birth and marriage rates closely; he graphed them in conjunction with export prices, and clearly saw the economic decline as the major cause of the apparent demographic changes.¹⁰ In another example of this thinking the rising rate of septic abortion during the early 1930s was attributed in part to married women using abortions to limit their families for reasons of economic hardship.¹¹ Moreover, the economic orthodoxy of the time saw increasing population growth as not just an indicator of business confidence but also a necessary basis of economic progress. Concern that a diminishing work force resulting from the low birth rates of the 1930s and the war years would hinder post-war

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- 8 W. B. Sutch, Colony or Nation? Economic Crises in New Zealand from the 1860s to the 1960s, ed. M. Turnbull (Sydney, 1968), pp. 31-2; R. J. Campbell, " 'The Black Eighties' - Unemployment in New Zealand in the 1880s", Australian Economic History Review, 16(1976), p. 77.
 - 9 Cited in S. H. Franklin, "New Zealand's Population in the Welfare Era, 1901-61", in Land and Society in New Zealand: Essays in Historical Geography, ed. R. F. Watters (Wellington, 1965), p. 172.
 - 10 W. B. Sutch, Colony or Nation?, p. 40.
 - 11 Report of the Committee of Inquiry into the Various Aspects of the Problem of Abortion in New Zealand, AJHR, 1937, H-31A.

development led to the establishment of the 1946 Dominion Population Committee. Members of this Committee blamed the decline in fertility on such factors as the growth of consumerism, women's selfishness and the shortage of domestic labour as well as on the depression itself.¹² In the event the post-war "baby boom", possibly attributable in part to the economic security provided by the First Labour Government's social welfare policy, dispelled fears of population stagnation.

References to postponed marriages and reduced numbers of births caused by the economic hardship of the 1930s in New Zealand are plentiful, in reminiscences, secondary histories, theses and official sources.¹³ Similar phenomena have been noted by historians of other English-speaking countries.¹⁴ New Zealand demographers too

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- 12 Report of the Dominion Population Committee, AJHR, 1946, I-17. Other publications of the time expressing similar concerns include G. N. Calvert, The Future Population of New Zealand: A Statistical Analysis (Wellington, 1946); H. I. Sinclair, Population: New Zealand's Problem (Dunedin, 1944), and articles such as "Ken" (Pseud), "War and the Stork: What's Happening to New Zealand's Population?" New Zealand Magazine, 25(1946), pp. 23-4.
 - 13 For example, Anthony Ashton-Peach, "The Social Effects of the Depression in Auckland, 1930-35", MA thesis (University of Auckland, 1971), pp. 43-48; Eve Ebbett, Victoria's Daughters: New Zealand Women in the Thirties (Wellington, 1981), pp. 106, 119; Franklin, pp. 172-173; NZOYB, 1990, p. 138; Kath Shaw, "Depression Days in Otaki: The Farming Community", Otaki Historical Society. Historical Journal, 2(1979), p. 12; Tony Simpson, The Sugarbag Years: An Oral History of the 1930s Depression in New Zealand (Auckland, 1974), pp. 35-37, 78; Keith Sinclair, A History of New Zealand (Harmondsworth, 1980), p. 258; W. B. Sutch, The Quest For Security in New Zealand, 1840-1966 (Wellington, 1966), p. 192.
 - 14 For example, Anthony J. Badger, The New Deal: The Depression Years, 1933-40 (London, 1989), p. 33; G. C. Bolton, A Fine Country to Starve in (Nedlands, 1972), p. 187; Ray Broomhill, Unemployed Workers: A Social History of the Great Depression in Adelaide (St Lucia, 1978), pp. 4, 40; J. R. Robertson, "1930-39", in A New History of Australia, ed. Frank Crowley

have pursued the question of connections between depressions and changes in marriage and fertility patterns.¹⁵ Some, however, have queried how close these connections really were; C. J. O'Neill, for example, pointed out that the fertility decline of the late nineteenth and early twentieth centuries continued steadily through both prosperous and less prosperous times.¹⁶

In Chapter 1 of this thesis some aspects of the demographic changes of the years immediately before, during and after the depression period are examined, based both on the existing work of the New Zealand demographers mentioned above, and on some original analysis of annual vital statistics and census data. The general conclusions reached are that while some interruptions to long-term trends are discernible, these are essentially both slight and of short duration, especially when compared with the more substantial, though also temporary, interruptions associated with the two world wars. In demographic terms, the 1920s and 1930s would seem to be a period of continuity rather than radical change. If Kirk's theory that major economic changes can cause notable short-term interruptions to

(Melbourne, 1974), p. 415; The Wasted Years? Australia's Great Depression, ed. Judy Mackinolty (Sydney, 1981), pp. 104, 109.

- 15 For example Miriam Gilson Vosburgh, The New Zealand Family and Social Change: A Trend Analysis (Wellington, 1978); Shailandra K. Jain, "Cohort Nuptiality in New Zealand: A Study Based Primarily on the Distributions of the Non-Maori Vital Events Recorded During the Period 1900-1967", PhD thesis (Australian National University, 1972), pp. 295-6; Mansour J. Khawaja, Trends and Patterns in New Zealand Fertility, 1912-1983 (Wellington, 1986); Arvind V. Zodgekar, "The Fertility Transition in the Non-Maori Population of New Zealand", Journal of Biosocial Science, 12(1980), pp. 165-178.
- 16 C. James O'Neill, "Fertility: Past, Present and Future", in The Population of New Zealand, ed. R. J. Warwick Neville and C. James O'Neill (Wellington, 1979), p. 129.

demographic trends is accepted, the slightness of these interruptions in New Zealand raises questions of just how big an occurrence the depression was, in terms of financial hardship, for the population as a whole. If, on the other hand, it is accepted that the depression was a time of major economic disruption, this then calls into question the theory of economic causation of demographic change.

The depression is certainly portrayed in this country's historical literature as a "big event". Historians have commonly drawn parallels between the two major turning points in this country's history, the "long depression" of the 1880s and the "great depression" of the 1930s. Both have been seen as anomalies, times when economic reverses caused widespread unemployment and distress, interrupting New Zealand's otherwise steady progress towards fulfilment of the colonial dream of prosperity and security for all. In both cases the resultant social distress is seen as contributing in large measure to major political changes. The Liberal Government elected after the "long depression" introduced legislation to protect the labour force from exploitation and to establish the foundations of the welfare state. Similarly, the First Labour Government, swept to power following the trauma of the 1930s depression, and reacting to the widespread fear of destitution that it had caused, built on and extended those earlier achievements, raising interventionism and "state socialism" to new and glorious heights.¹⁷ To be fair, this is a somewhat over-simplified summary,

17 See, for example, Michael Bassett, The Depression of the Thirties (Auckland, 1967); A. H. Reed, The Story of New Zealand (London, 1974); Keith Sinclair, A History of New Zealand, (Harmondsworth 1980); F. L. W. Wood, This New Zealand (Hamilton, 1946), and, to a lesser extent, W. P. Morrell and D. O. W. Hall, A History of New Zealand Life (Wellington, 1957) and W. H. Oliver, The Story of New Zealand (London, 1960).

and it must be added that most historians do point to very considerable historical continuities, both in political developments and in the development of interventionist and social welfare policies. To most the depression was a major catalyst in the process rather than a single unique cause. However, virtually all writing about the 1930s is predicated on the assumption that the depression was a major disruption, a "community trauma" and an "unspeakable disaster",¹⁸ touching all aspects of national life. Despite some minor changes such as acknowledging that not everyone suffered, this interpretation still forms the basis of much recent work on the period.¹⁹

Simple causal connections between the widespread suffering of the 1930s depression, the election of the First Labour Government and the development of protectionist and social welfare legislation are inevitably most clearly seen in shorter histories, and in those aimed at schools. In several of these the very arrangement of the material often serves to emphasise the pivotal role of either the events of 1932 or the 1935 election.²⁰ Such works have tended to become conflated with individual memories in the popular consciousness, contributing to a well-established depression mythology based on the notion that a whole nation spent several years on the verge of destitution.

18 Tony Simpson, The Slump. The 1930s Depression: Its origins and Aftermath, (Auckland, 1990), p. 126; The Sugarbag Years, p. 5.

19 See Tom Brooking, Milestones: Turning Points in New Zealand History (Lower Hutt, 1988) and Erik Olssen, "Depression and War", in The Oxford Illustrated History of New Zealand, ed. Keith Sinclair (Auckland, 1990), pp. 211-235.

20 See Sinclair, p. 259-260: one chapter, titled "Insecurity", ends in 1932, described as this country's "nadir", while the next chapter is titled "Social Security". See also Laurie Barber, New Zealand: A Short History (Auckland, 1989), and Judith Bassett, Keith Sinclair and Marcia Stenson, The Story of New Zealand (Auckland, 1985), pp. 176-177.

A variation on the "major event" interpretation, and one not entirely incompatible with it, is seen in Sutch's The Quest for Security in New Zealand, 1840-1966. Sutch emphasised the fact that unemployment and poverty have never been absent from New Zealand's history, and in his book the depression appears as a considerable worsening of something that already existed, rather than as a sudden reversal of fortunes. The suffering of the unemployed and of wage earners at that time is portrayed as part of a continuing struggle by workers against exploitation.²¹ A similar view was expressed by the Methodist minister Colin Scrimgeour: "The Depression did not create a pool of human misery. It just made it immeasurably bigger."²²

Both variations of the interpretation of the depression as a major event show similar characteristics. One is a marked focus on the experience of the unemployed, despite the fact that their experience was not that of the majority of the population. A second is an implication that the unemployment experienced was not just very much more severe than usual, but also different in character. Frequent reference is made to the fact that not just unskilled workers but also skilled craftsmen and professional men were amongst those on relief.²³ Third, cuts imposed on wages and pensions are frequently cited as evidence that all groups suffered a severe fall in standard of living. Such references rarely mention that the effect of the cuts was moderated by a fall in the cost of living, or that all the pension cuts and many wage cuts were restored before the election of

21 Sutch, Quest for Security.

22 C. G. Scrimgeour, John A. Lee and Tony Simpson, The Scrim-Lee Papers (Wellington, 1976), p. 16.

23 Sinclair, p. 258; Sutch, Quest for Security, p. 130.

the Labour Government.²⁴ Fourth, relief rates paid to those on Scheme 5 are universally condemned, with references to the hated "stand down week" implying that this applied for the whole duration of the depression, whereas in fact it was only in force for fourteen months. No attempt is made to compare rates with those paid in other countries, to relate them to other incomes, or to elaborate on the rates paid to men on other relief schemes.

Fifth, the implicit acceptance of the 1930s as a major disaster bringing about radical political changes has led some writers to over-dramatise the situation in support of their arguments.

Emotional and imprecise language is often used which, combined with the emphases mentioned above, leaves the impression that the early 1930s were a time of unrelieved gloom, with extreme and universal poverty. Sinclair described scenes in which rioters run from special police as though they were daily occurrences.²⁵ Simpson asserted that "shopkeepers went bankrupt in droves", that "to the great majority of the population it was sheer misery and horror", and that "everybody over vast areas of town and country was on the bare bones of their arses".²⁶ Sutch described the experience of the unemployed as "fantastic", with "almost incredible penury".²⁷ Simpson reported a 1934 survey of Auckland schoolchildren that revealed that 70 per cent of them suffered from physical defects, without suggesting what percentage of children could normally be expected to have suffered from defects, or what proportion of those

 24 Simpson, The Sugarbag Years, p. 6; Sinclair, p. 257; Sutch, Quest for Security, p. 131-5.

25 Sinclair, p. 258.

26 Simpson, The Sugarbag Years, pp. 6, 8.

27 Sutch, Quest for Security, pp. 143, 137.

defects could be attributed to the circumstances of the depression.²⁸

The economic downturn and rising unemployment of the 1980s and 1990s have led to renewed interest in the circumstances of the 1930s, and some revision of views of the period. An interpretation that sees welfarism and political shifts to the left as an inevitable outcome of severe depression seems less tenable now than it did thirty to forty years ago, since the current crisis is associated, in New Zealand as elsewhere, with the rise of the New Right. The welfare state, seen by Sinclair as one of New Zealand's "most treasured possessions", and by Condliffe as "high among New Zealand's priorities",²⁹ has proved less robust than expected. As early as 1978 W. H. Oliver was asking whether the colonial dream, which had seemed so nearly within our grasp in the 1950s, was still tenable, and more recently he has pointed out the failure of both social security and the managed economy to achieve their goals in the long run.³⁰

The economic historian G. R. Hawke has queried the direct causal links between the suffering of the depression and the 1938 social security legislation, and has even cast some doubts on the depression's status as a major social disaster.³¹ He has pointed

28 Simpson, The Sugarbag Years, p. 7.

29 Sinclair, p. 316; J. B. Condliffe, The Welfare State in New Zealand (London, 1959), p. 321.

30 W. H. Oliver, "An Uneasy Retrospect", in Thirteen Facets: Essays to Celebrate the Silver Jubilee of Queen Elizabeth the Second, 1952-1977, ed. Ian Wards (Wellington, 1978), pp. 47, 51, 60; "Social Policy in New Zealand, An Historical Overview", in Report of the Royal Commission on Social Policy (Wellington, 1988), pp. 30-45.

31 G. R. Hawke, The Making of New Zealand: An Economic History (Cambridge, 1985), pp. 160-161.

out that in international terms the New Zealand experience was "not markedly worse than average", and that the situation of individual New Zealanders would have ranged widely from the destitute to those who actually benefited financially.³² While some aspects of this revision have been taken up by recent writers³³ it has provoked a notable reaction from Tony Simpson. In his recent book The Slump Simpson argued strongly for the continuing importance of the depression mythology, even though admitting that not "all of the truths rationalised by the mythologies can be sustained by all of the facts".³⁴ He dismissed the use of statistics as a way to measure the size of the depression, declaring them "a hopelessly inadequate basis upon which to erect a sense of the human distress that disasters always entail".³⁵

This thesis, while making extensive use of published statistics, is not an attempt to demolish the mythology, or to diminish the individual cases of distress that undoubtedly existed. Nor does it pursue the political, psychological, cultural or social welfare aspects of the period. Rather, it aims to investigate some aspects of the extent to which the depression is evident in the statistical record. Possible disruptions to some long-term demographic trends are examined in Chapter 1; the extent to which the depression impacted on incomes and standard of living, and employment opportunities, is considered in Chapters 2 and 3.

32 *ibid.*, pp. 124-5.

33 For example Tom Brooking, Milestones, and Olssen, "Depression and War".

34 Simpson, The Slump, p. 43.

35 *ibid.*, p. 25.

CHAPTER 1

INTERRUPTIONS TO DEMOGRAPHIC TRENDS

In this chapter long-term trends in New Zealand's marriage, fertility and mortality patterns are briefly described, together with some of the reasons given for them by historians and demographers. Deviations from trend that could be expected as a result of a severe economic crisis are outlined. Statistical data are then examined on the extent and duration of any deviations in New Zealand, comparisons being made with other English-speaking countries where data are readily available. Unless otherwise stated, New Zealand statistics refer to the non-Maori population alone, since data on Maori was only incorporated in census reports from 1966, and in the Vital Statistics from 1962.

Demographic changes here during the past century are not unique, but broadly follow those of most developed countries, particularly the United Kingdom and other countries colonised by English-speaking people. New Zealand's demographic history has in fact been seen as "an antipodean microcosm of the West European World".¹ These changes include: increasing percentages of the population marrying, and (until the past twenty years or so) marrying at progressively younger ages; falling fertility, resulting in both lower annual fertility rates and smaller completed families; lower mortality rates and extended expectation of life.

1 L. D. B. Heenan and A. D. Trlin, "Population, Society and Economy", in Society and Environment in New Zealand, ed. R. J. Johnston (Wellington, 1974), p. 89.

The broad outlines of demographic shifts are reasonably clear. Marriage patterns during the early years of New Zealand settlement have been described by one demographer as being derived from the imported marriage norms of British settlers, modified by the opportunities and constraints of colonial life.² The age/sex ratio was a critical modifying factor; a surplus of males in the immigrant population, many of them working in isolated areas, meant that while a high proportion of women married, fewer males had the opportunity to do so. Age at first marriage tended to rise in the last two decades of the nineteenth century. This is often attributed to postponement of marriage during the long depression,³ but it may well have had demographic causes. As the population became more settled, and the sex ratio more balanced, women were less likely to marry young, and larger numbers of older men were able to marry, both of which tended to push up the average age.⁴ At the same time, the proportion of women ever married dropped slightly as the sex ratio changed. From about 1910 to 1970 overall marriage rates increased, resulting in higher percentages of the population marrying at some time in their lives. Couples also married at progressively younger ages. The median age at first marriage dropped substantially between the mid-1920s and the early 1970s, from around 27 to 23 for males, and from around 24 to just under 21 for females. A marked reversal of the trend to earlier marriage has occurred since 1970, but it is too soon to predict whether this is a temporary reversal, or the start of a new and sustained development.

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- 2 Miriam Gilson Vosburgh, "Changing Marriage Patterns in New Zealand", in New Zealand Society: Contemporary Perspectives, ed. Stephen Webb and John Collette (Sydney, 1973), p. 202.
 - 3 Sutch, Colony or Nation?, pp. 30-31.
 - 4 Gilson Vosburgh, "Changing Marriage Patterns", p. 208.

The fertility decline over the past one hundred years has been dramatic, however it is measured. Annual fertility rates declined steadily from 351 births per 1,000 married women aged 15-44 in 1874, to below 150 in 1935. A rise occurred after the Second World War, reaching almost 210 births per 1,000 married women in 1961. This was followed by a further decline to about 130 in the late 1970s and early 1980s, which may be seen as a resumption of the long-term decline after the interruptions of the war. Women marrying in 1880 had on average 6.5 live births during their reproductive lives, while those marrying in the mid-twentieth century had only 2-3.5

All this can be interpreted as a standard part of the second stage of the international demographic transition, from high fertility and high mortality to low fertility and mortality. It has been pointed out, however, that while New Zealand entered this stage at much the same time as did the United Kingdom, this country was then still very much a rural society, and therefore the change here cannot be attributed directly to industrialisation or urbanisation, as it tends to be elsewhere.⁶ One probable explanation is that nineteenth century migrants, coming from Britain, where fertility rates had already started to fall, brought with them both social norms associated with these trends, and knowledge of the means of fertility limitation.⁷ The fact that this reduction in fertility continued uninterrupted between 1874 and 1935, throughout both prosperous and recession periods, means that purely economic explanations for it must be treated with great caution.⁸

- 5 Gilson Vosburgh, The New Zealand Family and Social Change, p. 54.
- 6 Heenan and Trlin, p. 90.
- 7 Gilson Vosburgh, The New Zealand Family and Social Change, p. 57.
- 8 C. James O'Neill, "Fertility: Past, Present and Future", pp. 128-9.

Long-term mortality changes have been equally marked. The fall in death rates associated with the first stage of the demographic transition had already taken place by the mid-nineteenth century in the migrants' countries of origin. However, New Zealand's death rates were generally lower still at all ages than those of European countries, due in large part to the low population density which minimised the spread of epidemics. Further notable declines in both crude and standardised death rates for all age groups have occurred during the past hundred years. This has been particularly marked for the very young. For example, New Zealand's infant mortality rate was around 51 per 1,000 live births in the early 1900s, about half the rate of the United Kingdom, but it dropped further to 34 per 1,000 by 1930, and by the mid-1950s was below 20 per 1,000.⁹ The lowered death rates can be ascribed to many causes, including improved nutrition and housing, general improvements in public health, hygiene and medical services. In addition, rising standards of infant care due among other things to the efforts of the Plunket Society and the Health Department, the hospitalisation of births, and the greater individual attention given to children as families became smaller, have all contributed to the falling infant mortality rate.¹⁰

The historical literature implies that the economic crisis of the 1930s was sufficiently severe to cause widespread changes in people's behaviour and health.¹¹ If that were so, then clear signs

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- 9 Franklin, p. 171; Annual Report of the Medical Statistician on the Medical Statistics of New Zealand, 1962, p. 74.
 - 10 R. M. Chapman and E. P. Malone, New Zealand in the Twenties: Social Changes and Material Progress (Auckland, 1969), pp. 23-4; R. J. Warwick Neville, "Trends and Sources", in The Population of New Zealand, ed. R. J. Warwick Neville and C. James O'Neill (Wellington, 1979), p. 9; Arvind V. Zodgekar, "Mortality", *ibid.*, pp. 89-91.
 - 11 For example "The distress and destitution among significant sectors of the community almost beggars description", Simpson,

of disruptions to background trends could be expected. Evidence that significant numbers of marriages were being delayed might include a temporary drop in marriage rates and in the proportion of the population ever married, followed by a marked rise in marriage age, and an increase in marriages at higher ages as delayed marriages were made up after the depression. With regard to births, any of the following would suggest that births were being delayed or foregone: a marked deviation from existing trends in marital or total fertility rates: an increase in the time between marriage and first birth, or between first and subsequent births; a rise in the age of women giving birth after the depression; a reduction in completed family sizes. Some increase in standardised death rates, or more especially in "poverty-sensitive" deaths such as those from tuberculosis or in infancy, could be anticipated if malnutrition or lowered living standards affected a substantial portion of the population.

One of the reasons for the concern about declining marriage and birth rates during the 1920s and 1930s, was that the measures generally used to trace these things were the crude rates, or the numbers of births or marriages per 1,000 total population. These were used by Sutch, for instance, and seemed to him to demonstrate close correlations between export prices and demographic changes.¹² Declines in these rates, or in the actual number of births or marriages, were used then and have also been cited by more recent

The Slump, p. 69; "For thousands the standard of housing, food, warmth and clothing fell sharply to a point well below the level that had been considered merely reasonable since the previous great depression", Oliver, The Story of New Zealand, p. 183.

12 Sutch, Colony or Nation?, p. 40.

writers as evidence of the effects of economic downturn.¹³ However, none of these are accurate measures of changes in behaviour, since the frequency of all demographic events is dependent on a complex combination of variables, in particular age and sex ratios, and the proportions married. More refined and acceptable methods measure the rate at which events occur within that segment of the population "at risk" of having the event happen to them, and these are employed here. Wherever possible, use is made of both rates recorded in particular years, and the rates experienced by particular birth or marriage cohorts, that is, by those born or married in particular years. The former show annual fluctuations, while the latter, less subject to short-term variation, show changes in lifetime experiences. Statistics covering the years before, during and after the depression years are used, so that any breaks can be seen in perspective, and compared with what can be regarded as normal, short-term fluctuation. The period covered by individual graphs varies, depending on the available statistical sources, research already done by others, and the particular issues in question.

1: MARRIAGE

To discover whether marriages were being postponed during the depression I examine first the marriage rates for men and women of all ages, and in particular age groups, then age at first marriage and finally the percentage ever marrying.

13 For example, Ashton-Peach, pp. 43-8; Franklin, p. 173; Muriel F. Lloyd Prichard, An Economic History of New Zealand to 1939 (Auckland, 1970), p. 383; Roslyn Noonan, "The Riots of 1932, a Study of Social Unrest", MA thesis (University of Auckland, 1969), p. 3.

GRAPH 1.1: First marriage rate per 1,000 never married persons of all ages, New Zealand, 1921-1966.



Source: S.K.Jain, Source Book of Population Data, Vol. III, pp.98-101.

S. K. Jain has calculated the annual first marriage rates at all ages (that is, considering "bachelors" and "spinsters" only) between the census years 1921 and 1966, and these are illustrated in graph 1.1.14. Having risen after the First World War the annual rates of marriage for "bachelors" and "spinsters" followed a slight downward trend through the 1920s, with a sharper drop of 14% between 1930 and 1931. This drop could be seen as a reaction to increasing economic uncertainty: registered unemployment, which had been rising during the late 1920s, was considerably higher in 1930 and 1931, and nominal wages were cut in 1931. However, despite the fact that the country's economic situation worsened in 1932 and 1933 as export prices remained depressed, unemployment rose and some wage rates were cut further, marriage rates started to recover in 1933, exceeded the 1930 rates by 1935, and rose steadily until 1940. If economic fears were the principal reason for the decline in the marriage rates, these could be expected to have remained low until at least 1935, by which time there were some signs of recovery in national income, a drop in unemployment and increasing optimism among both politicians and people. It would seem either that the economic constraints were not in fact sufficiently severe to cause numerous lengthy postponements of marriage,¹⁵ or that people adjusted to the situation, realised that things were not going to improve quickly, and went ahead regardless. It has also been suggested that the Unemployment Board's scheme for subsidising house building, inaugurated in May 1932, may have helped remove some of the economic disincentives to marriage.¹⁶

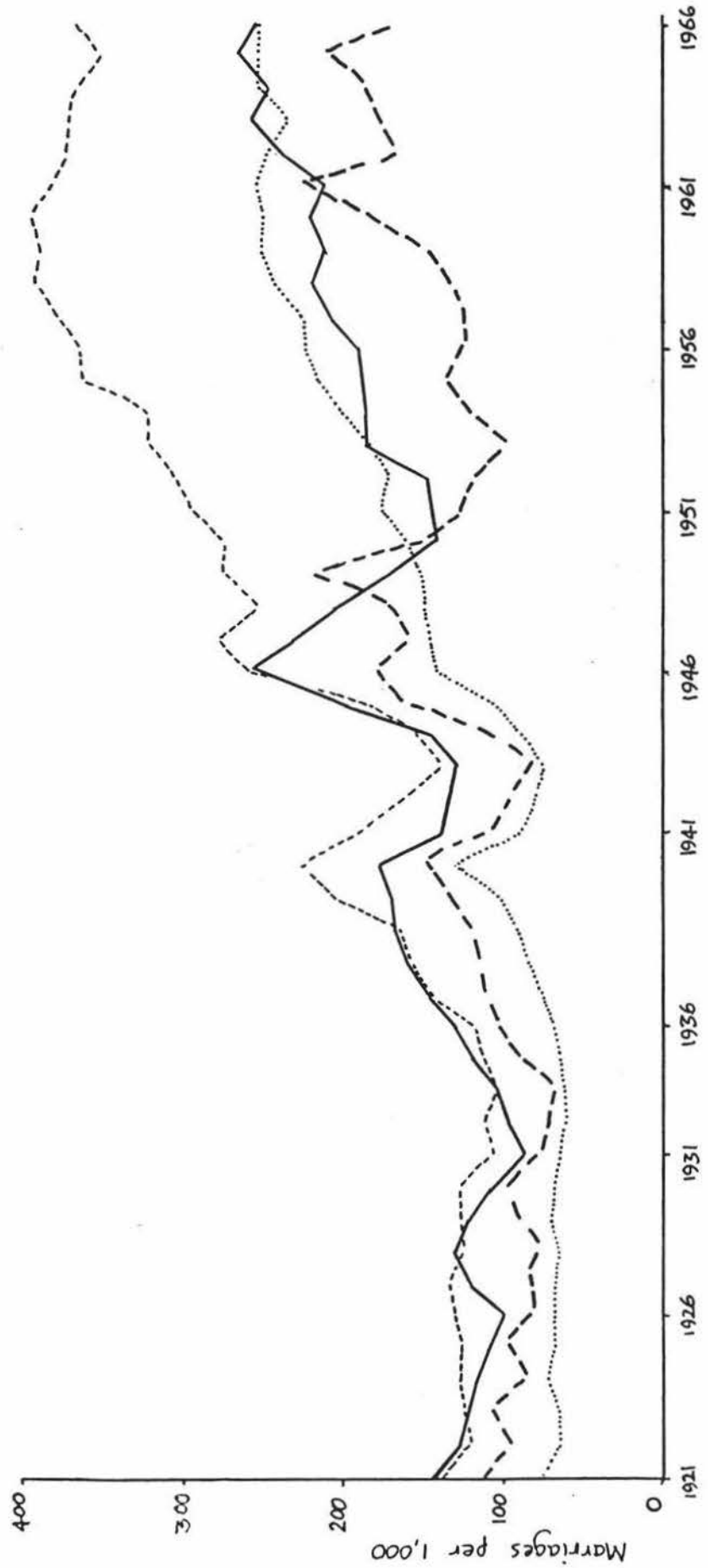
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- 14 Jain has done valuable work establishing annual figures for the age and marital status of the population during this period, which form the basis for calculations of these annual marriage rates. Marriage rates outside this period can only be calculated for census years.
 - 15 Falling retail prices had to a considerable extent offset the drop in nominal wages. See Chapter 2.
 - 16 Lloyd Prichard, p. 383; Report of the Unemployment Board, 1933, AJHR, 1933, H-35, p. 10.

The rise in marriage rates reached a peak in 1940 that was 53% higher than the 1930 level; some of this rise might be attributed to marriages postponed from the early 1930s. However, it has been argued, and will be shown below, that a substantial part of it is due to increased numbers and higher rates of marriage at young ages, rather than many late marriages held over from the early 1930s. In short, the long-term trend to younger marriage was resumed, and intensified by some marriages being brought forward at the start of the Second World War.¹⁷

Graphs 1.2 and 1.3 show marriage rates at specific ages, and make it clear that higher rates of marriage at young ages did lie behind this rise in overall marriage rates in the later 1930s. Two points need to be noted. First, the graphs show that the marriage rates for both males and females at various ages have always been subject to intermittent fluctuations, in prosperous and peaceful periods just as in times of depression or war. The decline in marriage rates during the early 1930s was no greater than many of these "normal" fluctuations. For women aged 20, rates actually varied less then than at other times, for example in the early 1920s and 1960s. Second, if large numbers of young people were delaying marriage for a year or more in the early 1930s, a significant rise in the marriage rates for older men and women should be evident in the mid and later 1930s. There was some increase between 1933 and 1936 in the rates at ages 28 and 30, but it was no more marked than similar rises in the affluent 1960s. Nor was the mid-1930s rise in marriage rates at ages 28 or 30 much greater than that at younger

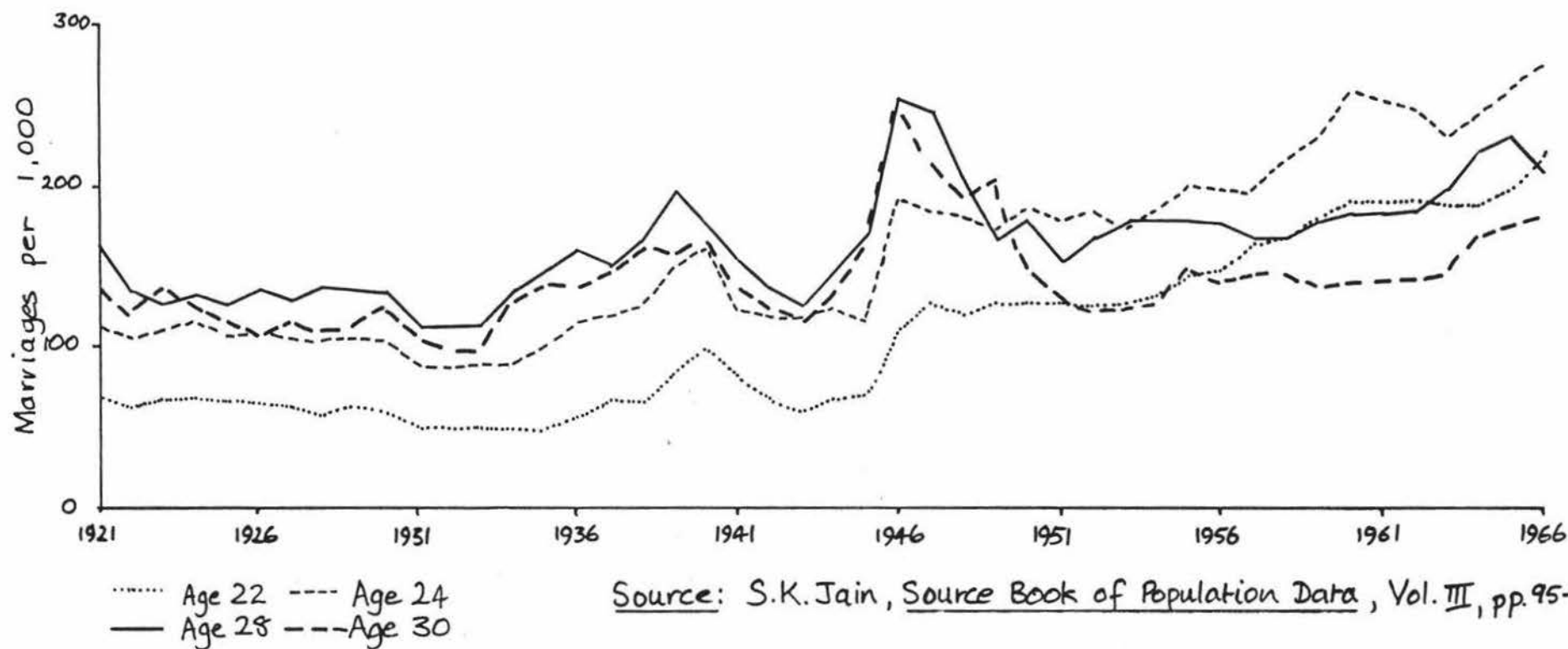
17 O'Neill, p. 132.

GRAPH 1.2: First marriage rate, per 1000 never married females aged 20, 22, 28 & 30, New Zealand, 1921-1966.



..... Age 20 ----- Age 22
 --- Age 28 -.-.-.- Age 30
 Source: S.K.Jain, Source Book of Population Data, Vol.III, pp.98-101.

GRAPH 1.3: First marriage rate, per 1,000 never married males aged 22, 24, 28 & 30, New Zealand, 1921-1966.



ages, as the trend to younger marriage was resumed. This suggests that only a minority of couples could have been delaying marriage for any length of time in the early 1930s.

International comparisons help put the the New Zealand changes into perspective. The marriage rate in Australia appears to have declined rather more than that in New Zealand. For all ages taken together it was some 33% lower in 1931-2 than in 1925-6, whereas in New Zealand the difference was under 20%. As in New Zealand the decline was less marked at the higher ages. The Australian demographer Basavarajappa noted a close correlation between marriage timing and changes in various economic indicators, and concluded that marriage was extremely sensitive to economic change.¹⁸ If the prime cause of the disruptions was economic change, then it would appear that the depression was perhaps more marked in Australia than in New Zealand.

Figures for England and Wales show a slightly different pattern. The lowest marriage rates there for both men and women aged 20-24 occurred in 1925-29. By the 1930s, the rates were rising, despite increasing unemployment and worsening all-round economic conditions.¹⁹ The depression seems to have caused less overall interruption there in the trend towards younger marriage than in Australia or New Zealand. It has been suggested that by 1930 young people were starting to accept unemployment as a permanent fact of life, and that the "dole" did make it possible for even unemployed couples to establish a household of sorts.²⁰ New Zealand couples may have reached similar conclusions a few years later. All this

18 Basavarajappa, pp. 41-43.

19 S. M. Farid, "Cohort Nuptiality in England and Wales", Population Studies, 30(1976), p. 140.

20 George Orwell, The Road to Wigan Pier (Harmondsworth, 1975), p. 71. See also comments on the British unemployment relief rates in Chapter 2.

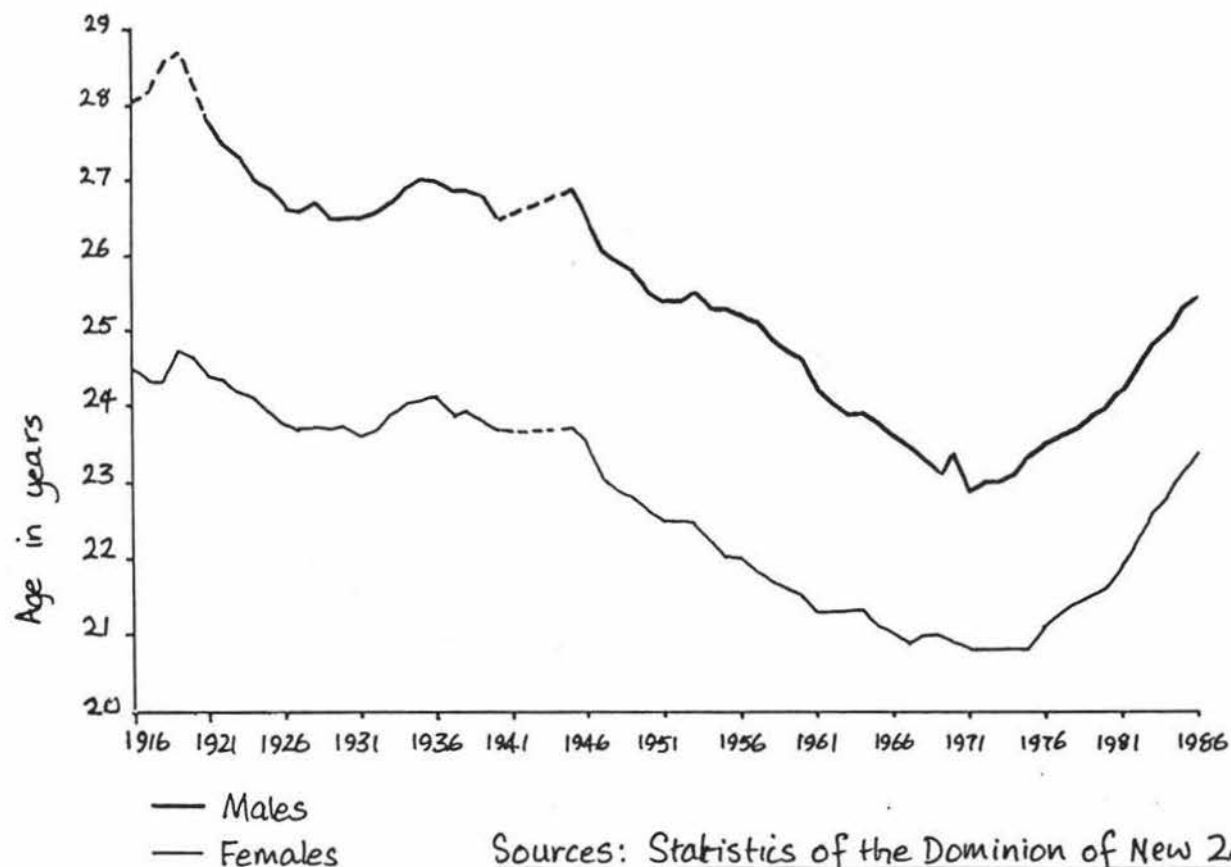
raises doubts about simple connections between economics and marriage behaviour, but the evidence for substantial delaying in New Zealand is in any case weak.

Significant postponement of marriage could be expected also to show as a rise in the age at first marriage when the postponed marriages finally took place. Graph 1.4 shows changes in the median age at first marriage between 1916 and 1985.²¹ Having risen slightly when the marriages postponed by the First World War took place, the age at marriage dropped markedly during the 1920s. For males the drop was of nearly 16 months between 1921 and 1929, for females of nearly 12 months between 1920 and 1927. After levelling off briefly, there was a rise of six months for both males and females between 1931 and 1935. This could be evidence that marriages delayed since 1930 and 1931 were then taking place, but if the number of marriages, or the period of delay involved, had been considerable, a larger rise in the marriage age could have been expected. In Australia, for example, the median age of men marrying for the first time rose by two years between 1926 and 1931, which like the evidence on marriage rates seems to suggest an earlier and more severe interruption to existing patterns.²² The rise in age was short-lived in both countries: by 1937 the resumed trend towards younger marriage was

21 The Vital Statistics give figures for age at first marriage for females from 1916, but for males only from 1921. To show the effect on marriage of the First World War, the median age of males for all marriages has been included for the years 1916 to 1920; this figure is probably slightly higher than that for first marriages would have been. Unfortunately, due to wartime economies, the ages of those marrying between 1940 and 1945 are not available. Maori are included from 1952.

22 Michael Bracher, "Explaining First Marriage Trends in Australia", Journal of The Australian Population Association, 7(1990), pp. 130-131.

GRAPH 1.4: Median age at first marriage, males and females,
New Zealand, 1916-1986.



Sources: Statistics of the Dominion of New Zealand, 1916-1920;
Report on the Vital Statistics of New Zealand, 1921-1986.

Notes: For males only the median age is for all marriages, 1916-1921.
Statistics not available 1941-1944. Maori included 1957-1986.

causing the marriage age to fall again, and as can be seen in graph 1.4, this continued in New Zealand until the 1970s with only slight interruption around the Second World War. It was followed by a rise of over two years between the early 1970s and mid-1980s.

Moreover, demographic factors may have contributed just as much as delayed marriages to the limited rise in the marriage age during the 1930s. The median age of the never married population aged 16 and over was changing during the 1920s and 1930s, tending to rise slightly as higher proportions of young people married in the early 1920s. Between 1926 and 1936 the median age of never married males rose by seven months, of females by over nine months.²³ The pool of people available for marriage by the early 1930s was therefore slightly older.

Not only were the reversals to New Zealand's marriage patterns in the 1930s slight, they were also short-lived. Jain's study of percentage married by birth cohort shows that while both men and women born between 1906 and 1911 were less likely than their predecessors to be married by age 26, (that is by 1932-37) this discrepancy had disappeared by age 29 for women, and by 30-34 for men (that is by 1935-40 for women, 1936-41 for men). The effects of the Second World War, on the other hand, were longer-lasting; both men and women born in the early 1920s were considerably less likely than those born either earlier or later to be married by age 35-39.²⁴

Statistics for other countries show varying patterns regarding proportions ever married, and in the duration of the interruption to marriage patterns. In Australia some interruption was still evident

23 Census, 1926, Vol. IV, Conjugal Condition, p. 8; 1936, Vol. IV, Ages and Marital Status, p. 33.

24 Jain, "Cohort Nuptiality in New Zealand", p. 258.

in 1935, since fewer of the men and women born in 1910 than of those born in 1905 were married by age 25. By 1940, when they were 30, the opposite was the case, indicating both that marriages were readily made up after the depression, and that the trend to more universal marriage was quickly resumed, despite the fact that 12% of the workforce was still unemployed by 1939.²⁵ In England and Wales men born in 1911 were less likely to be married by age 25, that is by 1936, than were those born ten years earlier, though the opposite applied to women. This suggests that for women at least the trend to more universal marriage was already well under way by the mid-1930s.²⁶ From age 30 onwards, that is by 1941, these men and women were both more likely to be married than were those of earlier generations, demonstrating that any delayed marriages were readily made up. In the United States there was only a very slight (1-2%) decline in the percentage married at various ages between 1930 and 1940.²⁷ It would appear, however, that this decline was of longer duration than in the other countries studied. Of the women born between about 1902 and 1908 there were still about 2% fewer married by their forty-fifth birthday than in previous cohorts.²⁸

Richard Easterlin has done some detailed analysis of the rural/urban differentials in the links between economic and demographic changes

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- 25 Carmichael, Gordon A., "Bust After Boom: First Marriage Trends in Australia", Demography, 24(1987), p. 249; Brian Carroll, Earning a Crust: An Illustrated Economic History of Australia (Sydney, 1977), p. 131.
 - 26 R. Schoen and J. Baj, "Twentieth Century Cohort Marriage and Divorce in England and Wales", Population Studies, 38(1984), p. 447.
 - 27 Sweezy, p. 264.
 - 28 Arland Thornton and Deborah Freedman, "The Changing American Family", Population Bulletin, 38 no. 4(October 1983), p. 5.

in the United States,²⁹ and Basavarajappa found a closer connection between marriage and unemployment than between marriage and personal incomes in his Australian study.³⁰ It would be interesting to pursue similar regional and social group investigations here, for example to establish whether men in the occupational groups suffering high levels of unemployment were the most likely to delay getting married. Such investigations are unfortunately not feasible, since information on the occupations of bridegrooms is not available on a sufficiently regular basis. Analysis of marriage by the bridegroom's place of residence produced only very slight — evidence that those living in the main centres were more likely to delay marriage than those living elsewhere.

One writer has commented on the fact that there was a notable decline in the numbers of church weddings during the depression years, attributing this in part to the fact that families could not afford the expense of a church wedding.³¹ The actual number of church weddings did drop 14% between 1929 and 1931, from 8,848 to 7,596, but the churches' share of all marriages celebrated fell by only 4.1%. Fluctuations of that scale are well within the range of what could be considered normal: for example a much larger decline in the percentage of marriages celebrated in church, of nearly 8%, occurred between 1915 and 1917.³² There would appear to be little justification for citing a decline in church weddings as proof of widespread distress caused by the depression, as Ashton-Peach does.

Nor do divorce statistics show that the stresses of the depression caused a notable increase in the number of broken marriages. Some recent British studies have suggested that family stress related to

29 Richard A. Easterlin, Population, Labour Force, and Long Swings in Economic Growth: The American Experience (New York, 1968).

30 Basavarajappa, p. 45.

31 Ashton-Peach, p. 45.

32 Statistics of the Dominion of New Zealand, 1901-1920; Report on the Vital Statistics of New Zealand, 1921-1985.

the father's unemployment is a factor in marital breakdowns,³³ and several writers have commented on mental health problems and family stress, in New Zealand and elsewhere, during the 1930s.³⁴ Nevertheless, a study of divorce rates in Britain showed that the increase in the rate this century has been steady, with no noticeable change attributable to the depression.³⁵ A New Zealand study also demonstrated little variation in divorce rates during the worst years of the depression. A slight rise in the late 1930s suggests either that families held together during the most stressful time, or that those most under stress were only able to afford the expense of a divorce when their economic circumstances improved. Bigger rises after both world wars indicate that wars caused much greater social and demographic disruption than did the depression.³⁶ The number of women receiving charitable aid on the grounds of desertion of the breadwinner rose more sharply in the early 1930s than in the 1920s, then dropped slightly in 1935 and 1936.³⁷ This could indicate an increase in the number of desertions, some possibly temporary while the husband sought work elsewhere. On the other hand, it could mean that deserting husbands were less able to contribute to the support of their families.

In short, changes to marriage behaviours in the early 1930s were few and limited. This is not to deny that there were cases of couples who felt obliged to postpone marriage for economic reasons. One

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- 33 Ian Shirley et al., Unemployment in New Zealand (Palmerston North, 1990), p. 142.
 - 34 Broomhill, pp. 72-6; Men Without Work, pp. 146-7; Simpson, The Sugarbag Years, pp. 55, 64; James Watson, "Crisis and Change: Economic Crisis and Technological Change Between the World Wars, with Special Reference to Christchurch, 1926-1936", PhD thesis (University of Canterbury, 1984), pp. 297-310.
 - 35 Schoen and Baj, p. 441.
 - 36 Roderick Phillips, Divorce in New Zealand: A Social History (Auckland, 1981), p. 61.
 - 37 Hospital Statistics of New Zealand, 1923-1936.

writer remembers that many engaged couples had to wait five years or more, and another refers to courting a girl for eight years before feeling able to marry.³⁸ At any time individual couples decide to delay marriage for economic or other reasons; delays may have been more common during the depression, but there is no evidence that they were markedly longer or more widespread than normal.

The findings regarding marriage suggest several possibilities regarding the relationship between the depression and demographic change, which will be taken up again later. One is that since the slight changes in marriage behaviour coincided with an economic downturn, they have, at the time and since, been interpreted as resulting from it. Sociologist Miriam Gilson Vosburgh, for example, writing in the 1970s about changes in New Zealand marriage patterns, argued that those in the 1930s can confidently be ascribed to the economic circumstances of the depression. Further developing the theory of economic causation, she also suggested that the trend to younger marriage after the Second World War was largely due to economic security.³⁹

Historians have also expected that the major economic disruptions of the 1930s would have major consequences in terms of changed human behaviours, and have interpreted the changes accordingly. They have made much of them, despite their slightness, and have taken the argument a step further by citing these changes as examples of the seriousness of the depression.⁴⁰ If the economic explanations for

38 Shaw, p. 12; Simpson, The Sugarbag Years, p. 78. Unfortunately both these sources refrain from mentioning what could be considered at the time a normal period of courtship or engagement.

39 Gilson Vosburgh, "Changing Marriage Patterns", pp. 209-10.

40 See footnotes 13 and 14 to the Introduction.

demographic change are valid, the slightness of the changes here in the 1930s, especially when compared with those in some other countries, raise the second possibility, that New Zealand's depression was not in fact particularly serious.

A third possibility is that in the twentieth century marriage behaviour may no longer be a reliable indicator of economic conditions. This is suggested by the inconsistency of patterns over time, and between those in New Zealand and other countries. For example, in New Zealand the rise in marriage age between the early 1970s and mid-1980s was four times as great as in the 1930s, while the economic recession of those years was much milder than the depression of the 1930s.

FERTILITY

The American demographer Alan Sweezy queried the widespread assumption that a reduction in fertility during the 1930s occurred as a result of economic hardship. He pointed out that while fertility in the United States did decline during the 1930s, it had also been falling steadily between 1880 and 1929, despite rising per capita GNP, and that the fertility decline between 1960 and 1970 had also occurred at a time of economic expansion. His study of the depression period led him to conclude that the most surprising thing about it was how little correlation there was between economic circumstances and fertility rates.⁴¹ The following study of fertility in New Zealand in the depression years leads to similar conclusions. Whichever measure of fertility is used, breaks in existing trends during the depression were little greater than year-by-year fluctuations throughout the last century have been, and much

41 Sweezy, p. 266.

slighter than those occurring during and after the two world wars.

In this country, as elsewhere, the assumption that declining fertility in the 1930s was directly caused by the depression is still widely held.⁴² While most see the decline primarily as a direct result of the depression forcing couples to delay births, some point out that a lower marriage rate also contributed.⁴³ However, this view is again usually based on misleading statistical measures. When more refined ones are used, and the time studied is extended, it is apparent that the small decline in the birthrate in the 1930s was not an isolated occurrence, or one to be blamed simply on economic circumstances, but was part of a long-term shift in behaviour which may have just happened to coincide with a period of depression.

Two fertility measures widely used by demographers now are the marital fertility rate, which measures the number of births in any year per 1,000 married women of reproductive age (generally taken as ages 15-44), and the total fertility rate, showing the average number of births a woman would have, if throughout her reproductive life she were to experience the fertility rates experienced by women

42 For example, Ashton-Peach, p. 39-40; Badger, p. 33; Bolton, p. 187; Rosalind Mitchison, British Population Change since 1860 (London, 1970), p. 38; Deborah Montgomerie, "A Personal Affair Between Me and Hitler? Public Attitudes to Women's Paid Work in New Zealand During World War Two", MA thesis (University of Auckland, 1986), p. 17; Charles Loch Mowat, Britain Between the Wars 1918-1941 (London, 1955), p. 517; NZOYB, 1990, p. 138; Sutch, Quest for Security, p. 192.

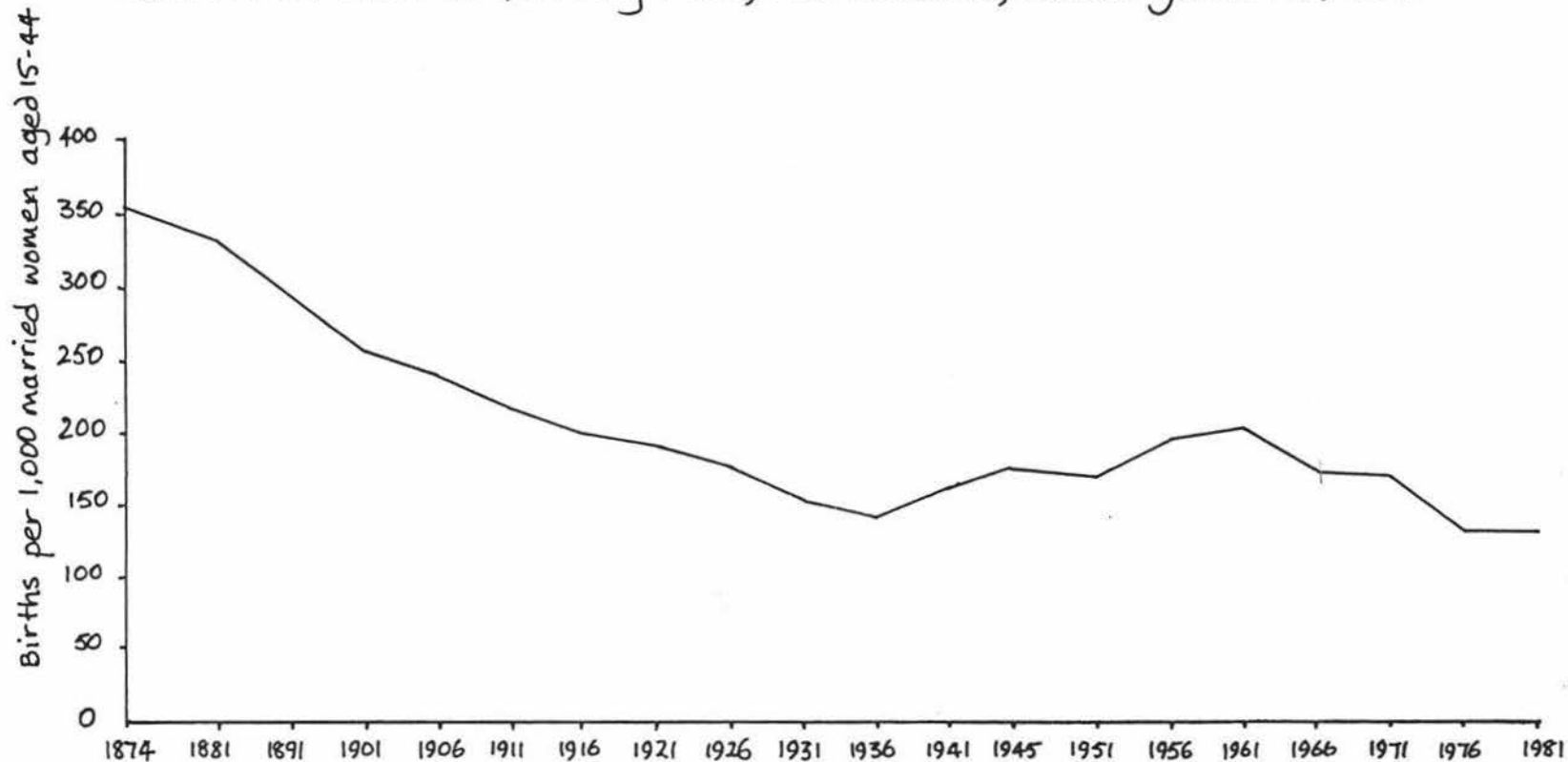
43 Ashton-Peach, pp. 39-40; David J. Davy, "A Statistical Analysis of Non-Maori Marriage and Fertility Rates in New Zealand 1916 to 1963 with Specific Reference to Possible Economic Causations of their Fluctuations", MCom thesis (Victoria University of Wellington, 1966), p. 125; Khawaja, p. 10; Judy Mackinolty, "Woman's Place ...", in The Wasted Years? Australia's Great Depression, ed. Judy Mackinolty (Sydney, 1981), p. 109; Sutch, Colony or Nation?, p. 40.

of various ages for a given calendar year. A range of other sophisticated measures are also available, but cannot be applied to historical data. Both graph 1.5, of the marital fertility rate for census years 1874 to 1986,⁴⁴ and graph 1.6, of the total fertility rate calculated by the demographer M. J. Khawaja for the period 1912 to 1983,⁴⁵ show that the fertility decline of the 1930s was part of a long-term trend. Total fertility rates for other English-speaking countries such as the United States, Australia and Canada all show very similar patterns, that is falling during the 1920s to a low around the mid-1930s.⁴⁶ In gradually reducing their fertility New Zealand women were therefore conforming to a trend common to other English-speaking countries.

Depending on which measure of fertility is used, slightly different conclusions can be reached as to whether or not the pre-existing decline in fertility in New Zealand quickened during the depression. O'Neill analysed the marital fertility rate over the period 1878-1936, and found that the sharpest declines, of 2% per year, occurred between 1921 and 1926. The decline between 1926 and 1936 averaged 1.9% per year, meaning that the depression years witnessed a slight

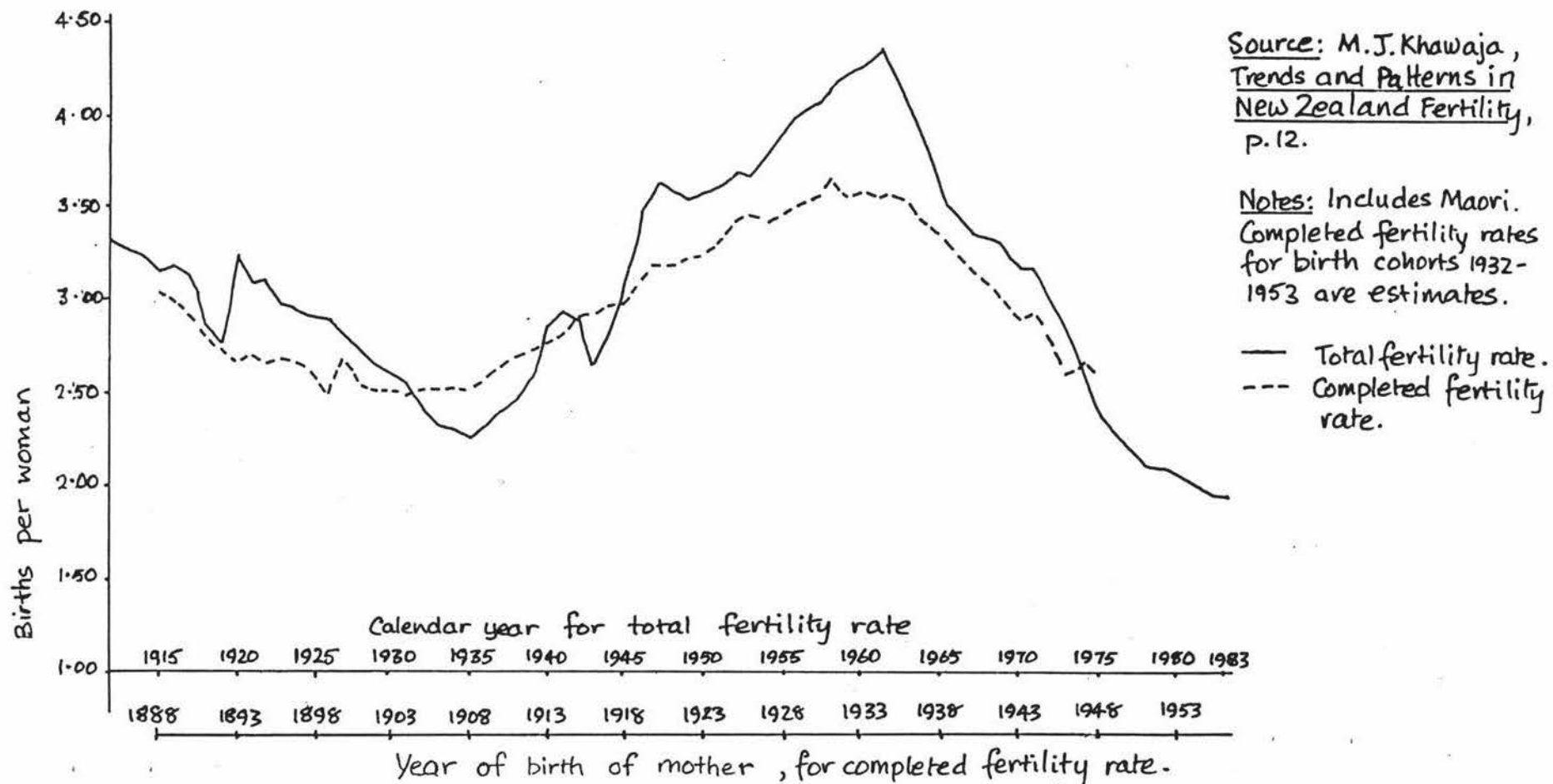
- 44 The rates for 1931 and 1941, when no Census was taken, have been calculated using S. K. Jain's estimated figures. Annual rates for the years 1921-1941 follow a similar trend to that of the census figures.
- 45 Khawaja's figures refer to Maori as well as non-Maori population; the rates are slightly higher than they would have been for the non-Maori population alone, but since the early 1970s that difference is negligible since the Maori birthrate has been close to that for non-Maoris.
- 46 Australian Demographic Trends, 1986, p. 55; Roderic P. Beaujot, "Canada's Population: Growth and Dualism", Population Bulletin, 33 no. 2 (April 1978) p. 12; Leon Bouvier, "America's Baby Boom Generation: The Fateful Bulge", Population Bulletin, 35 no. 1 (April 1980), p. 5.

GRAPH 1.5: Marital fertility rate, New Zealand, census years 1874-1981.



Sources: Census, 1874-1981. Figures for 1931 and 1941, when no Census was taken, are derived from S.K.Jain, Source Book of Population Data, Vol.I, pp. 223-226; Vol.II, pp.60,70.
Note: Maori included 1966-1981.

GRAPH 1.6: Annual total fertility rates, 1912-1983, and completed fertility rates for birth cohorts of women, 1888-1953, New Zealand.



slowing in the rate of decline.⁴⁷ Khawaja, on the other hand, based his calculations on the total fertility rate, and found evidence that the decline was steeper during the 1910s, and between 1930 and 1935, than during the 1920s.⁴⁸ He therefore concluded that women were reducing their fertility more during the worst years of the depression than during the 1920s.

First evidence of an intensified decline in the birthrate in the 1930s is therefore not conclusive: at most it can have been only mild. However, the references in histories and reminiscences to postponed births, to women dreading pregnancy, and to the measures taken to avoid having a child,⁴⁹ make it worth examining the vital statistics further. The fertility rates for married women of particular ages, intervals between births, the age and the duration of marriage of mothers, and completed family sizes are all examined for possible signs of postponed parenthood.

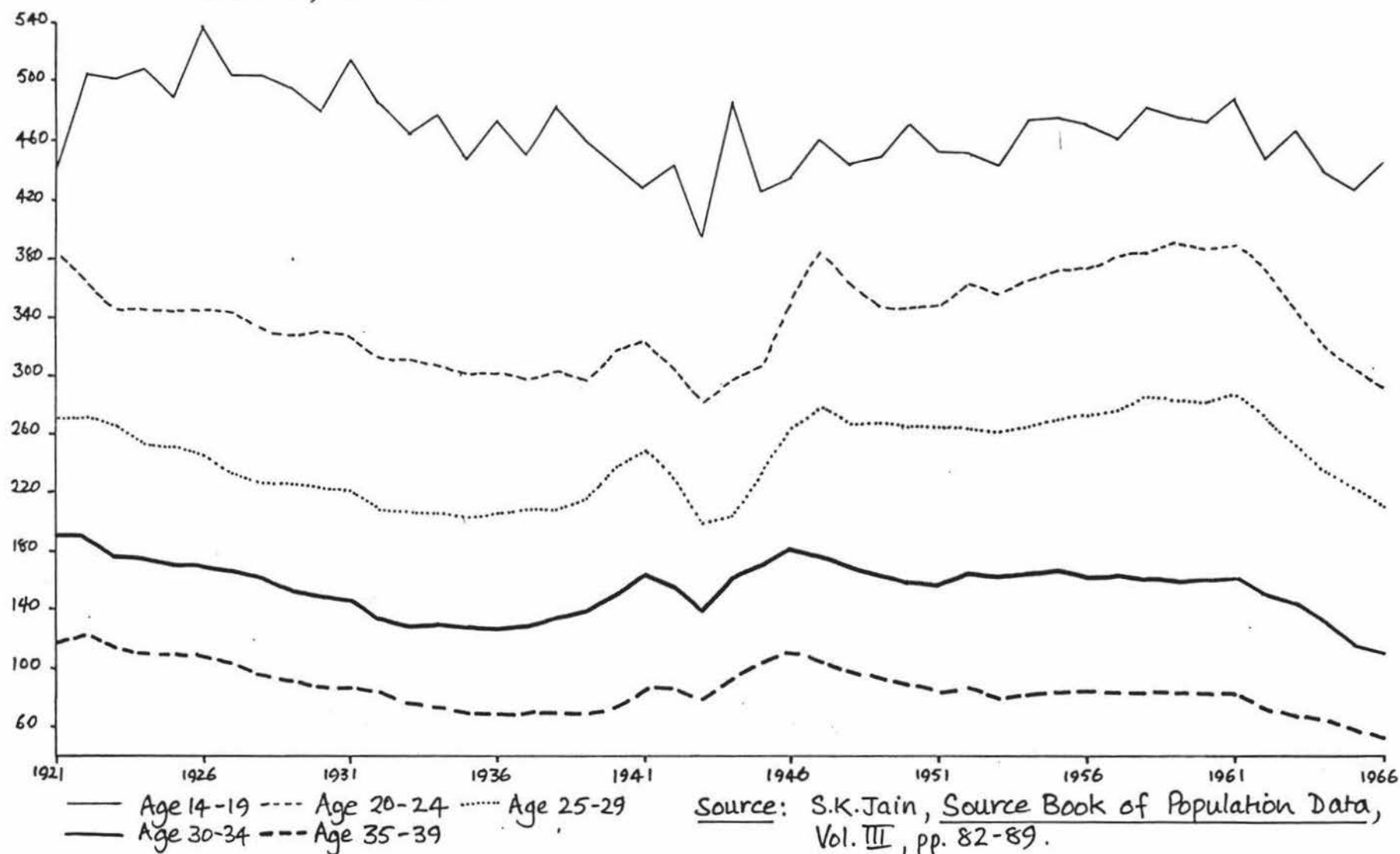
Annual fertility rates per 1,000 married women in specified age groups are presented in graph 1.7, covering the period 1921-1966. For all age groups except the youngest, the pattern is one of a gradual reduction in fertility throughout the 1920s and early 1930s, with little annual variation and no abnormal decline during the early 1930s. If this reduction were primarily due to economic uncertainties, a substantial rise could have been expected in the late 1930s when conditions improved. Only slight rises are

47 O'Neill, pp. 128-129.

48 Khawaja, p. 10.

49 See for example Barbara Brookes, "Reproductive Rights: The Debate over Abortion and Birth Control in the 1930s", in Women in History: Essays on European Women in New Zealand, ed. Barbara Brookes, Charlotte Macdonald and Margaret Tennant (Wellington, 1986), pp. 119-136; Eve Ebbett, Victoria's Daughters, p. 110; also the description of a self-induced abortion in Mary Findlay, Tooth and Nail: The Story of a Daughter of the Depression (Auckland, 1989), pp. 171-175.

GRAPH 1.7: Births per 1,000 married women in age groups 14-19, 20-24, 25-29, 30-34, 35-39, New Zealand, 1921 - 1966.



apparent, however, and no rates regain the levels of 1922-3 until after the Second World War. The gradual nature of the decline, and the slightness of the recovery, again suggest an element of coincidence about these changes and economic fluctuations: so, too, do the patterns after 1945.

The most substantial rise between 1935 and 1941 is for women aged 25-29, indicating perhaps some making up of delayed births and, at the end of this period, some increased fertility as couples sought to avoid conscription.⁵⁰ The smaller rise for women aged 30-39 in 1940-41 may indicate either that these women, born 1901-10, had their family plans less disrupted by the depression, or that they were less inclined to make up delayed births afterwards. On the other hand, it could simply be part of a continuing long-term tendency to less childbearing by older women. For all age groups both the break in childbearing, and the subsequent recovery, were considerably more marked during and after the Second World War than in the 1930s. Physical separation while men were serving overseas clearly had a much more dramatic effect on childbearing patterns than did economic constraints.

Compared with Jain's calculations, Khawaja's figures of fertility rates for specific age groups indicate sharper declines during the early 1930s, and more substantial recoveries subsequently.⁵¹ These are not marital fertility rates, however, and changes in the proportion of women married distort the picture. Jain's figures, of the fertility rates for married women only, reflect more accurately the extent to which married couples were restricting their fertility.

50 The first to be called up at the start of the Second World War were single men, then married men with no children. O'Neill, p. 132.

51 Khawaja, pp. 14-16.

O'Neill found that women born between 1906 and 1910 had on average a slightly longer interval between births than did those born either earlier or later.⁵² Since these women were at prime childbearing age in the early 1930s, these longer intervals may indicate some delaying of births during the depression. Jacoby also detected a lengthening of intervals between births during these years.⁵³

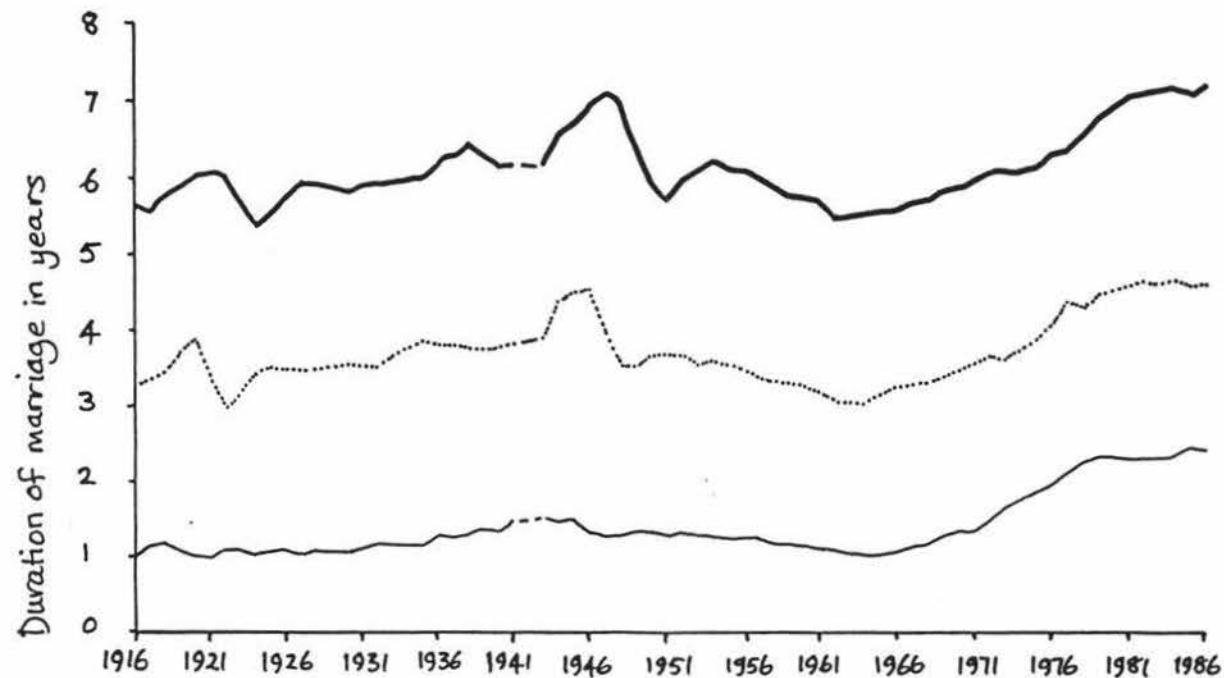
Delaying can be traced in other ways. Had the numbers of women postponing births been substantial, this would show in an increase in the ages of women having their first or subsequent babies during the late 1930s, and more particularly in an increase in the time between marriage and those births. But while there were some increases in both these areas, they are not great enough to indicate major interruptions to existing trends. This is particularly so for first and second births: there may have been a slightly greater tendency to delay later births. As can be seen in graph 1.8,⁵⁴ the median interval between marriage and the birth of the first child did increase gradually between 1930 and 1941 from 12 to 17 months. Even so, this is neither large nor steep enough to be strong evidence of births delayed during the depression, given that similar changes occurred at other times. The increase in the interval between marriage and the second child was slighter, though rather steeper, and came between 1932 and 1935. For third births the median interval increased more, by seven months between 1930 and 1938, implying perhaps a greater tendency to delay the third child.

52 O'Neill, p. 131.

53 E. G. Jacoby, "A Fertility Analysis of New Zealand Marriage Cohorts", Population Studies, 12(1958-9), pp. 32-33.

54 The Vital Statistics give figures for the number of children a mother already has, rather than for the number of births she has experienced. Multiple births and infant deaths have therefore slightly distorted the figures in graphs 1.8 and 1.9, but are unlikely to have affected trends significantly.

GRAPH 1-8: Median time between marriage and first, second and third births, New Zealand, 1916-1986.



— First births
 Second births
 — Third births

Source: Report on the Vital Statistics of New Zealand, 1921-1986;
Statistics of the Dominion of New Zealand, 1916-1920.

Notes: Not available 1942.
 Maori included 1962-1986.

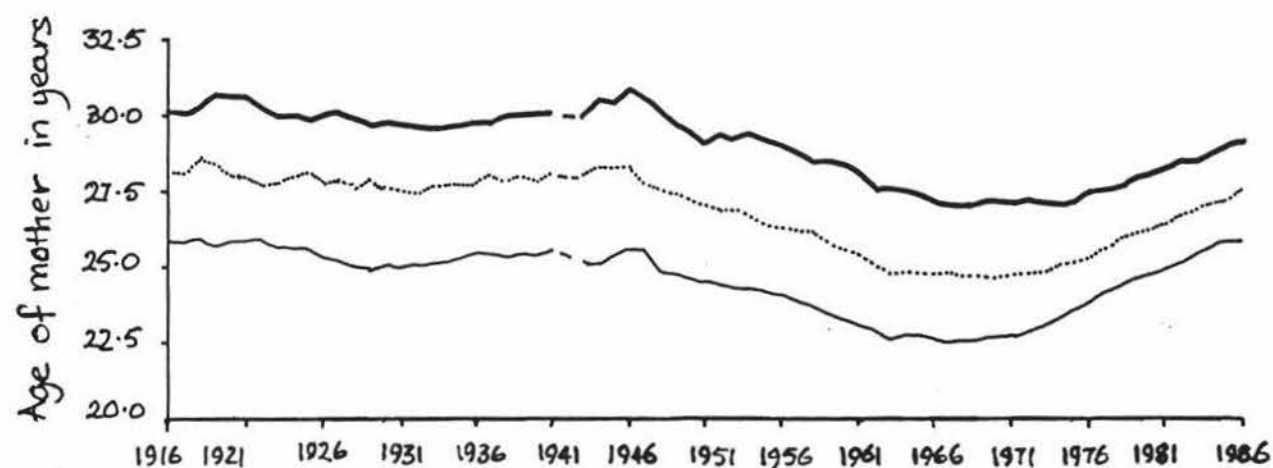
The evidence again casts doubt on theories of simple economic causation or of massive impact.

Changes in the ages of women having their first child are a less reliable indicator of delaying, since under normal circumstances such changes are closely related to changes in age at marriage. For example, graph 1.9 shows that the median age of women having their first child dropped by almost twelve months between 1922 and 1928, paralleling the twelve month reduction in women's age at first marriage during that time. The age rose six months between 1930 and 1941 which could suggest that some delaying of births was then taking place. However, this rise could be at least partly accounted for by the rise of six months in marriage age that occurred between 1931 and 1935. A similar rise, though on a smaller scale, can be seen in the ages of women having their second and third babies.

Together with the small increase in the interval between marriage and first births, data on ages of mothers seem to indicate only limited delaying of first births during the depression when compared with earlier years. Nevertheless, it is possible that some delaying remains hidden. The trend to young marriages in the early years of the Second World War, combined with the increased fertility rates for women then in their twenties, may have masked some of the effect of delayed births by keeping the median age and median interval since marriage lower around 1940 than they would otherwise have been. A more considerable rise of twelve months between 1943 and 1946 in the median age of women having their third child might indicate the making up of some births delayed since the depression as well as of some delayed by the Second World War.⁵⁵

55 Zodgekar calculated fertility rates for married women by birth order, demonstrating that births other than the first or second were the most likely to be delayed. The rates for fifth and subsequent births, however, did not return to their former levels, making it clear that all these changes must be seen in the context of an overall trend to smaller families, and hence fewer later births. Zodgekar, "The Fertility Transition", p. 171.

GRAPH 1.9: Median age of mother at first, second and third marital births, New Zealand, 1916-1986.



— First births
 Second births
 — Third births

Sources: Report on the Vital Statistics of New Zealand, 1921-1986;
Statistics of the Dominion of New Zealand, 1916-1920.

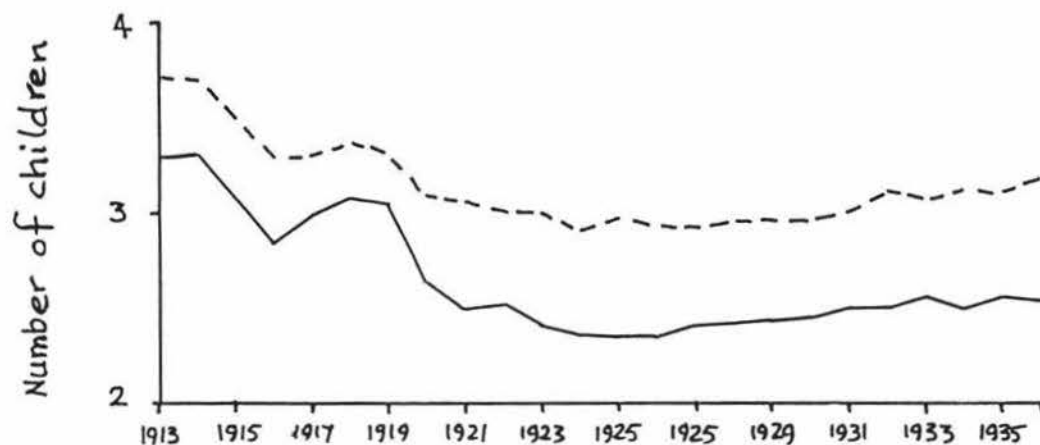
Notes: Not available 1942.
 Maori included 1962-1986.

Fertility measures used so far provide indications of the way fertility behaviour changed on an annual basis. Study of completed family sizes enables us to gauge the longer term results of these annual changes. The dramatic decline in annual fertility rates from the 1870s is predictably reflected in a marked reduction in the average number of children which each woman bore. Women born 1850-51 had on average just over six children, while those born twenty years later averaged under four, and those born in the late 1880s just over three.⁵⁶ As can be seen in Khawaja's figures of completed fertility in graph 1.6, the women born between about 1900 and 1908 had fewer births during their lives than those born either earlier or later, averaging about 2.5 children. Gilson Vosburgh argued that these women, who would have most likely married during the mid and late 1920s, were reacting to the worsening economic circumstances by not adding to their existing families, and that the women born after about 1910, who would have married during the 1930s, may have postponed some births until conditions improved, but finally achieved larger families.

Khawaja's figures of the number of births women had by certain ages seem to support this argument, and he argued that the generation of women born around 1905 was the most likely to have the size of their family restricted by the combination of depression and war. Women born in 1910 had fewer children by age 35 than had those born in 1900, but had virtually made up this deficiency by age 40, that is, by 1950. On the other hand, those born in 1905 had more children by age 30 than those born in 1910, but by age 40 and 45 had had fewer

56 Khawaja, p. 9.

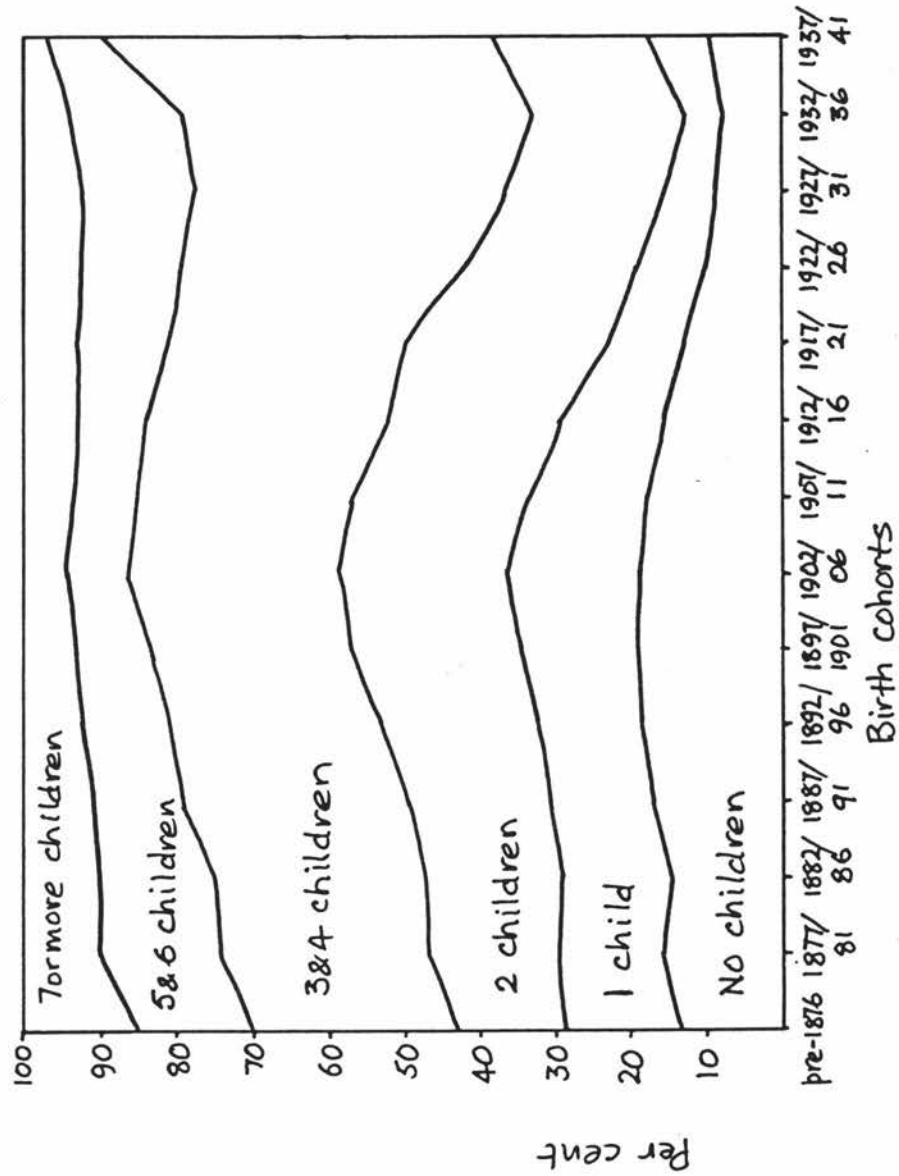
GRAPH 1.10: Estimated completed family sizes, New Zealand, marriage cohorts 1913-1936.



— Per married couple
 -- Per family with at least one child

Source: E. G. Jacoby, "A Fertility Analysis of New Zealand Marriage Cohorts", Population Studies, 12 (1958-9), p. 24.

GRAPH 1.11: Percentage distribution of children ever born to birth cohorts of ever married New Zealand women, pre-1876 - 1937/41.



Source: Census, 1971, Vol.X, Households, Family and Fertility, p.17.

births.⁵⁷ It would seem that those born in 1910 may have postponed first and second births during the worst years of the depression, but been able to make them up during and after the war. Those born in 1905 possibly postponed adding to an existing family and did not have further children at a later date. This may have been because by the end of the depression they felt it was too late to add to their families, or due to a resumption of the long-term trend to smaller families.

Jacoby has calculated completed family sizes by the year in which couples were married, and his results also confirm that those married in the mid-1920s tended to have slightly smaller families than those married either earlier or later. (graph 1.10) The divergence between his figures for average family size per married couple, and those for average family size per couple who had at least one child, would seem also to indicate a higher rate of childlessness among couples married during the 1920s. This is also apparent in graph 1.11, derived from the 1971 Census;⁵⁸ nearly 20% of the married women born in the early 1900s reported having had no children, compared with 15% of those born in the 1880s, and less than 10% of those born in the 1930s. Nearly 60% of those born in the early 1900s reported having two children or fewer, compared with just under 50% of those born in the 1880s, and 35% of those born in the 1930s.

In short, there is evidence that the women who were in their late twenties during the time when unemployment and economic uncertainty

57 Khawaja, pp. 60-67.

58 This graph includes figures for Maori; although they constituted less than 5% of the total New Zealand population in 1926, the Maori birth rate was higher than the non-Maori. The reduction in family size for non-Maori women born around 1900 was therefore probably very slightly sharper than this graph implies.

were at their peak in New Zealand (1931-1935) bore fewer children than did either their predecessors or successors. It is, however, hard to ascertain the extent to which this can be attributed to the depression. The gradual and long-term nature of the changes in both fertility rates and completed family sizes suggests that the 1930s depression may have slightly intensified an existing tendency, rather than caused a radical alteration in childbearing trends. The weakness of any correlation between fertility and economic fluctuations at other times suggests that to some extent it may have been chance that the end of an era of declining fertility coincided in the 1930s with a period of economic uncertainty.

Those who were already concerned by the early 1930s at the declining fertility trends, and their implications for future population growth, anticipated that these trends would be intensified by the economic downturn. When this appeared to be happening, the idea that the economic uncertainty was a prime cause of the lower birthrate seemed confirmed. The low fertility and small families of the 1930s must also have seemed an anomaly when viewed later, from the perspective of the 1950s and early 1960s. Since that was a period of both prosperity and high fertility, the low fertility of twenty years earlier was again readily attributed to the depressed economy that accompanied them. When the changes are considered in a longer term perspective, however, the resumption since 1960 of a trend to lower fertility rates and smaller projected family sizes,⁵⁹ in New Zealand as elsewhere, make the post-war baby-boom appear the anomaly, since it temporarily interrupted the general trend towards lower fertility and smaller families.⁶⁰ It also casts doubt on the continuing relevance of theories that see economic conditions as

59 This can be seen in Khawaja's estimated completed fertility rates (graph 1.6), and in the figures of completed family sizes derived from the 1971 Census (graph 1.11).

60 Neville, p. 8.

inevitable determinants of reproductive behaviour.

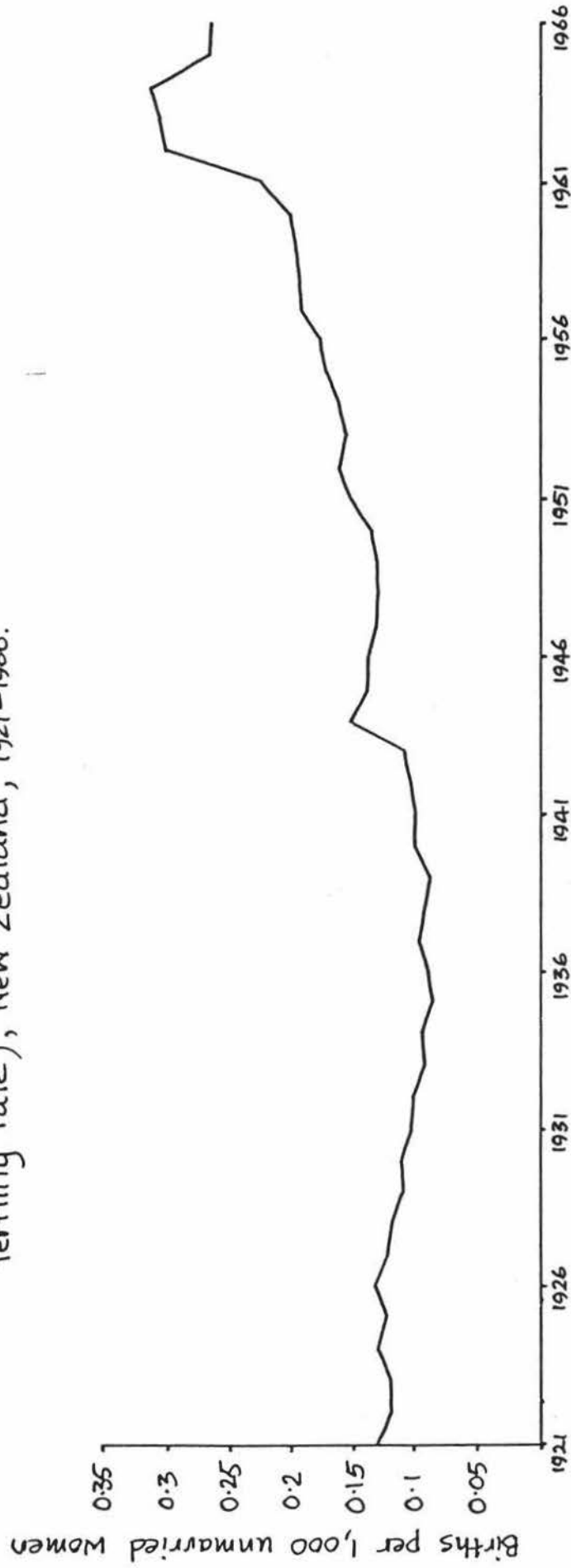
So far, all discussions have been of fertility within marriage; what of ex-nuptial conceptions and births? The number of births within eight months of marriage varied little during the early 1930s. However, as a percentage of total first births within one year of marriage this figure did tend to rise slightly. This could indicate that non-pregnant brides would have been more likely to delay marriage in response to economic conditions. The total fertility rate for ex-nuptial births followed a similar pattern to that of marital births, falling slightly from 1926 to 1935, but without any significant rise until 1944. (graph 1.12) Peter Laslett noted that in pre-industrial England fluctuations in the ex-nuptial birth rate closely paralleled those in the marital birth rate, and formed the hypothesis that couples were more likely to indulge in "increasing courtship intensity" if conditions, economic and otherwise, were conducive to marriage.⁶¹ Economic uncertainty in the 1930s may therefore have encouraged a few courting couples in New Zealand to be somewhat more circumspect in their behaviour. Ashton-Peach, commenting on the fact that ex-nuptial births declined as a percentage of total births, attributed this to greater use of contraception, as well as to the fact that couples perhaps even refrained from courtship since men felt they could not afford to take girls out.⁶² Similarly, between 1930 and 1934 ex-nuptial births in Western Australia fell by a third as a percentage of total births. This has been attributed by one writer to the fact that many unattached young men were at that time working in the country.⁶³ The number of single men sent to unemployment camps in

61 Peter Laslett, The World We Have Lost Further Explored (London, 1983), p. 177.

62 Ashton-Peach, pp. 39-40.

63 Bolton, pp. 187-8.

GRAPH 1.12: Total fertility rate, per 1,000 unmarried women of all ages (ex-nuptial fertility rate), New Zealand, 1921-1966.



Source: S.K.Jain, Source Book of Population Data, Vol. III, pp. 82-89.

New Zealand was probably not large enough to have been a major factor in reducing the ex-nuptial birth rate here.⁶⁴

As with the figures for marriage, it would be interesting to analyse the statistics for births by occupations of fathers, to discover whether those in the occupations that were most affected by unemployment, or by declining real incomes, were the most inclined to limit the size of their families. Information regarding the father's occupation is only available in the Vital Statistics for the years 1917, 1925, and 1936-38, which is insufficient to suggest any trends. Nor is it possible to do much on urban/rural differences. The crude birth rates for urban areas were consistently lower than those for the country as a whole, with no change in relativity during the depression period.⁶⁵ There is in this no evidence that those living in urban areas, where unemployment was greatest, were more likely to restrict their fertility than those in rural areas: on the other hand, crude rates are too coarse a measure to pick up many changes.

All the material so far examined has shown only a weak correlation between the economic decline of the 1930s and interruptions to marriage and fertility trends in New Zealand. As far as marriage is concerned, the depression might have caused a bigger interruption if there had been no knowledge of contraceptive methods. Malthus's "preventive check" was based on the assumption that fear of the expense of raising a family is one of the chief reasons for delaying marriage. However, this argument was formulated at a time when couples had only very limited control over their fertility. The

64 The maximum number of single men in camps at any time was 4,370 in September 1933. Noel Ruth, A Compilation of Unemployment Statistics, 1930-1948 (Photocopied material), p. 32.

65 Report on the Vital Statistics of New Zealand, 1921-1956.

substantial fertility decline from the late nineteenth century, in New Zealand as elsewhere, suggests that many were by then exercising considerable control over their fertility. D. V. Glass, writing in the late 1930s, noted that the correlation between marriage trends and economic circumstances in England weakened during the course of the nineteenth century, implying that Malthus' theory was becoming less valid. He expected the the correlation to weaken still further as couples became better able to control their fertility and the fear of an expensive family was thus lessened.⁶⁶ There is evidence that, despite official opposition, contraceptive information and devices were available to some sections of the population in the 1930s.⁶⁷ Use of contraception may possibly have been as widespread in this country as in Melbourne, where a survey of women in 1935-9 revealed that 45% of wives in their mid-twenties were practising some form of birth control.⁶⁸

This argument would seem to be contradicted, however, by the slightness of the interruption to fertility trends, which suggests that only a few couples were choosing to delay having children. A more marked reaction to the deteriorating economic circumstances could have been expected if reliable methods of contraception had been widely available. One possible explanation could be that New Zealand's depression in the 1930s was a mild one. Another is that there was indeed a sharp economic decline, but one that had serious adverse effects on only a portion of the population, and that those worst affected were also the people least likely to know about, or able to afford, reliable methods of contraception.

 66 Glass, p. 281.

67 Brookes; Ebbett, Victoria's Daughters, pp. 108-11.

68 Carmichael, p. 253.

MORTALITY

Death rates are often regarded popularly as broad indicators of economic change; lowered death rates are seen as a sign of progress and prosperity, while rises cause concern about standards of living and health. Although the New Zealand Health Department reported no deterioration in the general health of the population during the depression period,⁶⁹ there were at that time many reports from various sources that declines in living standards were damaging health and endangering life. They cover three main areas: those of nutritional standards among the unemployed, standards of housing and clothing among the poorer classes generally, and living conditions for the men sent to work camps.

Declines in nutritional standards attracted much comment. One claim was that those who were unemployed and dependent on relief pay were unable to afford sufficient nutritious food for themselves and their families. Some newspapers, for example, cited instances of individual budgets to demonstrate the inadequacies of relief rates.⁷⁰ There are also references to "widespread hunger", to families living for long periods on bread, potatoes and rice, single men able to afford only one meal a day, and "thousands of children suffering from malnutrition".⁷¹ On the other hand, statistics published in the Annual Reports of the Department of Health's Division of School Hygiene show that the percentage of children in the population as a whole showing signs of subnormal nutrition

69 Report of the Unemployment Board, 1933, AJHR, 1933, H-35, p. 1.

70 For example, New Zealand Worker, 4 May 1932; 2 October 1935; Evening Post, 5 July 1935, p. 10.

71 Evening Post, 21 June 1935, p. 10; New Zealand Worker, 20 March 1935, p. 2; 13 February 1935, p. 1; 22 February 1933, p. 2; Tomorrow, 18 September 1935, pp. 14-15.

actually decreased between 1926 and 1936. This seems to contradict the newspaper reports, but may suggest that it took the depression to bring existing high levels of malnutrition amongst children to journalists' notice. It must be added, however, that despite official assertions to the contrary,⁷² these figures are not entirely reliable, since the sample examined was not constant from year to year. In addition, five year olds were not at school between 1933 and 1935, which removed from the school sample the group most vulnerable to nutritional problems, and those children most likely to be judged malnourished were probably also those most prone to absence on the day of the examination. And the Division itself expressed concern at visible signs of subnormal nutrition among some schoolchildren as early as 1931.⁷³

A second area of concern was that families of the unemployed, and in some cases of deserted wives, were living in substandard, often overcrowded accommodation, with inadequate furniture, blankets, heating or clothing.⁷⁴ Children in particular were reported to be lacking adequate clothing and footwear.⁷⁵

The third recurrent theme is that of the conditions in some of the work camps to which single and later also married men were sent by the Unemployment Board. The complaints of the men ranged from the quality of the food and drinking water, and the inadequacy of tent

72 The Press, 8 July 1935, p. 10.

73 Annual Report of the Department of Health, 1931, AJHR, 1931, H-31, p. 19.

74 For example, New Zealand Worker, 3 July, 1935, p. 2; The Press, 6 July 1933, p. 10; Tomorrow, 24 July, 1935, pp. 10, 23; "Verra Narro", Woman and Children on Relief (Wellington, 1934), pp. 7, 13-15.

75 The Press, 4 July 1933, p. 3; 6 July 1935, p. 16; 9 July 1935, p. 16.

accommodation in winter, to the perfunctory sanitary arrangements and the lack of waterproof clothing, medical facilities and provision for drying wet clothes.⁷⁶

Such reports were sufficiently frequent to indicate that a certain segment of the New Zealand population, most notably the unemployed, experienced a low standard of living during the 1930s, though it is not always made clear how much lower than normal this standard of living was. The themes of these reports have been taken up as examples of the wider distress caused by the depression. While some writers have used them to emphasise the particular financial problems of the unemployed,⁷⁷ others have taken them as indications of a widespread general decline in standards of living. Simpson, for example, referred to "A whole generation of growing children [who] lived on bread and butter and tea ... Some were quite literally starving to death", and to the fact that "Every winter [malnutrition] led to the deaths of many old people who simply could not go on".⁷⁸ Gustafson reported that "men put cardboard in the soles of their worn-out shoes and boots and their children went barefoot. Mothers were too under-nourished to breastfeed their babies and too poor to buy milk."⁷⁹ American and Australian historians have similarly reported poor living conditions, malnutrition, deficiency diseases such as scurvy and rickets, and increasing death rates from diseases associated with poverty, as instances of the effects of the depression.⁸⁰

- 76 For example, New Zealand Worker, 28 June, 1933, p. 6; 28 February 1934, pp. 1, 3; 24 October, 1934, p. 2.
- 77 For example, Sutch, Quest for Security, pp. 130-139.
- 78 Tony Simpson, The Road to Erewhon A Social History of the Formative Years in New Zealand, 1890-1976 (Auckland, 1976), p. 84.
- 79 Barry Gustafson, From the Cradle to the Grave: A Biography of Michael Joseph Savage (Auckland, 1988), p. 162.
- 80 For example, Badger, p. 19; Bolton, p. 187; Broomhill, pp. 85-98.

According to several recent British studies the unemployed and their families have mortality rates 20-30% higher than the national average.⁸¹ Separate statistics of health or mortality trends for the unemployed in this country are not available. However, if unemployment and an associated marked decline in living standards had affected a substantial sector of the New Zealand population, some signs of damaged health and increased death rates could be expected to appear in the statistics of the population as a whole, particularly amongst children and the old.

Any assessment of national health trends during the depression period is complex and fraught with problems. For example, any health problems caused by temporarily lowered standards of living would not necessarily manifest themselves immediately but could appear later in life. Another has been pointed out by James Watson, who has made a detailed study of health statistics for this period. He has indicated some of the other factors then operating, such as new technology, success in combating major infectious diseases and general improvements in public health and standards of hygiene, that would have tended to improve general health standards and counter the effects of increased poverty.⁸² A British study of the period has illustrated a related problem, arguing that national health statistics have masked the very wide regional and class differentials that were present in that country. The considerable

81 Shirley, pp. 136-7.

82 Watson, "Crisis and Change"; "The Impact of the Interwar Depression on Health in New Zealand", Paper Presented to the Conference of the New Zealand Historical Association, University of Canterbury, Christchurch, May 1991.

advances in health enjoyed by some sections of the community hid any deteriorations that may have occurred in regions and classes where unemployment rates were high.⁸³

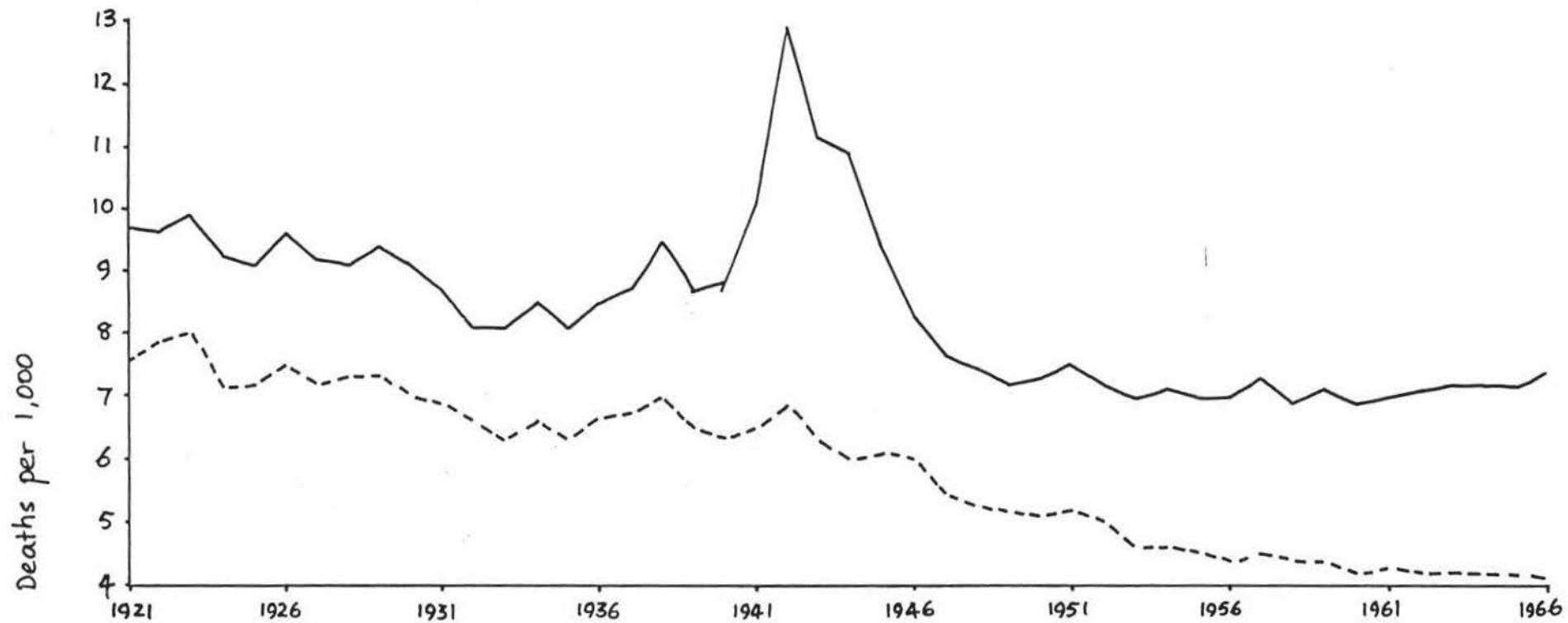
This section of the thesis does not address the complex issue of health statistics in New Zealand, but is restricted to a brief study of mortality rates, including those of maternal and infant deaths, and deaths from tuberculosis, all of which are generally held to be particularly sensitive to changes in standards of living and levels of nutrition. In mortality statistics as in those of health, the average tends to hide diversity. Even so, it could reasonably be expected that some measure of interruption to mortality trends would be evident, if the decline in living standards was as great or widespread as that implied by Simpson's comments cited above, or if the number of children suffering from malnutrition was significantly greater than in previous years. The evidence suggests that here, as in Britain, only a minority suffered a serious decline in standard of living during the 1930s, the effects of deteriorating conditions for that minority being masked by the advances enjoyed by the rest.

To start with statistics covering the population as a whole, standardised death rates between the census years 1921 and 1966 are illustrated in graph 1.13.⁸⁴ The rate for both sexes fluctuated in

83 Charles Webster, "Healthy or Hungry Thirties?", History Workshop Journal, 13 (1982), p. 110-129.

84 Crude death rates, that is the number of deaths per 1,000 of population, are not an accurate measure of mortality trends, since they are affected by the age composition of the population. For example a high proportion of elderly in the population will inevitably result in higher crude death rates. Standardised death rates eliminate this factor by measuring the death rates for each age group against those occurring in some standard population, of unchanging age composition. The standard population used in this graph is that of New Zealand in 1921.

GRAPH 1.13: Standardised death rates, per 1,000 males and females, New Zealand, 1921-1966.



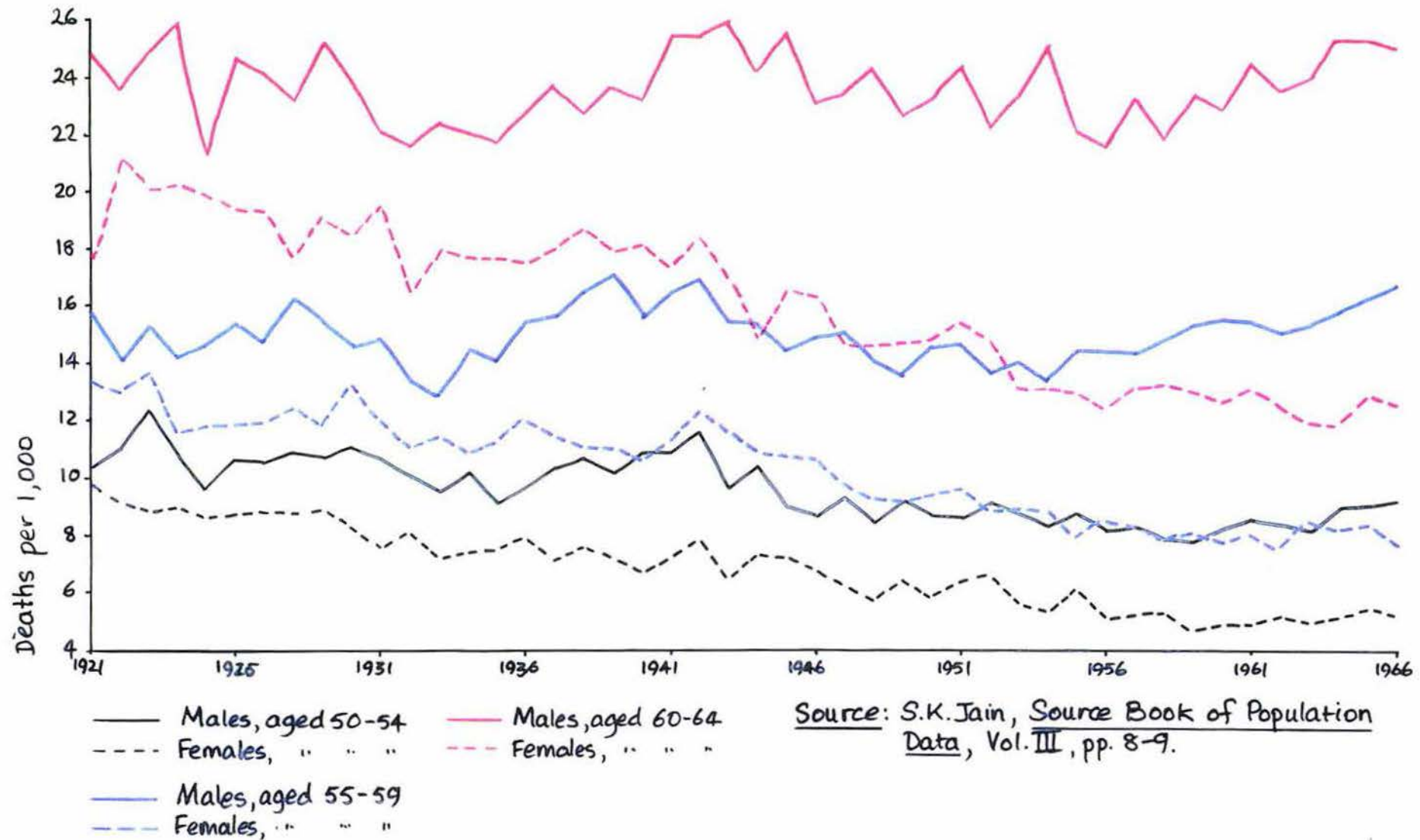
Source: S.K.Jain, Source Book of Population Data, Vol. III, p.1.

the 1920s but tended downwards to the early 1930s before showing a slight upward trend from 1933 to 1939. The upward trend was most marked for men, rising 7%. Since there were other short-term fluctuations, both before and after the Second World War, and another rise of 7% between 1960 and 1966, one must be cautious about automatically attributing this to the effects of the depression: comparable changes have occurred in prosperous times.

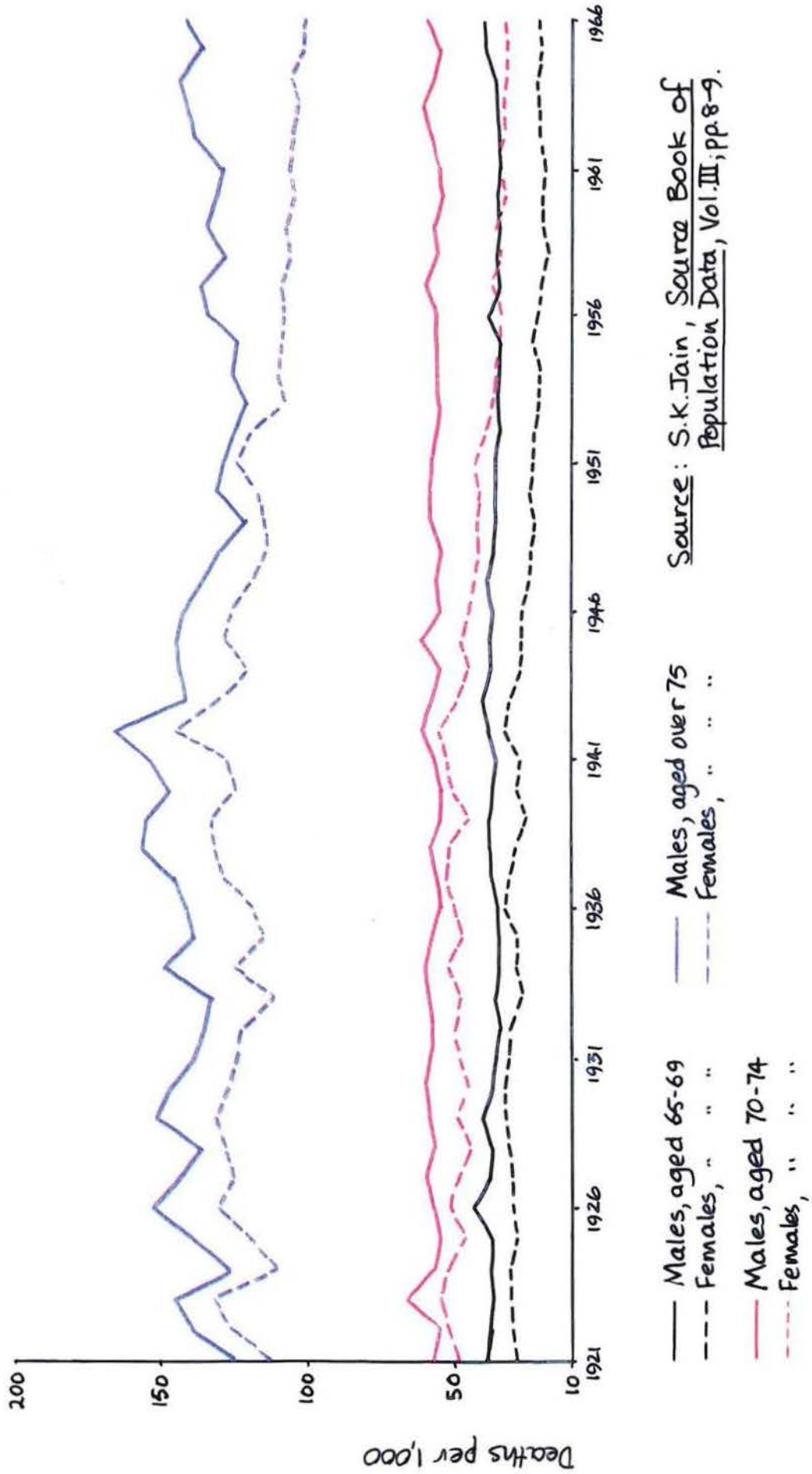
The groups most often referred to as suffering ill-health during the depression are the old, young children and pregnant women and mothers. If substantial numbers were adversely affected by deteriorating living standards, mortality figures for these groups should show marked evidence of this.

Let us focus first on the elderly and the old. Deaths per 1,000 New Zealand men and women in the age groups 50-54, 55-59, 60-64, 65-69, 70-74 and over 75 are shown in graphs 1.14 and 1.15. It is clear from these graphs that the rates for men and women started to diverge as early as the 1930s for those in the age groups 55-59 and 60-64. While women's death rates either fell slightly or remained stable in the 1930s, those for men in four age groups, 50-54, 55-59, 60-64 and over 75, rose noticeably then. That for men aged 55-59 was almost one third higher in 1939 than in 1933. If a lower standard of living was the cause of this rise, a similar rise in the death rates for women would have been expected. Possibly in the three younger age groups this rise was due to the harmful effects on unemployed older men of a combination of poor nutrition and hard physical work under relief schemes, but this is not conclusive. The delayed effects of the First World War on the health of returned servicemen could also have played a part, an argument that seems to be supported by a similar rise in the death rate for older men between 1955 and 1966, 10-15 years after the end of the Second World War.

GRAPH 1.14: Deaths per 1,000 males & females in the age groups 50-54, 55-59 & 60-64, New Zealand, 1921-1966.



GRAPH 1.15: Deaths per 1,000 males & females in age groups 65-69, 70-74 & over 75, New Zealand, 1921-1966.



Source: S.K.Jain, Source Book of Population Data, Vol.III, pp.8-9.

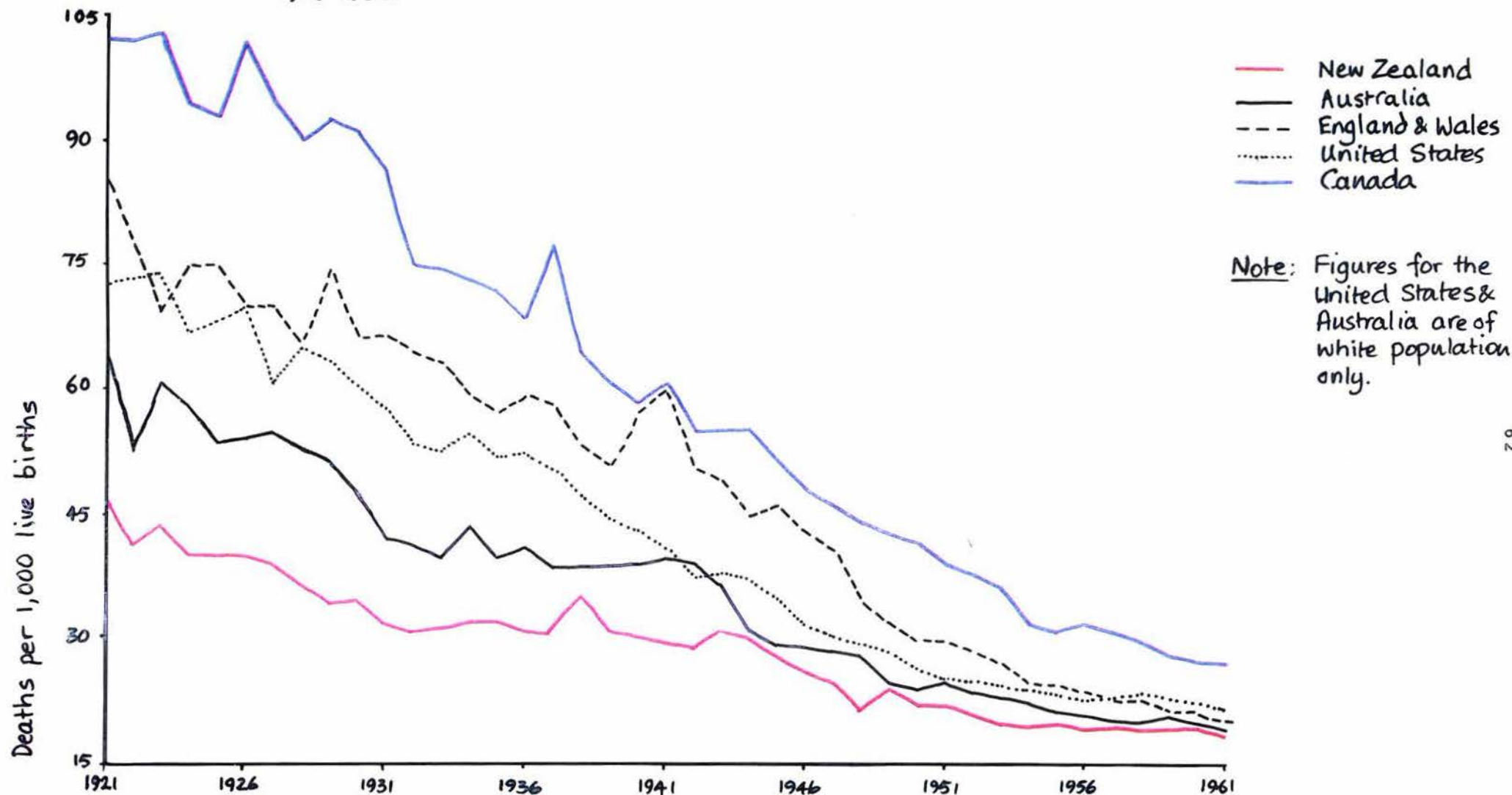
Equivalent figures for England and Wales show a different pattern. The death rates for women are lower in all age groups than those for men, but follow a very similar course. The rates of those aged over 85 show frequent sharp fluctuations, probably caused by a combination of changing weather patterns and epidemics of infectious diseases, but there is no clear sign of any interruption to trends during the depression years for any age group.⁸⁵

A second potentially vulnerable group comprised pregnant women and small children. Maternal mortality (deaths of women resulting from complications of pregnancy, childbirth and the post-natal period) and infant mortality (deaths of children aged under one) are often regarded as useful indicators of standard of living and health. It has been noted that in the United Kingdom during the depression, both these rates were much higher in the regions that experienced high unemployment. Infant mortality, for example, was more than twice as high in Jarrow as in Greater London, and maternal mortality rates were 20% higher in areas with high unemployment than in those where it was low.⁸⁶ (It must be added, however, that the areas of Britain worst hit by unemployment were areas that had long had a lower standard of living than the rest of the country, and this could be just as important a factor as unemployment in causing these high mortality rates.) Any marked deterioration in general living standards in New Zealand and elsewhere could be expected to show up in increased infant and maternal mortality rates.

 85 B. R. Mitchell, Abstract of British Historical Statistics (Cambridge, 1971), pp. 61-2; 64-5.

86 Mowat, p. 515-7.

GRAPH 1.16: Infant mortality rates (deaths within one year of birth, per 1,000 live births), Australia, Canada, England & Wales, New Zealand and the United States, 1921-1961.



Sources: Annual Report of the Medical Statistician on the Medical Statistics of New Zealand, 1965, p.121; Australian Demographic Trends, 1986, p.105; Canada Yearbook 1963-4, p.221; U.S. Bureau of the Census, Historical Statistics of the United States: Colonial Times to 1957 (Washington, 1960), p.25; B.R. Mitchell, Abstract of British Historical Statistics (Cambridge, 1971), pp.58-9; Statistical Abstract of the United States, 1963, p.62; M.C. Urquhart, Historical Statistics of Canada (Toronto, 1965), p.40.

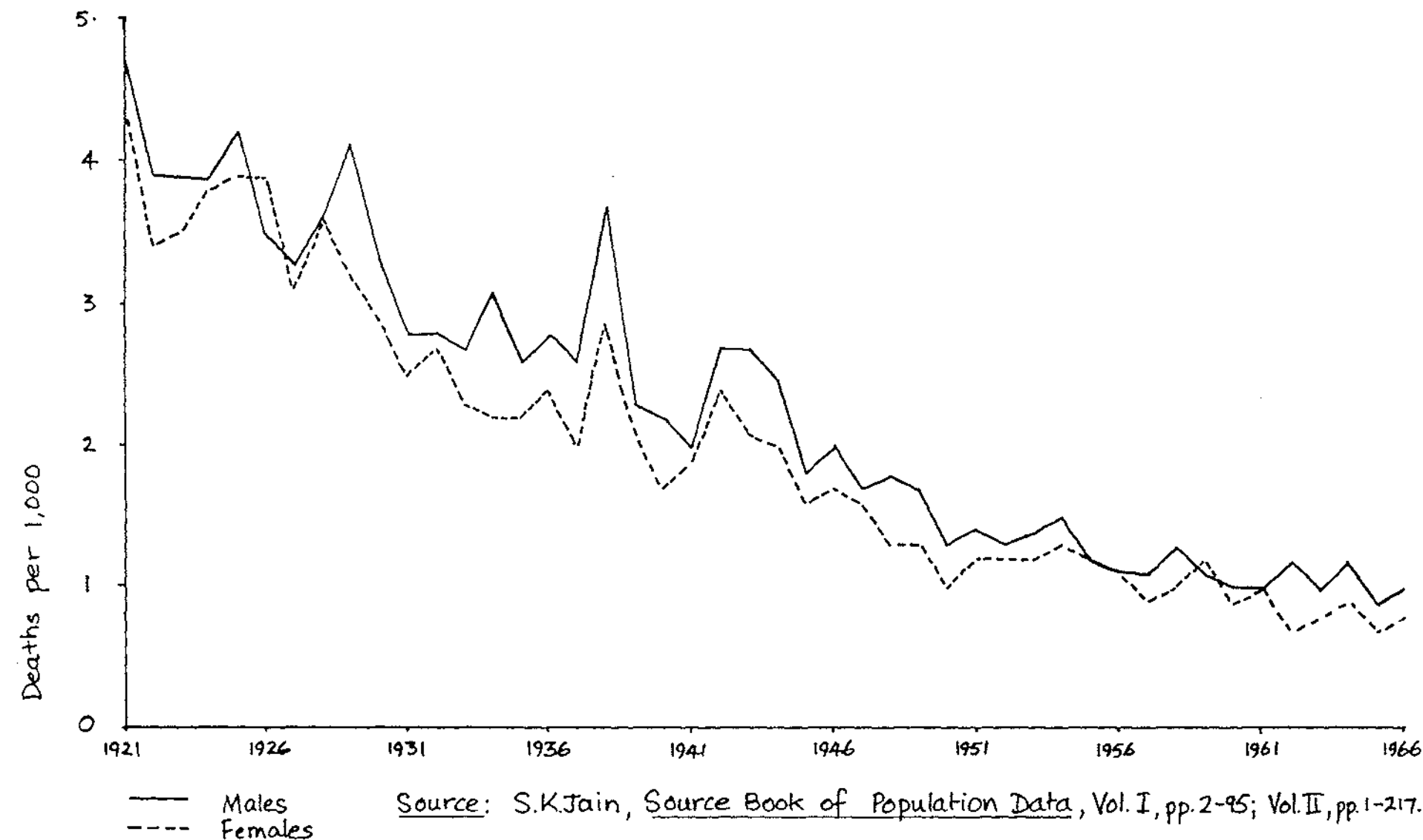
As can be seen in graph 1.16, infant mortality rates in five sample countries do not prove conclusively that there was such a deterioration. Despite short-term fluctuations, the rates for Canada, the United States and England and Wales all showed little deviation from their downward trend during the late 1920s and 1930s. This suggests that while rates may have risen among the poor, the majority continued to benefit from medical advances and improved nutrition and the overall rate fell. Those of Australia and New Zealand, both hitherto very much lower than in the other three countries, levelled off between the early 1930s and early 1940s before continuing to fall.⁸⁷ This may indicate that the retreat from normal standards of living was slightly greater than elsewhere, but it is not sufficient to suggest that conditions changed markedly for the majority of the population. There seems no evidence in this graph of a clear correlation between infant mortality patterns and severity of economic crisis. For example, Australia and the United States, two countries where unemployment was particularly high and long-lasting,⁸⁸ show quite dissimilar patterns in the later 1930s. This suggests that other, non-economic factors may have had more marked effects on infant mortality, in New Zealand as elsewhere.

In New Zealand Maori infant mortality rates, excluded from these graphs, were higher than non-Maori rates, and still subject to extreme fluctuations in the 1920s and 1930s, showing the continuing vulnerability of Maori children to contagious diseases. This tendency to fluctuate makes it hard to detect a clear pattern, but it seems that Maori infant mortality rates increased during the

87 The abnormally high rate in 1938 was due to a measles epidemic and widespread pneumonia that year. NZOYB, 1941, p. 83. While weakened resistance to disease caused by poor nutrition of the mother a few years earlier may have contributed to this, such outbreaks of infectious diseases were common at that time.

88. See Chapter 3.

GRAPH 1.17: Deaths per 1,000 males and females aged 1-4, New Zealand, 1921-1966.



later depression years, which might suggest that the Maori population suffered a greater decline in living standards at this time than did the European.⁸⁹ If statistics were available for minority groups within the non-Maori population, for example the families of the long-term unemployed, infant mortality rates might give a clearer indication of the effects of deteriorating living standards on those particular groups: no such detail was recorded.

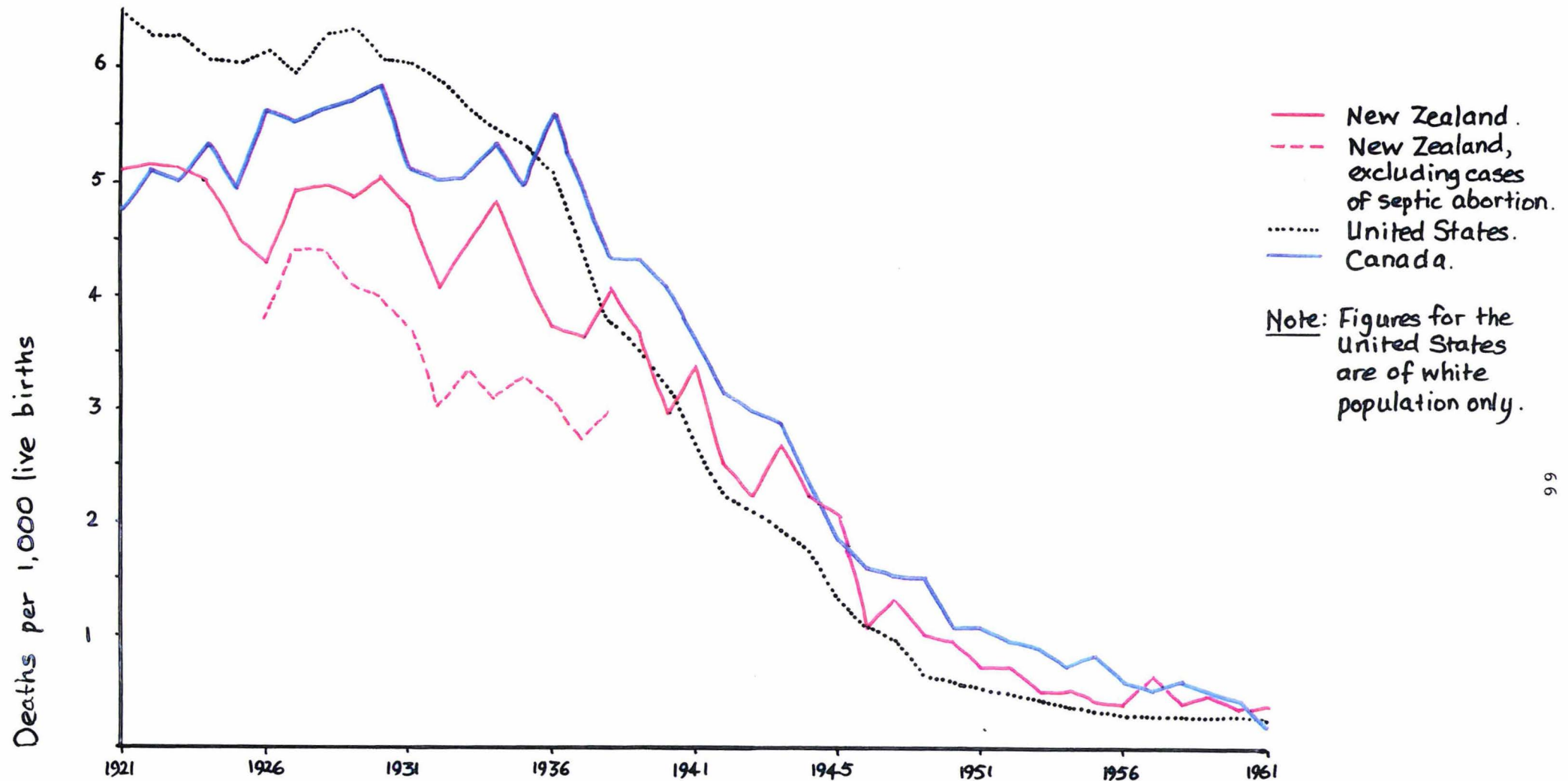
Graph 1.17, of the death rate for New Zealand children aged 1-4, suggests conclusions similar to those regarding infant mortality. Year-by-year fluctuations for the period are not abnormal,⁹⁰ and cause very little disruption to the generally downward trend.

Nor is there any clear evidence of depression conditions overriding the effects of continuing improvements in maternal care, in New Zealand or elsewhere. Figures for maternal death rates in Canada, the United States and New Zealand are shown in graph 1.18. Rates in all three countries declined sharply from about 1939, but while those for the United States had already started this decline in 1930, those for Canada and New Zealand had fluctuated quite markedly during the 1920s and 1930s, though in the case of New Zealand tending slightly downwards. The figures all include cases of deaths arising from septic abortions. If cases of septic abortion are excluded from the New Zealand figures, the downward trend becomes more apparent. This suggests that while the number of women resorting to abortion may have increased during the depression, the number of deaths relating to normal childbearing continued to decrease.

 89 Report on the Vital Statistics of New Zealand, 1929, p. xxxiv; NZOYB, 1939, p. 140; 1950, p. 97; 1961, p. 124; Zodgekar, "Mortality", pp. 101-2.

90 The effects of the measles and pneumonia outbreaks of 1938 are particularly evident for boys in this age group.

GRAPH 1.18: Maternal mortality rates (deaths from all puerperal causes, per 1,000 live births), Canada, New Zealand and United States, 1921-1961.



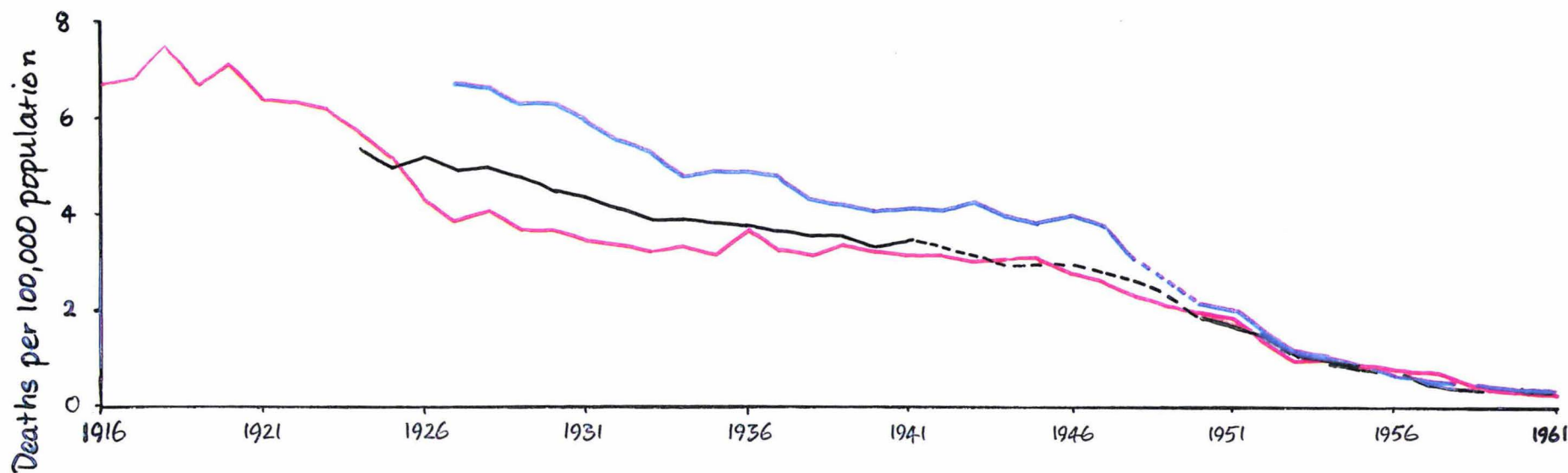
Sources: Annual Report of the Medical Statistician on the Medical Statistics of New Zealand, 1962, p.12; Canada Year book, 1963-4, p.245; U.S. Bureau of the Census, Historical Statistics of the United States: Colonial Times to 1957 (Washington, 1960), p.25; Report on the Vital Statistics of New Zealand, 1937, p.xxix; Statistical Abstract of the United States, 1963, p.25; M.C. Urquhart, Historical Statistics of Canada (Toronto, 1965), p.40.

The death rate from pulmonary tuberculosis is also usually regarded as a reliable indicator of standard of living. The malnourished and those living in cold, damp, overcrowded accommodation have always been the most likely to contract it, and, particularly before antibiotics were available, the most likely to die from it. It appears from graph 1.19 that the sharp decline in the New Zealand death rate from pulmonary tuberculosis which occurred in the 1920s was virtually halted between 1933 and 1945. This could be interpreted as indicating a delayed reaction to deteriorating nutrition and living conditions during the depression. This is, however, not consistent with the fact that the rates in Canada and Australia, where the economic disruption was greater, continued to decline from the late 1920s to the mid-1940s. In New Zealand, as in the other countries, rates declined sharply after the Second World War, when antibiotics became generally available. This seems to imply that the death rate from pulmonary tuberculosis is much more sensitive to changes in medical technology than nutritional or environmental considerations. Once again, the evidence of simple connections between economic conditions and health is weak.

All the death rates studied so far indicate some slight interruption to trends in the 1930s and 1940s, though this is generally manifest in a pause in the downward trend rather than an actual reversal of the existing pattern. The suicide rate, however, reached a noticeable peak in the depression years, as Peter Luke showed in his detailed study of suicide in Auckland.⁹¹ The national rate for both men and women rose somewhat erratically during the later nineteenth and early twentieth centuries, a rise which he tentatively

91 Peter Luke, "Suicides in Auckland, 1848-1939", MA thesis (University of Auckland, 1982).

GRAPH 1.19: Deaths from pulmonary tuberculosis per 100,000 population, Australia, 1923-1961, Canada, 1924-1961, New Zealand, 1916-1961.



— New Zealand
— Australia
— Canada

Sources: Annual Report of the Medical Statistician on the Medical Statistics of New Zealand, 1959, p. 4; 1961, p. 3; Canada Yearbook, 1922-3 - 1962-3; Official Yearbook of the Commonwealth of Australia, 1925-1963; Report on the Vital Statistics of New Zealand, 1921-1937.

Note: Figures not available for Canada, 1949, or for Australia 1942-3, 1945, 1947, 1949.

attributed to a combination of urbanisation and greater accuracy in the statistics.⁹² The peak of 14.4 per 100,000 population reached in 1930-34 was almost twice the level for 1871-75, after which rates declined. The rise for males was the most noticeable; the figure of 22.9 for 1930-34 was 53% higher than that for 1896-1900.⁹³ Luke warned of the relative unreliability of suicide statistics, due amongst other things to concealment by families and the difficulty coroners have in differentiating between accidents and suicides. He concludes that official figures probably understate the incidence of suicides, but give an adequate indication of general trends.⁹⁴ Luke gave particular attention to the frequency with which economic pressures and anxieties were cited by witnesses at inquests of male suicides. This was most marked for the years 1922, and 1926 to 1933, which he saw as evidence of the connection between economic uncertainty and suicide, and as confirmation of Durkheim's claim that sudden change is probably a greater factor than absolute poverty.⁹⁵ He was more cautious about making direct connections between unemployment and suicides, arguing that the same character traits in the victim could be causes of both.⁹⁶ Watson was more inclined to see the rise in the suicide rate as an indication of the depression's effect on mental health,⁹⁷ as were writers about the depression in other countries.⁹⁸ While it is tempting to attribute any rise in suicide rates to deteriorating economic circumstances, the intrinsically unreliable nature of suicide data demands extreme

92 *ibid.*, pp. 26-7.

93 *ibid.*, p. 20.

94 *ibid.*, pp. 7-17.

95 *ibid.*, pp. 30-31.

96 *ibid.*, pp. 157-8.

97 Watson, "Crisis and Change", p. 310.

98 For example, Badger, p. 11; Bolton, p. 143; Broomhill, p. 70.

caution in its interpretation, and this study does not pursue the question further.

CONCLUSIONS

The New Zealand statistics of marriages, births and deaths show some deviations from long-term trends in the 1930s, but these deviations are essentially slight, mainly keeping within the range of what could be considered normal fluctuations, and also of short duration. The depression years seem a time of demographic continuity rather than change. Even in the area of infant mortality the 1930s witnessed a pause in the long-term improvement rather than a reversal of trends. Comparisons with other countries, and with more recent periods, have revealed rather inconsistent patterns, which cast further doubt on any direct correlation between changes in demographic behaviour and economic changes.

All this raises questions of how serious and widespread the economic effects of the depression were in New Zealand. Why do none of the national demographic statistics show signs of "a community trauma", or an "unspeakable disaster"?⁹⁹ One possibility is that the level of change in standard of living was not in fact as great or as widespread as was assumed. There is evidence that even before the depression some New Zealanders were living in relative poverty. It is possible that at least some of the poverty in the 1930s was not so much created by the depression as brought to light by it.

As the study of incomes and employment in the next two chapters shows, there is ample evidence that many New Zealanders did suffer a deterioration in their financial circumstances during the depression. But the most notable feature of the findings on incomes

99 Simpson, The Slump, p. 126; The Sugarbag Years, p. 5.

is the wide diversity of experience, with those towards the lower end of the socio-economic scale generally experiencing the biggest percentage declines in real income. This suggests that while the impact on those individuals was quite severe, the level of change in financial circumstances in the population as a whole was less marked than if the biggest percentage declines in real income had been at the upper end. Any change in demographic behaviour on the part of those whose financial circumstances deteriorated markedly has been masked by the happier experiences of the rest. These issues are taken up in the remainder of this study.

CHAPTER 2

CHANGES TO INCOMES

INTRODUCTORY

In this chapter the extent to which New Zealanders' incomes declined during the depression is examined. The extent and timing of the fall in New Zealand's national income associated with the depression is readily established. The country was in the 1920s and 1930s heavily dependent on returns from the export of agricultural products. World prices for these fluctuated in the early 1920s, causing uncertainties in the agricultural sector which affected the rest of the economy, producing amongst other things a gradual rise in unemployment rates. The worst years for this country followed more marked falls in prices in the later 1920s and early 1930s, which caused a 20% drop in national income.¹ Export prices in 1932 were 42% below the level of 1926-30, and gross aggregate farm income was by 1933 just under half of what it had been in 1929. The fall in farm incomes was quickly transmitted to other sectors, with a resultant fall in overall economic activity, and gross domestic product fell by 30% between 1929 and 1933.²

The extent to which the fall in national income was reflected in a fall in the standard of living is less readily established, as is the extent to which the burden of the depression was shared amongst the different groups within the population. The various estimates of how much the overall standard of living fell during the

- 1 Condliffe, The Welfare State, pp. 16-17, 34; Simpson, The Sugarbag Years, p. 6; Sinclair, pp. 255-6.
- 2 G. R. Hawke, "The Government and the Depression of the 1930s in New Zealand: An Essay Towards a Revision", Australian Economic History Review, 13(1973), p. 73.

depression often measure it in terms of incomes. Sinclair referred to "a twenty per cent drop in the real standard of living", perhaps basing this on the two general wage reductions, each of 10%.³ Another writer noted "a drastic fall in standards of living".⁴ Hawke's more cautious approach, taking into consideration movements in prices as well as incomes, is that "per capita real income fell by an average of somewhere between 10 and 20%", qualified by a reminder that "the average experience was not the individual experience ... there was a continuum of experiences from people who were destitute to those who found their real income increased".⁵ In a more recent work, another historian has reported that "probably about half of the population suffered real hardships".⁶

Some writers consider that the financial effects of the crisis on workers generally, and on urban workers in particular, were worsened by the Government's over-cautious approach to the situation, and by their policy of "sharing the sacrifice".⁷ The two aspects of Government policies most cited are the cuts in wages and pensions in 1931 and 1932,⁸ and the levels of relief payments made to the unemployed.⁹

- 3 Sinclair, p. 255.
- 4 Robert T. Robertson, "The Tyranny of Circumstances: Responses to Unemployment in New Zealand, 1929-35, with Particular Reference to Dunedin", PhD thesis (University of Auckland, 1978), p. 389.
- 5 Hawke, The Making of New Zealand, p. 125.
- 6 Brooking, Milestones, p. 154.
- 7 Condliffe, The Welfare State, pp. 17, 37; Oliver, The Story of New Zealand, pp. 179-181; W. B. Sutch, Poverty and Progress in New Zealand (Wellington, 1941), p. 134.
- 8 For example, James Edwards, Riot 1932 (Christchurch, 1974), pp. 4-5, 8-9; Oliver, The Story of New Zealand, p. 182; Olssen, "Depression and War", p. 213; Simpson, The Sugarbag Years, p. 6; Sinclair, pp. 256-7; Sutch, Quest for Security, pp. 131-135.
- 9 For example, Simpson, The Slump, p. 42; Sinclair, p. 257; Sutch, Quest for Security, pp. 135, 137.

Many sources, both primary and secondary, describe a pervasive atmosphere of poverty, with references to soup kitchens,¹⁰ worn out boots and barefoot children, clothes bought second hand, cut down and repaired or improvised from such materials as sugarbags.¹¹ The sugarbag itself has become a symbol of the 1930s, as exemplified in the title of Simpson's book, and despite many comments that not everyone suffered during the depression, the experience of those who did has dominated much of the historical writing.¹²

Demographic statistics, however, showed little sign that the depression severely reduced standards of living across the population as a whole. Indirect evidence makes it clear, moreover, that certain sections of the New Zealand population were not suffering financially. There are contemporary reports that people were still spending substantial amounts on holidays abroad, cars, and recreations such as racing.¹³ Some thesis writers¹⁴ have examined figures relating to consumer goods and recreation and concluded that the trends in mechanisation, electrification and the introduction into the home of labour-saving devices were interrupted little by the depression. The number of radio licenses in particular continued to increase during and more particularly after the depression.

10 Sinclair, p. 258; Sutch, Quest for Security, p. 126.

11 See for example Ebbett, Victoria's Daughters, pp. 68-73; Simpson, The Sugarbag Years, passim; Scrimgeour, p. 19.

12 Eve Ebbett's Victoria's Daughters is an interesting exception to this; both text and illustrations cover the social history of women at all levels of society.

13 For example, A. G. B. Fisher, "The New Zealand Economic Problem, a Review", Economic Record, 8(1932), p. 86; New Zealand Worker, 20 March 1935, p. 2.

14 Especially Watson, "Crisis and Change", and Ashton-Peach.

Measurement of standard of living is a complex issue, and this study is restricted to an examination of changes in individual incomes. It concentrates on the incomes of some groups frequently mentioned as suffering economic hardship, that is farmers as well as other self-employed and employers, those dependent on pensions and benefits, wage and salary earners, and the unemployed receiving relief payments. The emphasis is on the financial experience of adult men, since they were at that time the principal breadwinners, and any changes in marriage or fertility behaviour were most likely to be caused by changes in their incomes. The limited coverage of the financial situation of unemployed single women and young people, and more particularly of the incomes of Maori, is regrettable, since various sources suggest that many of them also suffered considerable financial deprivation. Constraints of space, and in the cases of Maori and young people the inadequacy of statistical data, have limited coverage. A study of a very different kind would be needed to make good this deficiency.

No study of individual incomes can reach firm conclusions because of the incomplete coverage afforded by the available sources, and because returns of income are always prone to inaccuracies. There are six possible incomes records for the depression period in New Zealand. One is the Census. A question on incomes was included for the first time in 1926, when respondents were asked to indicate into which income range fell their income for the previous twelve months. Income was then defined as "earnings for services rendered, plus any income to which entitled from other sources", and a person in regular employment at census date was asked to give the rate of remuneration at that time, plus any other income over the previous twelve months. This procedure, as was recognised at the time, could lead to some discrepancy, for instance where regular employment had

been taken up during the previous twelve months.¹⁵ Pensions were not specifically mentioned, but seem to have been included as income. The 1926 Census did not request information on payment in kind, such as free housing, where this was part of income, and it is not clear whether or not some respondents included this in their returns.

Respondents were, however, asked to include such perquisites in their assessment of total income for the 1936 Census. Income was defined more specifically that year, as "the gross income of persons from wages, salaries, pensions, investments &c., and the net receipts (gross receipts less expenditure incurred in earning them) of business men, farmers, professional men, landlords, &c.", and the period covered was the calendar year 1935.¹⁶ Any comparison between the results of the two Censuses needs to take these differences into account. A further, and important, qualification is that information relating to these two isolated years cannot measure the decline in incomes during the worst period of the depression. What it can do is indicate changes in relativities, and provide information on the extent to which the incomes of those in various employment and occupational categories had recovered by 1935.

A second major source is wage rates. Average nominal weekly wage rates, for industrial groups and for specific industrial occupations, were published annually in the Statistical Report on Prices, Wages and Labour. Effective wage rates, that is nominal wage rates adjusted for cost of living changes though not for changes in tax rates, can be calculated for industrial groups, as well as for specific occupations. Up to 1932 the rates quoted were the minimal award rates, but where awards lapsed after

15 Census, 1926, Vol. XI, Incomes, p. 1.

16 Census, 1936, Vol. XII, Incomes, p. i.

1932 ruling rates paid by the majority of employers were given. Coverage is not complete, since rates are not available for all wage earners, such as clerical and some shop workers, or for salaried workers. Nor are the rates consistent over time in all cases: for instance, an allowance for board and lodging was included in the rates for hotel and agricultural workers up to 1932, but not subsequently. Despite these limitations, annual information on wage rates can be used in conjunction with the information in census returns to give some idea of the likely course of incomes for those in employment between 1926 and 1936, and in helping us to assess the level of income loss experienced by those who became unemployed. Each source acts as a check on the other, and discrepancies help to reveal the extent to which the earning capacity of workers was being affected by unemployment or reduced working hours.

A third possible source is the returns of income tax published in the Statistical Report on Prices, Wages and Labour, and in an abbreviated form in the New Zealand Official Yearbooks. These have the advantage over census returns of being compiled annually, but they only supply information about the top 10% of income earners. Moreover, even as a source of information on those people the coverage is inconsistent. Up to 1932 no tax return was required for incomes under £300 per annum, but from 1932 returns were in general required for those over £200. Fundamental changes to the tax laws concerning farmers during the 1920s and early 1930s also make this source unsuitable for measuring changes in farm incomes. In addition, no returns were published for the crucial financial years 1932/3 to 1934/5, presumably for reasons of economy. While these figures, like those in the Census, cannot be used to measure the extent of financial disruption at its worst point, they are used here to give some idea of the course of incomes for the top earners in certain groups, such as professionals, and those receiving money from investments.

Fourth, a survey of incomes in the year ending 31 March 1938 was carried out by the Census and Statistics Department, to provide statistical information, particularly on income from sources other than wages or salary, for administrative purposes in connection with Government policy in social fields. It covers the incomes from all sources of all males over 20, except Maori, pensioners and totally disabled war pensioners who were wholly exempted from registration under the Employment Promotion Act of 1936.¹⁷ Its coverage is therefore less complete than that of the Census, since only some 350,000 returns were received from males, as compared with 460,207 adult males who reported an income in the 1936 Census. It is also worthless for women, since they were only included if they earned over £50 per annum from sources other than wages or salary. This survey's value is therefore mainly as an adjunct to information in the 1936 Census about males in the work force, and in particular helps reveal the relative speed of continuing income recovery by certain groups between 1935 and 1938.

A fifth possible source is the published data on the amount of wealth, whether in money or property, held by people at the time of death and passed for probate. But because this just gives details on people's assets when they died, it can only show the effects of the depression as a very delayed and diffused reaction, and the situation is further confused by the effects of the Second World War. It is therefore not used here.

A sixth source is the statistics of bankruptcies, which can identify groups most likely to experience major financial difficulties. Nevertheless, they are by no means complete in their coverage, since a person is only taken to court for bankruptcy if sued by a

 17 Statistics of Employment and Incomes, 1937-8: An Appendix to the Statistical Reports for the Year 1938.

creditor. They therefore exclude those who experienced serious difficulties but managed to avoid getting into debt, or who had tolerant creditors. In addition, the legislation enacted during the depression to protect mortgagors reduced the number of bankruptcies during the 1930s, so for that period the figures do not give a true picture of the number in financial difficulties.

The following study, based on a combination of sources, traces broad income trends in relation to the cost of living, analysing the factors affecting the incomes of various groups, and their likely effects, and indicating the relative rates of recovery from the depression by these groups. Incomes of the whole population are examined first, then those of particular groups.

Findings confirm the considerable diversity of financial experience during the depression, whether measured across the population as a whole, or within particular employment or occupational groups. For example, while wage earners as a group seem to have maintained a reasonable level of financial security, the incomes of the less skilled show signs of considerable decline. Similar variation is found in the incomes of employers and the self-employed, with those on lower incomes being affected more than those on higher ones. In addition, this study shows that the wage and pension cuts of 1931 and 1932 were for most not important factors involved in reducing incomes.

Income trends during the worst period of the depression can only be inferred from such data as the rates of wages, pensions and relief pay, and export prices. It seems likely that, in nominal terms, incomes of most non-farming groups started to fall in 1931, a year later than the marked drop in farm incomes. They remained depressed for three to four years, and then started to improve by 1935-6, a

year after farm incomes had started to rise. By 1937 recovery would seem to have been virtually complete in terms of income for all groups.

The following study shows that, when the wage and pension data is translated into real terms, by allowing for changes in the cost of living, a different pattern emerges. With the notable exception of farm workers and women in domestic service, real before tax incomes of many of those who remained fully employed were higher in 1931-3 than in the late 1920s, as were civil pensions, including the old age pension. Relief rates for the unemployed, on the other hand, were at their lowest in 1931-2. Since income tax was only paid by about 10% of the work force in the 1930s, its effects are largely ignored in this study. However, two special unemployment taxes were introduced from 1930 and affected most income earners; when these are taken into account, the incomes of many non-agricultural workers still had greater purchasing power in the early 1930s than in the late 1920s.

1: INCOMES OF THE POPULATION AS A WHOLE

There were three principal factors affecting the real value of incomes during the depression. The cost of living was one. Retail prices fell nearly 22% between 1926 and 1933; after a 5% rise over the next two years, prices in general were still 17% lower in 1935 than in 1926, and did not exceed 1926 levels until 1940.¹⁸ Any consideration of wage rates or incomes during this period needs to take these changes into account, since while the cost of living index was not as comprehensive in its coverage in the 1930s as it is now, it did include basic expenditure such as house rent, food, fuel and light.

18 NZOYE, 1946, p. 600.

Second, incomes from investments and property were cut in several ways. Legislation reduced rents and interest rates on mortgages and hire purchase agreements by 20% from 1 April 1932 to 1 April 1935,¹⁹ and further legislation in 1934 continued these reductions throughout the 1930s.²⁰ The Mortgagors' Relief Amendment Act, 1932, extended to all mortgagors the provisions of the 1931 Act that had applied to mortgages on farm lands, permitting mortgagors to apply for various forms of relief. This legislation reduced incomes for landlords and mortgagees, but made a considerable contribution to the fall in the cost of living already mentioned, one that affected many, since over 70% of households were in 1936 either paying rent or buying property with a mortgage or some form of time payment.²¹ Incomes from investments were also reduced by legislation that gave savings banks the right to reduce interest rates on deposits,²² and gave the Government the right to fix interest rates paid by financial institutions.²³ While this lowered incomes for those dependent on investments, it did mean that other sectors of the population benefited, since overdraft rates dropped from 7% to 4.5%. This particular cost reduction does not appear to have been included in the cost of living index.

Third, the majority of the population had their disposable income reduced by increased taxation of various kinds. Two special taxes were introduced to fund the activities of the Unemployment Board. The Unemployment Levy was payable, at the rate of £1.10.0 per annum

19 National Expenditure Adjustment Act, 1932.

20 Finance Act, 1934.

21 Census, 1936, Vol. XIII, Dwellings and Households, pp. 52, 55.

22 Finance Act No. 3, 1931.

23 National Expenditure Adjustment Act, 1932.

from December 1930 (reduced to £1.0.0 from August 1931) by all non-Maori males over age 20 who were resident in New Zealand; registration and payment of the levy were an essential pre-requisite to receipt of any form of Government unemployment relief.²⁴ The Emergency Employment Charge was a flat tax on all salaries, wages and other income, whether received by men or women. When first introduced in August 1931 it was at the rate of 3d in the pound, rising to 1s in the pound from 1 May 1932, then dropping to 10d in the pound from 1 October 1934, and 8d in the pound 1 October 1935, before being merged with social security contributions by the Labour Government.²⁵

Some examples of the effects of these taxes are as follows. A man earning £175 per annum, the average income for a married man in 1936, paid no income tax, but he would have paid up to £9.15.0 per annum (5.6% of his income) between December 1930 and 1935 in these two special taxes. For a man earning £75, the average income for a single man in 1936, they would have amounted to a maximum of £4.15.0 per annum, or 6.3% of his income. Women paid only the Emergency Employment Charge, which at its maximum between May 1932 and October 1934 amounted to 5% of their income. While rates of income tax were increased, and the level at which income tax became payable was lowered from £300 to £260 in 1931,²⁶ there were still by 1932 fewer than 50,000 individuals paying income tax out of a work force of over 600,000.²⁷ In view of the small numbers affected, and the

24 Unemployment Act, 1930; Unemployment Amendment Act, 1931.

25 Hawke, The Making of New Zealand, p. 149; Report of the Unemployment Board, 1932, AJHR, 1932, H-35, p. 4; 1933, p. 4; Social Security Act, 1938.

26 Land and Income Tax (Annual) Act, 1931; Land And Income Tax Amendment Act, 1931. It was further lowered to £210 in 1933, but a man supporting a wife could claim an exemption of £50. NZOYB, 1939, p. 486.

27 Statistical Report on Prices, Wages and Labour, 1931-32, p. 83.

complexity of calculating typical income tax payments, changes in income taxes are only taken into account in very broad terms in what follows.

More wide ranging in their effects were increases in customs and excise duties on imported goods, beer and tobacco.²⁸ A 5% sales tax was introduced, though many items such as food and primary products were exempt.²⁹ The precise effect of these indirect taxes on the average wage earner would depend on individual consumption patterns, and their effects were not all built into the general retail price index.

Some indication of relative income changes for census years 1926-1951, and for males for 1938, is given in table 2.1. This shows index numbers of real income (that is, income adjusted for cost of living changes, though not for changes in income tax) for the work force as a whole and for the various employment categories. While these figures cannot show the extent to which incomes were affected at the worst point of the depression, it can give a broad overall setting to the depression experience. It can also suggest the extent to which the various incomes had recovered by 1935 and 1938.

There are some problems with relativities between the 1926 and 1935 incomes, though these are not serious. The incomes of those 20% from the bottom of the income scale, those exactly half way up the scale and those 20% from the top of the scale have been calculated for all those aged over 20 who reported an income. These calculations are used in all incomes tables derived from the Census,

28 The Customs Amendment Act, 1931, imposed a 3% customs duty on all imported goods, a duty of 1/6 per gallon on beer, 6d on a packet of 20 cigarettes, and 6d on an ounce of cigarette tobacco.

29 National Expenditure Adjustment Act, 1932, Part IV.

and are referred to as "modest incomes", "middle incomes" and "upper incomes" respectively. In certain cases, where those 20% from the top fall into an open-ended income category, making calculation of a figure impossible, "upper incomes" are represented by those 35% from the top of the scale. Where this occurs, it is noted on the graphs.

The 1926 Census only correlates income by age for the work force as a whole, not for the separate employment categories. This means that calculations for the incomes of the separate employment categories in 1926 include minors, and are lower than they would be if these were excluded. To find the approximate extent of this disparity, the difference between incomes of the adult population and incomes of the population including minors was calculated for 1935, and the 1926 figures have been adjusted upwards by an equivalent percentage. These figures can only be approximate, since relativities between adults' and minors' incomes were constantly changing. For males the difference was only significant for wage and salary earners, and for the lower levels of the unemployed and self-employed. For females the difference was significant for all groups except employers. The difference between incomes for 1926 and 1935 is however still understated somewhat for occupations where such things as board and lodging form part of the remuneration, since they were not included in 1926 incomes.

Table 2.1 shows first the incomes of all those who reported an income. It would appear that males at the lower end of the income scale experienced a much bigger decline in gross income between 1926 and 1935 than those higher up the scale. This cannot confirm whether or not they declined more at the worst point of the depression, but suggests that they perhaps had been less successful in making up that decline by 1935. While middle incomes were in gross terms 24% lower in 1935 than in 1926, and upper incomes were

TABLE 2.1: Index of real income, census years 1926-1951 and 1938, for all adults who reported an income (1926=100).

	<u>Males</u>					<u>Females</u>				
	1926	1936	1938	1945	1951	1926	1935	1938	1945	1951
				+						
<u>Total Work Force</u>										
Modest Income	100	58	114	117	160	100	59	-	87	75
Middle Income	100	76	114	125	137	100	58	-	98	123
Upper Income	100	96	121	133	140	100	99	-	119	140
<u>Wage and Salary Earners</u>										
Modest Income	100	74	133	160	169	100	63	-	142	149
Middle Income	100	86	111	135	126	100	81	-	127	140
Upper Income	100	103	117	131	127	100	96	-	119	135
<u>Employers</u>										
Modest Income	100	60	97	105	162	100	60	-	134	142
Middle Income	100	78	107	154	*	100	75	-	145	153
Upper Income	100	86	134	*	*	100	59	-	*	*
<u>Self-Employed</u>										
Modest Income	100	86	128	229	290	100	45	-	123	128
Middle Income	100	66	99	142	174	100	59	-	112	121
Upper Income	100	77	112	164	*	100	78	-	140	147
<u>Unemployed</u>										
Modest Income	100	62	79	173	229	100	57	-	170	181
Middle Income	100	63	78	134	183	100	55	-	121	131
Upper Income	100	64	86	133	161	100	93	-	145	164

Notes: * Cannot be calculated since income falls in an open-ended category.

- Females not covered.

+ Those in armed forces excluded.

Modest Income = 20th percentile

Middle Income = 50th percentile (median)

Upper Income = 80th percentile (For employers only upper incomes are represented by the 65th percentile)

Sources: G. T. Bloomfield, New Zealand: A Handbook of Historical Statistics (Boston, Mass., 1984), p. 419; Census, 1926-1951; Lloyd Prichard, p. 373; Statistics of Employment and Incomes, 1937-8: An Appendix to the Statistical Reports for the Year 1938.

only 4% lower, modest incomes had fallen by 42%. By 1938 modest and middle incomes were both 14% higher than in 1926, indicating a substantial recovery by those at the lower end of the scale, but upper incomes had made an even bigger recovery, and were 21% above their 1926 levels.

This disparity is increased when the two unemployment taxes are taken into account, since at their maximum they amounted to some 7% of gross income for those on modest incomes, but only 5.5% of gross income for those with upper incomes. In addition income tax rates were not steeply graduated, the maximum rate payable being 6s in the pound, further easing the comparative tax burden on the very rich.³⁰ Females at the upper end of the income scale similarly experienced only a minimal decline in income between 1926 and 1935 compared with those lower down the scale. All this suggests that the gap between rich and poor was wider in the mid to late 1930s than in 1926. Taking into account the two unemployment taxes but not income tax, the gap between upper and lower incomes would appear to be 40% bigger in 1935 than in 1926, though by 1938 this had narrowed to only 8% more than in 1926. The raising of maximum income tax rates to 8/3 in the pound had by then further narrowed this margin.³¹

Table 2.1 also shows the differences between the experiences of the four main employment categories within the work force. The figures suggest that adult male wage and salary earners, who comprised well over half the work force, experienced the greatest overall income stability at all levels, in spite of the fact that some 27% of all male wage and salary earners claimed to have suffered loss of time due to scarcity of work during the year covered by the census

30 Condliffe, The Welfare State, p. 39; NZOYB, 1934, p. 430.

31 NZOYB, 1939, p. 488.

return.³² Middle and modest income employers, the self-employed on middle incomes, and those unemployed at census date, all experienced bigger declines of income between 1926 and 1935, suggesting that any intervening reduction in earning capacity had been longer lasting. When these groups are examined in more detail below, however, it is apparent that there was a wide range of experience within each employment category. Incomes for the few females in paid employment show a broadly comparable pattern, though in most cases a greater all-round decline.

Similar conclusions can be reached from examining the percentages of those with no income at all.³³ In 1935 4.5% of all adult males making a return reported no income, compared with 3.5% in 1926. The percentage of wage and salary earners with no income rose only from 0.5% to 0.6% between 1926 and 1935, while the equivalent figures for employers were 1.2% and 5.7%, and for the self-employed 0.6% and 6.5%. On the other hand only 7.4% of those unemployed at the time of the 1936 Census reported no income, compared with 13.7% in 1926, suggesting that the unemployment benefit introduced in 1930 was saving at least some from complete penury. Females again demonstrate a parallel pattern, with employers and the self-employed showing much bigger increases in the percentage reporting no income than wage and salary earners. However, 30.9% of women unemployed in 1936 reported no income, compared with 28% in 1926; this is consistent with the fact that women were not entitled to the same unemployment benefits as men. The total percentage of all adult females reporting no income dropped slightly, from 66.8% in 1926 to 58.8% in 1936, suggesting that, despite the availability of family allowances after 1927, a slightly higher proportion of women were working outside the home in 1936 to help support their families.

32 Census, 1936, Vol. XI, Unemployment, p. iii.

33 Census, 1926, Vol. XI, Incomes; 1936, Vol. XII, Incomes.

Employment statistics confirm this, since the percentage of all married, widowed or divorced women in the work force increased from 5.9% in 1926 to 6.9% in 1936.³⁴

The experiences of five groups of income earners are now examined in more detail. They are the self-employed and employers, including farmers, those deriving incomes from investments, pensioners and beneficiaries, wage and salary earners, and those unemployed at census date.

2: EMPLOYERS AND THE SELF-EMPLOYED (INCLUDING FARMERS)

The figures in table 2.1 show that at all levels the real gross incomes of both male and female employers and self-employed were lower in 1935, relative to their 1926 levels, than were those of wage and salary earners. In most cases they had also recovered less by 1938, though the reverse was generally true by 1945. This cannot confirm whether or not their incomes declined more than those of wage and salary earners at the worst point of the depression, and the differences between the definition of income in the 1926 and 1936 Censuses makes some caution necessary in direct comparisons. However, it does suggest that their incomes recovered more slowly from any decline in the intervening years. Over half of this group consisted of those working in the agricultural sector, and the factors that affected their incomes were of considerable importance in influencing the incomes of the group as a whole.

The most important factor was the fall in export prices, which in 1932 were 42% below the level of 1926-30.³⁵ Despite increased

34 Census, 1926, Vol. IX, Industrial and Occupational Distribution, p. 96; 1936, Vol. X, Industries and Occupations, p. v.

35 Condliffe, The Welfare State, p. 15.

production, gross aggregate farm income measured in current prices was in 1931-2 only 55% of that for 1928-9.³⁶ Prices for the different commodities fell by differing amounts, and reached their lowest levels at different times. Dairy products, for example, did not reach their minimum until 1934, while meat and wool prices had started to rise as early as 1933.³⁷ Farmers' costs fell considerably less than did their returns, perhaps by an average of 10%,³⁸ and the effect on net aggregate farm income shows in graph 2.1 as a marked fall between 1929 and 1932. While the accuracy of the negative income for 1932 has been questioned,³⁹ the sharp overall fall in farm incomes is not in doubt. Concern at farmers' financial position was widespread in the 1930s: the 1934 Commission on the Dairy Industry, for example, concluded that half the country's dairy farmers were, to varying degrees, unable to meet their financial commitments at that time.⁴⁰

Reduced farm incomes meant reduced income for those working in industries and services dependent on the agricultural sector, and the effects of this spread quickly through the whole economy. The general business decline was worsened by diminished spending power among some sections of the population, such as the unemployed and the rural sector, together with a general reluctance to spend on the part of some others, perhaps from understandable fears that their personal situation might deteriorate.

36 Hawke, The Making of New Zealand, p. 136.

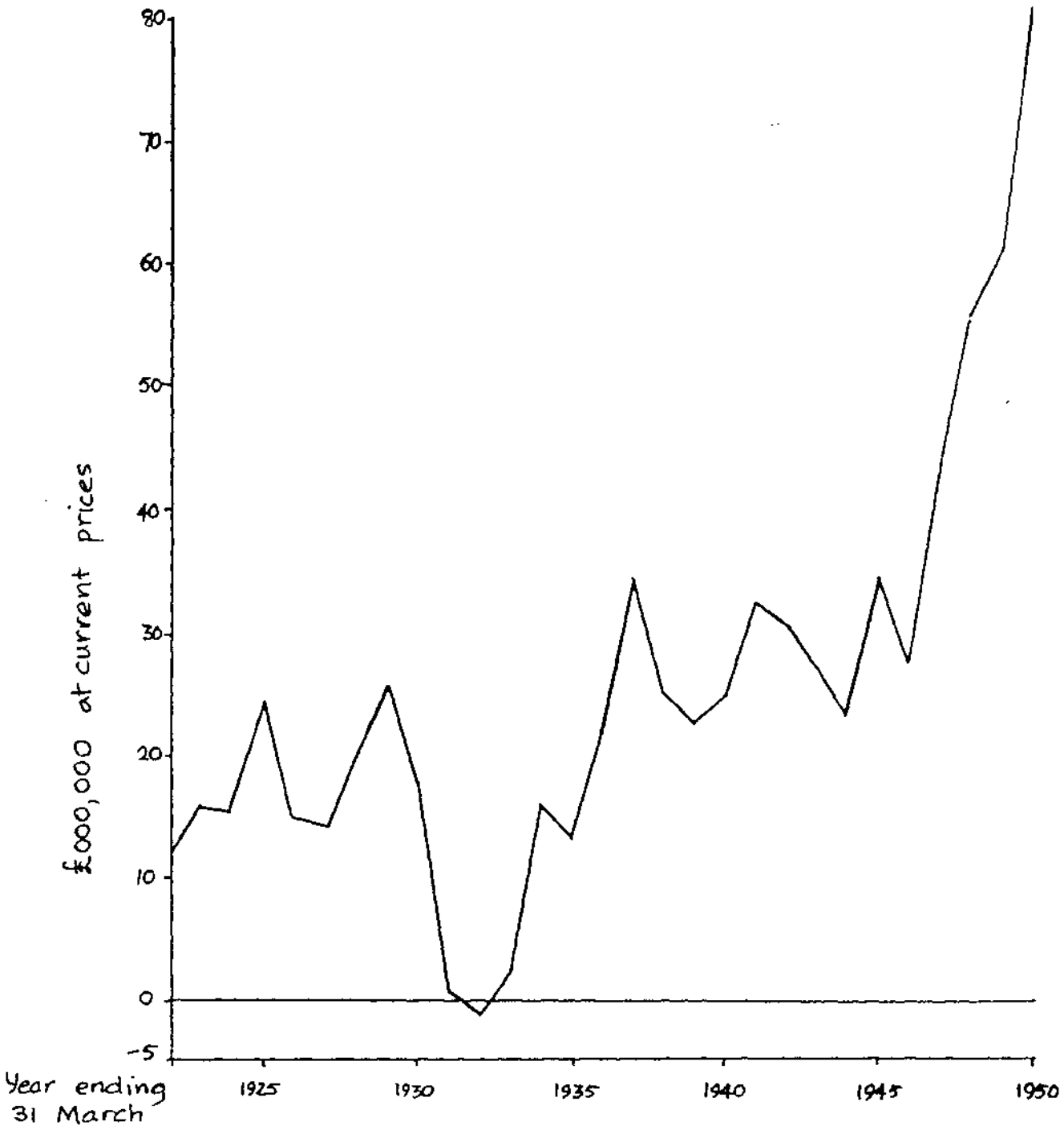
37 *ibid.* p. 139.

38 Sinclair, pp. 255-6. A useful analysis of movements in the various components of farmers' costs appears in Hawke, The Making of New Zealand, pp. 136-9.

39 Hawke, The Making of New Zealand, p. 138.

40 Report of the Royal Commission on the Dairy Industry, AJHR, 1934, H-30, p. 65.

GRAPH 2.1: Net aggregate farm income, New Zealand, 1922-1950.



Source: D.D. Hussey and B.P. Philpott, Productivity and Income of New Zealand Agriculture, 1921-1967 (AERU Lincoln College, Research Report no. 59, 1969), pp. 19-21.

To counter the fall in export income and general economic activity a range of government measures was designed to reduce internal costs for employers and producers, many of them directed specifically at ensuring the survival of the agricultural sector. The reductions in interest rates and wages aimed to reduce outgoings for all employers and entrepreneurs. The graduated land tax was abolished. Instead farmers became liable for tax on income derived from farm lands with an improved value of £3,000 or more, and a flat rate tax on the unimproved value of their land. This had the net result of easing their tax burden.⁴¹ In January 1933 the New Zealand pound was devalued by 25% relative to sterling, to make exports more competitive, and to increase farm incomes. High levels of indebtedness, related to inflated land values and high interest rates, were crucial factors in farmers' costs, and a series of acts between 1931 and 1935 aimed to reduce their outgoings and thus increase their net incomes. These gave increasing protection to rural mortgagors, prohibiting foreclosures and giving courts powers to postpone payments, reduce interest rates, remit arrears, and adjust all liabilities to levels more in keeping with changing land values.⁴² Subsidised labour through unemployment schemes was designed to encourage productivity and stimulate activity, mainly in the primary sector but also to a lesser extent in secondary industries.

 41 Land and Income Tax (Annual) Act, 1931; Land and Income Tax Amendment Act, 1930; Condliffe, The Welfare State, p. 38; NZOYB, 1934, p. 429.

42 Mortgagors' Relief Act, 1931; Mortgagors' Relief Act Amending Act, 1931; Mortgagors' and Tenants' Relief Act, 1933; Rural Mortgagors' Final Adjustment Act, 1935.

TABLE 2.2: Index of real incomes, for males of all ages who reported an income, and were either self-employed or employers of others, 1935 and 1938 (1926=100).

	Self-Employed		Employers	
	1935	1938	1935	1938
<u>Farmers, No Other Details and Mixed Farming</u>				
Modest Income	48	62	53	91
Middle Income	60	85	73	127
Upper Income	67	96	100	145
<u>Sheep Farmers</u>				
Modest Income	55	53	61	84
Middle Income	69	87	76	147
Upper Income	71	95	*	*
<u>Dairy Farmers</u>				
Modest Income	51	78	52	104
Middle Income	53	100	65	128
Upper Income	64	76	*	*
<u>Building and Construction Sector</u>				
Modest Income	51	-	71	-
Middle Income	69	-	80	-
Upper Income	71	-	83	-
<u>Commercial Sector</u>				
Modest Income	70	-	69	-
Middle Income	55	-	75	-
Upper Income	59	-	*	-
<u>Professional, Clerical and Public Administration Sector</u>				
Modest Income	65	-	*	-
Middle Income	65	-	*	-
Upper Income	*	-	*	-

Notes: Modest Income = 20th percentile.

Middle Income = 50th percentile (median).

Upper Income = 65th percentile.

* unable to calculate since one figure fell into an open-ended category.

- not calculated since occupational categories not comparable.

Sources: Census, 1926, Vol. XI, Incomes; 1936, Vol. XII, Incomes; Lloyd Prichard, p. 373; Statistics of Employment and Incomes, 1937-8: An Appendix to the Statistical Reports for the Year 1938.

Table 2.2 shows the index of real before tax incomes for men in the self-employed and employer categories in certain industrial sectors for 1926, 1935, and, for farmers only, 1938.⁴³ It is clear from this table that the difference between 1926 and 1935 incomes was in most cases greatest for those with lower incomes, implying that they experienced either the worst, or the longest lasting, financial downturn during the depression. The percentage fall in real incomes was also greater in each sector for the self-employed than for those employing others. These two facts suggest that the smaller the size of the operation, whether a farm, a shop, or a trade, the greater the impact of the depression. The larger operations seem to have been either more resilient in the face of the economic downturn, or possibly better placed to take advantage of government assistance and slightly improving conditions in the mid-1930s.

A similar pattern can be seen in the further recovery of farmers between 1935 and 1938: the biggest percentage increases in real incomes were for middle income farmers who employed others. While it was not possible to calculate the indices of real incomes for farmers employing others in the upper income category, the percentage earning over £364 in 1938 was in all cases considerably higher than in 1926. Bearing in mind that the general cost of living was in 1938 still 6% lower than in 1926, and the tax burden generally lower than in the 1920s, this suggests a substantially increased real income at the upper levels. But the real before tax incomes of self-employed farmers (as opposed to those who employed others) were in almost every case still lower in 1938 than in 1926.

43 In the 1938 Statistics of Employment and Incomes incomes are given only for those in specific occupations; apart from farmers, coverage is not as complete as in the Census. The 1938 figures have therefore been calculated for farmers only. A further problem arises in respect of employers, since for 1926 all levels of income in the professional, public administration and clerical sector, and upper incomes of sheep farmers, dairy farmers and those in the commercial sector, fall in an open-ended income category (over £364). It has therefore not been possible to calculate an index of real income for them.

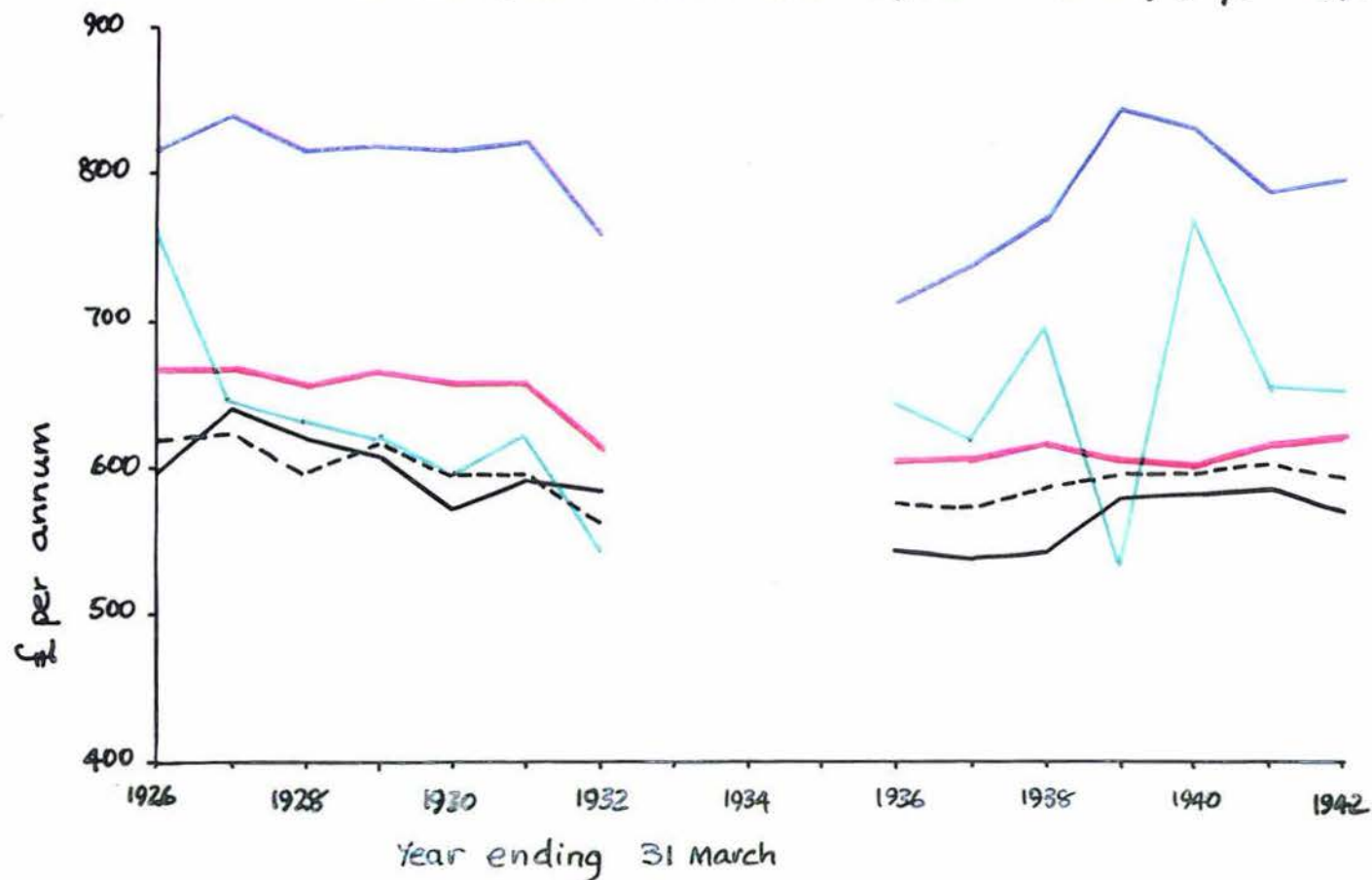
Despite rising prices and government assistance the small farmer had the most difficulty recovering from the decline.

There is plenty of additional evidence to suggest that some larger farmers were in a relatively comfortable financial situation throughout the depression. There was no shortage of farmers with capital able to make use of subsidised unemployed labour to improve their properties.⁴⁴ Only just under a quarter of all farmers actually applied for mortgage relief under the 1936 Mortgagees' and Lessees' Rehabilitation Act.⁴⁵ Sales of milking machines and electric motors increased during the depression years,⁴⁶ and advertisements for luxury goods and overseas travel in such magazines as the New Zealand Farmer hint that there were still substantial numbers able to pay for them. Closer examination of the full range of depression experiences among farmers is precluded here by limitations of space; some useful work has also already appeared in other theses.⁴⁷

The financial experience of professionals in the 1930s seems to have been as diverse as that of any other occupation. There are

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- 44 Simpson, The Sugarbag Years, pp. 42-3; Report of the Unemployment Board, 1931-35, AJHR, 1931-1935, H-35.
 - 45 Barrie Macdonald and David Thomson, "Mortgage Relief, Farm Finance and Rural Depression in New Zealand in the 1930s", New Zealand Journal of History, 21(1987), pp. 244-5.
 - 46 G. T. Bloomfield, New Zealand: A Handbook of Historical Statistics (Boston, Mass., 1984), p. 189.
 - 47 For example, Peter Stuart Tait, "The Response to Depression: Rangitikei County, 1928-1935", MA thesis (Massey University, 1978); Sent Visser, "The 1930s Depression and Pastoral Farming in Taranaki", MA thesis (University of Auckland, 1969); David Wright, "Behind the Mythology: The Dairy Farming Experience During the Great Depression", BA Hons research exercise (Massey University, 1987).

GRAPH 2.2: Median gross income for those earning £400 or over per annum from selected sources, New Zealand, 1926-1942.



- Building and construction.
- - - Commerce, trade or business.
- Investments.
- Industry or manufacture.
- Professionals working on own account.

Source: Statistical Report on Wages, Prices and Labour, 1926-1942.

Note: Statistics not available 1933-1935.

references in the literature to the fact that people could not afford the services of professionals such as doctors and dentists, and that these groups had difficulty in collecting fees, some even going bankrupt.⁴⁸ There is evidence of an increase in the bankruptcy rate for professionals, which rose from 0.1 per 1,000 in 1920 to 0.5 per 1,000 in 1927, and, after a slight drop in the later 1920s, reached 0.5 again in 1931. These rates were, however, still very low compared with those experienced by some other sectors. The rate for the commercial sector, for example, went from 4 per 1,000 in 1920 to a high of 22 per 1,000 in 1931, and that for the industrial sector from 4 to 14 per 1,000 in the same period.⁴⁹

Graph 2.2, based on annual income tax returns, shows the median incomes of those earning over £400 per annum from certain sources. It makes it clear that, despite a reduction in income between 1931-2 and 1938-9, top-earning professionals as a group managed to maintain their position in money terms relative to other top earners throughout the depression, and this advantage was increased further by the fact that the new taxes impacted less on those at higher levels. Their money incomes were less affected than others in the later 1920s, which meant that at that stage their relative position had improved. When these figures are adjusted for changes in the cost of living (table 2.3), incomes of top-earning professionals were more stable relative to their 1926 levels than were those of other top earners. In addition, the percentage of the total number of professionals submitting tax returns who earned over £400 a year remained consistently very much higher than for other groups. For example, it was around twice as high as the percentage earning over

48 For example, George Fraser, Ungrateful People (Wellington, 1961), p. 37. Similar reports have been made about doctors in Australia, see Bolton, p. 197.

49 Statistics of the Dominion of New Zealand, 1918-20; Statistical Report on Prices, Wages and Labour, 1921-36.

TABLE 2.3: Index of real median incomes, for those earning £400 or over per annum from selected sources, 1926-1942 (1926=100).

Year Ending 31 March	Professional	Commerce	Industry	Building/ Construction	Investments
1926	100	100	100	100	100
1927	103	101	85	108	101
1928	100	96	82	105	98
1929	101	101	82	103	101
1930	103	99	80	98	102
1931	112	106	91	110	110
1932	112	108	85	118	111
1936	101	108	98	106	107
1937	99	101	89	99	101
1938	100	100	97	97	99
1939	105	98	71	99	94
1940	94	90	93	92	85
1941	87	88	78	89	85
1942	85	83	75	80	82

Note: Not available for 1933-1935.

Source: Statistical Report on Prices, Wages and Labour, 1926/6-1941/2.

£400 a year from building and construction between 1932 and 1939.

Census evidence enables us to compare the experience of professionals who were self-employed or employers with others who were in that position. Table 2.2 shows that while the self-employed professionals on middle and lower incomes did earn 35% less in 1935 than in 1926, most other self-employed (particularly farmers seem to have had bigger falls in gross income. The fact that the tax changes of the early 1930s favoured farmers would, however, have mitigated this difference slightly.

It was not possible to calculate real incomes from this source for those in the top income category of the self-employed, or for any income category of those employing others. Nevertheless, the Census does show that the percentage of professional employers and self-employed earning over £364 a year was more consistent than for those in other sectors, a finding in line with the evidence of tax returns. The percentage of the self-employed in the public administration, professional and clerical sector whose income grossed over £364 per annum was only 19% lower in 1935 than in 1926, whereas in other occupational groups examined it had declined between 33% (sheepfarmers) and 81% (those in building and construction). Similarly, the percentage of employers in the public administration, professional and clerical sector who earned over £364 per annum was 22% lower in 1935 than in 1926, compared with a 41% decline for those in the commercial sector, and 69% for dairy farmers. Doctors in particular appear to have made a substantial recovery by 1935 from any earlier deterioration in gross incomes; for both the self-employed and those employing others the percentage earning over £364 was only 10% lower in 1935 than in 1926.

All this indicates a wide diversity of financial experience amongst employers and the self-employed, those with smaller operations being generally the worst hit. Of those at the top of the income scale, professionals seem to have maintained their advantage over others,

and by 1935 they were rather less affected by the downturn than other top earning employers or self-employed.

3: INCOMES FROM INVESTMENTS ETC.

There are references in the literature to incomes from investments and rents being reduced during the depression.⁵⁰ Several factors combined to produce this effect. Rents had climbed steadily during the 1920s but started to fall in 1930, and the National Expenditure Adjustment Act imposed a further mandatory 20% reduction in 1932. The package of legislation designed to assist mortgagors and tenants inevitably reduced the incomes of landlords and mortgagees, and these would have been further reduced in some cases by tenants' inability to pay. Share prices, which fell 34% between 1929 and 1932, also remained below 1929 levels for the remainder of the 1930s limiting the opportunities for investors to make a profit on the sharemarket.⁵¹ Interest rates payable by savings institutions remained throughout the 1930s at the levels to which they had been reduced in 1932, and rents were still below the high levels of 1927-30 as late as the early 1940s. All this suggests that incomes

50 For example, Condliffe, The Welfare State, p. 31; Simpson, The Sugarbag Years, pp. 43, 40, 93. In Australia also landlords were reportedly collecting only a small percentage of the rents owing to them during the worst years of the depression. See Broomhill, p. 131.

51 Lloyd Prichard, p. 375.

derived from investments would have remained depressed for at least four years longer than did incomes derived from wages and salaries. This would seem to be confirmed by graph 2.2; in money terms the median income of individuals earning over £400 from investments fell only about 22% between 1930-31 and 1931-32, but stayed below its 1930-31 level until 1942. In real terms it remained above 1926 levels until 1932, and in 1936 and 1937, but fell below from 1938-42. (table 2.3) Changes in the percentage of income tax returns that exceeded £400 per annum also confirm this trend. Between 1926 and 1931 this figure had never been below 45%, but it fell in 1932 to 35%, and was below 30% for each year between 1936 and 1942. Income from investments was further reduced by a special emergency tax on unearned income imposed in 1931.¹ If, as suggested earlier, the gap between rich and poor widened during the depression, it seems unlikely that incomes from investments contributed to this, though the nature of the records mean this cannot be investigated further.

4: THE RETIRED, AND THOSE ON PENSIONS AND BENEFITS

Those qualifying for civil pensions and benefits were a small section of the population during the depression. Old age pensioners numbered 26,110 in 1929, rising to 40,141 in 1935. There were fewer than 1,000 receiving miners' pensions and around 4,500 receiving widows' pensions. Pensions for the blind were introduced in 1926, and the number being paid rose from 282 in 1929 to 474 in 1935, making the total number of pensioners in that year just under 46,000, a small minority compared with the work force of over 600,000. Family allowances became available in 1927, and by 1935 12,321 families were receiving them.²

1 NZOYB, 1939, p. 486.

2 NZOYB, 1924-38.

References by historians to the plight of those dependent on the various pensions consist mainly of comments on the iniquity of the cuts that were made to them.³ These cuts could not in themselves have reduced pensioners' incomes, however. Pensions for the blind were not cut at all, nor was the rate of the family allowance. Old age, widows' and miners' pensions were cut only once, by 10%, in 1932,⁴ that is, by less than the rate by which some wages were cut. Half the cut to old age and widows' pensions was restored in 1934, and all remaining cuts were restored in August 1935.⁵ Since the period when these cuts were in force coincided with the period when retail prices were at their lowest, all these pensions had 10% more purchasing power in 1931 than in the late 1920s, and this increased still further in 1933 and 1934 (table 2.4). The belief, widely held at the time and since, that pension values fell in the early 1930s, clearly has no foundation. Pensions also maintained or slightly improved their position relative to the earnings of those in employment. For example, the old age pension was in 1935 equivalent to 27% of the median gross income of a male wage and salary earner, compared with 20% in 1926. Graph 2.3 further illustrates this by comparing the money value of pensions with the wages of builders' labourers.

Countering this rise in the real value of the rates, however, were changes in the amount of additional income that could be earned. For example, the qualifying income for a couple to receive the old age pension was reduced from £143 to £121 per annum by the National Expenditure Adjustment Act, and this was not fully restored until

3 For example, Ashton-Peach, p. 9; Condliffe, The Welfare State, p. 42; Simpson, The Sugarbag Years, p. 6 (in which it is wrongly stated that old age and war pensions were cut by 30%); Sutch, Quest for Security, p. 133.

4 National Expenditure Adjustment Act, 1932.

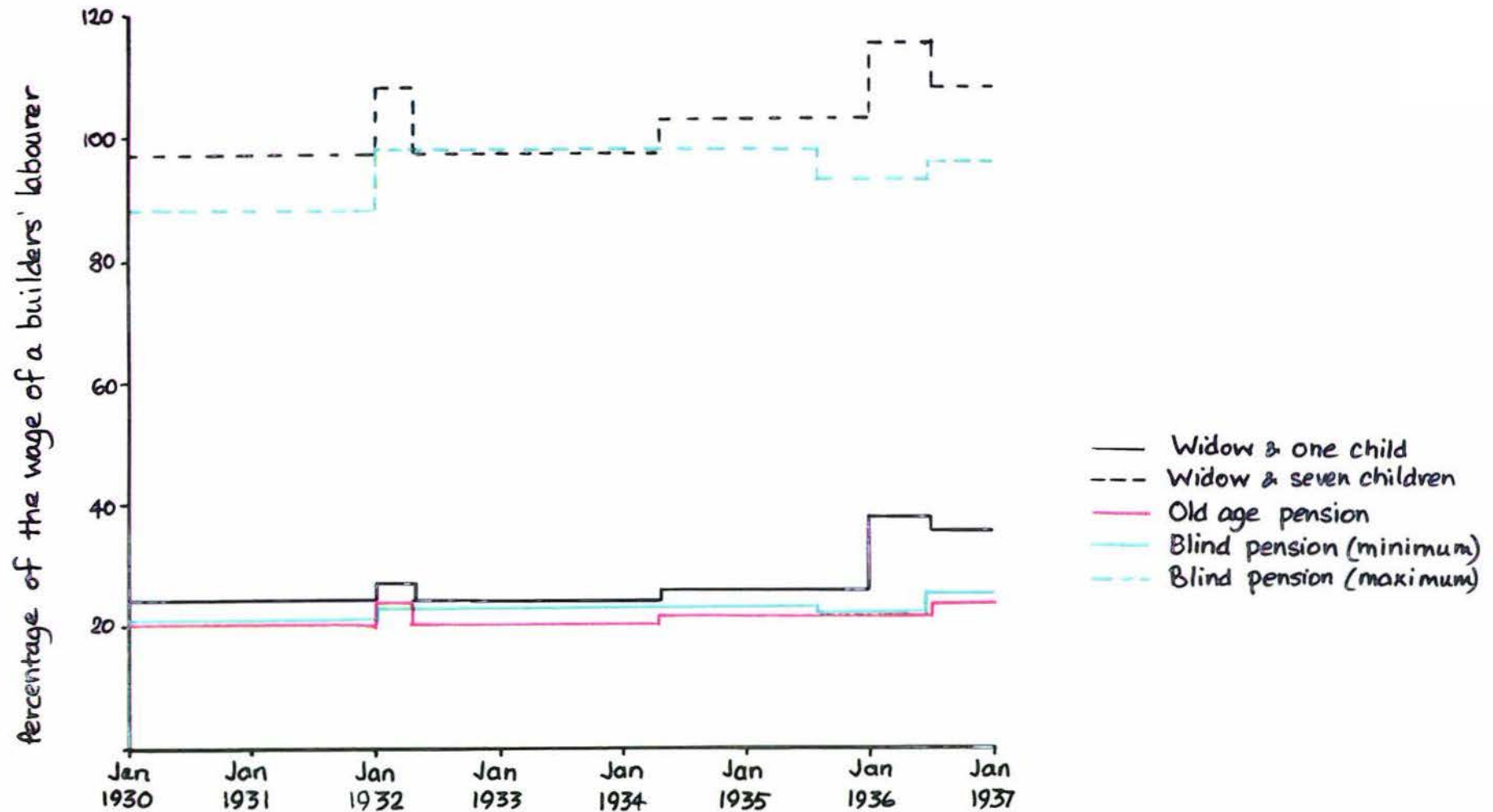
5 Finance Act No. 2, 1934; Finance Act No. 5, 1935.

TABLE 2.4: Index of real value of civil pensions and benefits, 1926-1936 (1926=100).

	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
Old Age Pension	100	101	100	101	103	111	108	114	118	120	133
Widows' Pension											
(Minimum)	100	101	100	101	103	111	108	114	119	120	174
(Maximum)	100	101	100	101	103	111	108	114	119	120	131
Blind Pension											
(Minimum)	100	101	100	101	103	111	120	127	125	120	133
(Maximum)	100	101	100	101	103	111	120	127	125	120	128
Miners' Pension											
(Minimum)	100	101	100	101	103	111	108	114	119	120	116
(Maximum)	100	101	100	101	103	111	108	114	119	120	116

Sources: Lloyd Prichard, p. 373; NZOYB, 1932-1938.

GRAPH 2.3: Widows' pension, old age pension and blind pension as a percentage of the wage of a builders' labourer, New Zealand, 1930-1937.



Sources: NZOYB, 1932-1938; Statistical Report on Prices, Wages and Labour, 1939, p. 14.

the passing of the Finance Act, 1935. The additional amount a widow could earn without a reduction in pension receipts was reduced in 1932 from 20/- per week for a widow with one child and 30/- per week maximum to 16/- per week and 25/- per week respectively.⁶ These applied until 1935. The qualifying income for family allowances was also reduced twice, from £4.0.0. to £3.12.0 per week in 1931, and then to £3.5.0. per week in 1932, being restored to £4.0.0. in 1936.⁷

The effects of these reductions in allowable income varied. For example, the number of widows receiving pensions dropped slightly each year between 1932 and 1936, the years when the restrictions on allowable income applied, suggesting possibly that growing numbers were able to support their families with work outside the home.⁸ The numbers receiving old age pensions and family allowances continued to rise during the depression, despite the reduction in qualifying income. The increase in the number receiving the old age pension was partly due to the increasing numbers of elderly in the population, but the numbers also increased as a percentage of those aged over 60, suggesting that a general deterioration in income levels also contributed.⁹

The availability of work, and thus the ability to supplement earnings from pensions and benefits, was perhaps more likely to

6 NZOYB, 1932, p. 539; 1934, p. 539.

7 NZOYB, 1939, p. 519.

8 The number of widows working outside the home rose by 1,042 between 1926 and 1936, but this comprised a slightly smaller percentage of all widows than in 1926. Census, 1926, Vol. V, Orphan Children and Dependent Children, p. 39; 1936, p. 24.

9 The number of males over 60 rose from 55,167 in 1926 to nearly 78,630 in 1936; equivalent figures for females were 49,943 and 76,630. Census, 1936, Vol. IV, Ages and Marital Status, p. 1. Of those aged over 60, 28% were receiving the old age pension in 1936, compared with 22% in 1926.

affect the incomes of this group than the reductions in pensions. Unemployment statistics suggest that the elderly were the most likely to be affected by a shortage of work. The elderly as a group do seem to have suffered a deterioration in their financial circumstances between 1926 and 1935 equivalent to that experienced by the self-employed, though in this case the fall was more marked at the upper than the lower levels. Real gross incomes for all retired men, whether pensioners or not, fell by 30% for those with modest incomes, 39% for those with middle incomes, and 49% for those with upper incomes. Those of women declined by smaller amounts.¹⁰ At the upper levels reduced revenue from investments or property may well have been another factor in this decline.

5: WAGE AND SALARY EARNERS

Three factors are central to a discussion of wages and salaries in the early 1930s: the cuts in nominal rates imposed by legislation, periods of unemployment or underemployment, and new taxes.

The wage cuts were in two stages. First, the Finance Act no. 1, which became law 1 April 1931, cut the wages of all public servants and quasi-public servants by 10%; Ministers of the Crown and MPs were included. It also authorised the Court of Arbitration to alter award rates during their currency, and the Court ordered a 10% cut in private sector wages in May 1931.¹¹ Second, the National Expenditure Adjustment Act, 1932, reduced public servants' salaries and wages further as from 1 April 1932. This time the cuts were graduated. Ministers of the Crown had their salaries cut by 15%,

10 Census, 1926, Vol. XI, Incomes, pp. 36-7; 1936, Vol. XII, Incomes, pp. 86-7; Lloyd Prichard, p. 373.

11 Hawke, The Making of New Zealand, pp. 148-9.

MPs by 10%. For others, salaries and wages below £225 per annum were reduced by 5%, those in the range £225-720 by 10%, and those over £720 by 12.5%. Further reductions in some private sector wage rates resulted from the Industrial Conciliation and Arbitration Amendment Act, which made conciliation compulsory, but arbitration voluntary; if agreement was not reached awards lapsed, and wage rates tended to drift down. However, not all workers were affected by this second round of wage reductions, as some firms continued to pay above ruling rates.¹²

The effects varied widely from one occupation to another. As in the United Kingdom, there was some evidence of a narrowing of margins for skill.¹³ Nominal average wage rates of builders' labourers, for example, fell 10% from 1931 to 1933, while those of carpenters fell 14%, those of coal miners and blacksmiths 16%, and motor mechanics and railway engine drivers nearly 19%.¹⁴ This narrowing of skill margins may have caused just as much resentment as the cuts themselves.

These wage cuts have been widely blamed for causing hardship, and have generally received more attention than the additional taxation which reduced disposable incomes.¹⁵ One contemporary newspaper referred to "starvation wages", and predicted that wage cuts would break up homes.¹⁶ But in themselves they could have had little

12 For example, a list of Wellington firms who paid above award rates appeared in the New Zealand Worker, 13 May 1931, p. 4. Christchurch City Council also made no cuts in wages. Watson, "Crisis and Change", p. 579.

13 Mark Casson, Economics of Unemployment: An Historical Perspective (Oxford, 1983), p. 180.

14 Statistical Report on Prices, Wages and Labour, 1925-1929.

15 There are notable exceptions to this, such as Condliffe, The Welfare State, pp. 38-9; Sutch, Quest for Security, pp. 127-9.

16 New Zealand Worker, 25 March 1931, pp. 5, 8.

effect on earning capacity, since the time when they were in force coincided with the fall in the cost of living. Retail prices, already 11% lower in 1931 than in 1928, were by 1932 16% lower. Wages and salaries of public servants were restored progressively in 1934 and 1935,¹⁷ and all award and non-award wages not already restored reverted to pre-1931 levels in 1936.¹⁸ Retail prices were in 1936 still nearly 11% below their 1930 levels, so those whose wages were restored to 1930 levels in 1934 and 1935 were nearly 11% better off in real gross terms, or perhaps 5-6% after taking the unemployment taxes into account.

Graph 2.4 shows clearly that despite cuts in nominal wage rates, effective wage rates (that is, wage rates adjusted for changes in the cost of living, though not in taxation) in several industries remained above 1930 levels throughout the 1930s. New Zealand was not the only country to experience this; despite falling nominal wage rates, falling prices also resulted in stable or rising effective wage rates during the depression in the United Kingdom, Canada and Australia.¹⁹

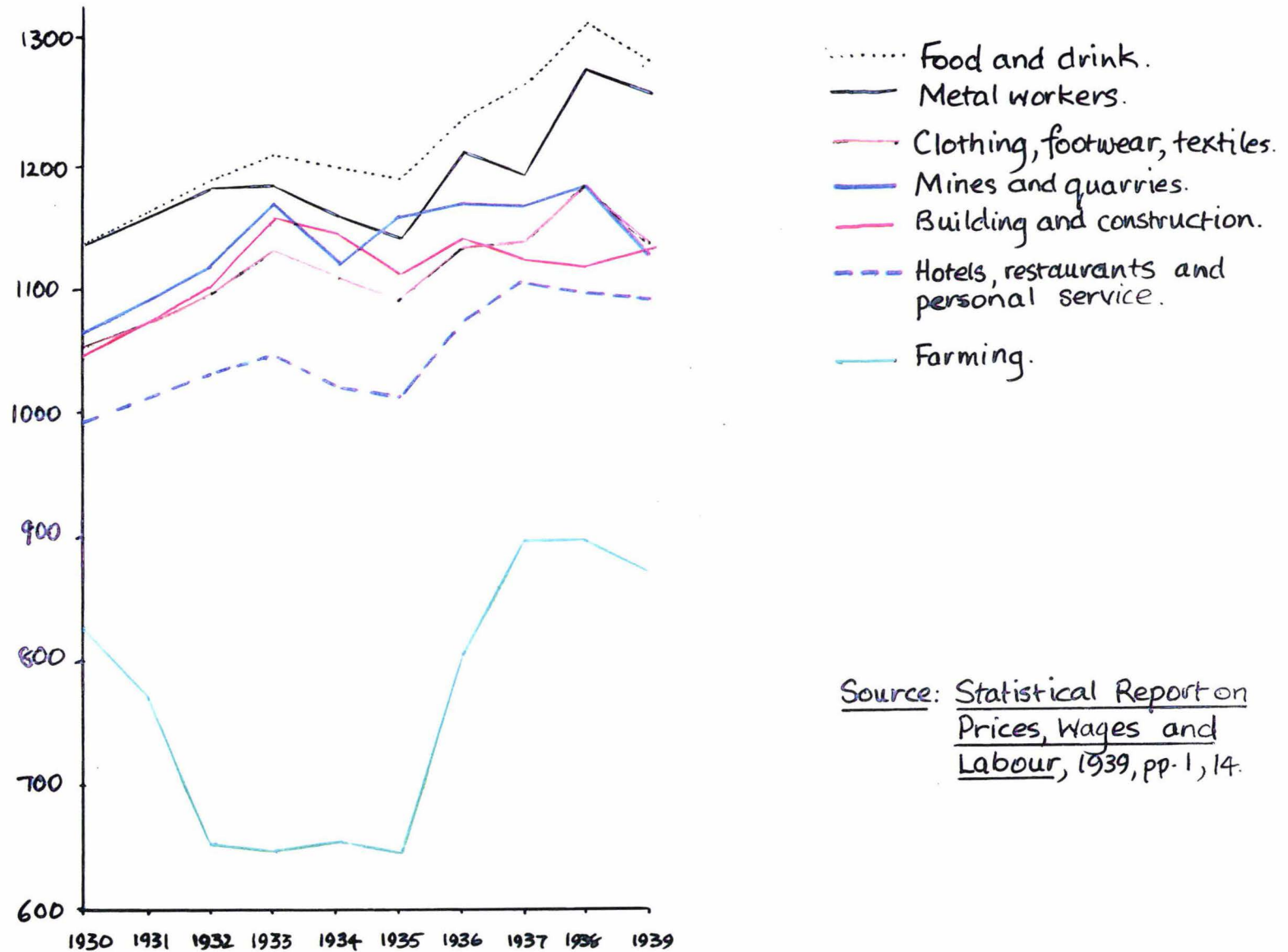
Indexed wage rates for selected individual occupations between 1926 and 1936 (table 2.5) confirm that in almost all cases average real weekly earnings were higher throughout the 1930s than in the 1920s. All reached their highest real level 1931-1933, that is, when the

17 Finance Act No. 2, 1934; Finance Act No. 5, 1935.

18 Finance Act, 1936. There are several reports of employers restoring wage cuts during 1934 and 1935. Evening Post, 29 April 1935, p. 11; 6 May 1935, p. 11; 10 May 1935, p. 11; 7 June 1935, p. 10; 26 June 1935, p. 10.

19 Casson, p. 183; Alan Green and Mary MacKinnon, "Unemployment and Relief in Canada", in Interwar Unemployment in International Perspective, ed. B. Eichengreen and T. J. Hatton (Boston, 1988), p. 367; Official Yearbook of the Commonwealth of Australia, 1941, p. 751.

GRAPH 2.4: Index of effective wage rates in selected industries, New Zealand, 1930-1939.



Source: Statistical Report on Prices, Wages and Labour, 1939, pp. 1, 14.

TABLE 2.5: Index of effective wage rates, selected occupations, 1926-1936 (1926=100).

	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
<u>Males:</u>											
Tailors	100	107	106	107	109	117	114	122	120	116	114
Carpenters	100	106	105	106	108	116	113	115	114	110	109
Builders'	100	101	100	101	103	111	108	114	113	108	108
Labourers											
Motor Mechanics	100	105	104	105	107	115	112	108	106	106	102
Coalminers	100	111	110	108	110	119	114	115	111	107	105
Railway Engine Drivers	100	101	102	103	105	113	111	105	104	105	108
Grocers' Assistants	100	101	102	103	105	113	111	115	114	110	106
Blacksmiths	100	105	104	105	107	116	112	109	108	104	108
General Farm Hands*	100	124	135	136	139	150	107	108	111	111	120
Shepherds*	100	120	143	142	145	157	106	109	114	116	129
Dairy Farm Hands*	100	103	120	121	124	133	90	95	99	99	106
Hotel Chefs*	100	101	100	101	103	111	108	109	108	104	106
<u>Females:</u>											
Tailoresses (Journeywomen)	100	101	100	101	103	111	104	114	113	112	108
Boot Operatives	100	101	103	104	106	114	112	115	114	110	106
Woollen Mill Workers	100	102	101	102	104	112	119	125	124	119	115

Note: * For these occupations, rates up to 1932 include an allowance for accommodation, while those 1933-6 do not. For the sake of consistency, an amount equivalent to the accommodation allowance for 1932 has been added to the basic rates 1933-6 in this table.

Sources: Lloyd Prichard, p. 373; Statistical Report on Prices, Wages and Labour, 1929, 1931, 1935.

country's income from agricultural exports was at its lowest, and distress associated with rising unemployment at its most marked. Even if the rates are reduced by a further 7% to allow for the maximum possible impact of the two special unemployment taxes, most rates were still higher between 1931 and 1933 than in 1926. Those of only two groups, carpenters and railway engine drivers, were marginally lower than their 1926 rates.

The wage rates of agricultural workers, who in 1936 comprised nearly one fifth of male wage earners,²⁰ were an exception. Despite having risen sharply between 1926 and 1931 agricultural wages were in 1931 still low compared with those in other sectors. Dairy farm hands' nominal average minimum weekly wage of 69/- (including an allowance for accommodation) was still only 84% of that of a builder's labourer. Their wage rates then dropped around 30% in real terms in 1932, to fall in some cases below their 1926 levels.²¹ When increased taxation is allowed for they were some 15% worse off in 1932 than in 1926. By 1934 and 1935 some agricultural wage rates were in real terms higher than in 1926, but those of dairy farm hands still lagged behind. There was no basic minimum wage for farm workers until the passing of the Agricultural Workers' Act of 1936, and farm wages tended to vary with the prices paid for agricultural products,²² which explains some of the fluctuation in their rates, and the fact that dairy farm hands' wage rates remained depressed for longer than those of other agricultural workers. It may be that

20 Census, 1936, Vol. X, Industries and Occupations, pp. 33, 35.

21 Another source estimated that farm workers' nominal wage rates dropped 37% between 1932 and 1934, equivalent to a 23% drop in real rates. It also showed a 52% drop in gross earnings per head, a drop that amounts to 42% when changes in the cost of living are taken into account. D. D. Hussey and B. P. Philpott, Productivity and Income of New Zealand Agriculture, 1921-67 (AERU, Lincoln College, Research Report no. 59, 1969), p. 41.

22 Hawke, The Making of New Zealand, p. 137.

the government's action in placing men on farms at relief rates also contributed to the fall in rural wages.²³

Like agricultural workers, women in domestic service were not covered by awards, and like them they comprised a substantial fraction of the work force.²⁴ There are reports of women working during the depression for rates ranging from nil to 7/6 per week plus board,²⁵ whereas before the depression a house-parlourmaid could apparently have expected 30-35/- a week plus board.²⁶ If those rates were typical, these women's wage rates appear to have fallen in nominal terms by 75% or more, in real terms by about 65-70%. Census data suggest that real gross incomes in 1935 were 25-50% lower than in 1926, (table 2.6), but when the allowance for board included in 1935 incomes is taken into account this decline is much greater.

With the exception of these two substantial groups, there seems therefore little evidence of the wage cuts in themselves causing any erosion of real income for those who stayed in full-time employment. The number of wage earners who sought financial assistance increased during the 1930s, but not sufficiently to indicate a substantial all-round decline in standard of living amongst those in employment. The number of families who received charitable aid on the grounds that the breadwinners' wages were insufficient rose from 456 in 1930 to 1,225 in 1935. They reached a high of 1,485 in 1936, after the worst of the depression was over. Even then, this figure was

23 Sutch, Quest for Security, p. 134.

24 In 1936 there were 32,000 women in private domestic service, that is, more than one quarter of all female wage earners. Census, 1936, Vol. X, Industries and Occupations, pp. iv, 37.

25 For example, Findlay, *passim*; New Zealand Worker, 20 April 1932, p. 3.

26 New Zealand Worker, 20 April 1932, p. 3.

equivalent to only one in 200 of the total number of male wage earners.²⁷

If incomes of wage and salary earners were reduced to any great extent during the depression, it was therefore through reduced working hours, or periods of unemployment. The incidence of both these is dealt with more fully in Chapter 3. Briefly, fewer hours of overtime were worked between 1930 and 1935 than previously, males being more affected than females. In addition, the incidence of shorter working weeks was for men somewhat higher in the 1930s than in the 1920s. The practice of reducing working hours was, however, neither widespread nor serious in its effect on individual workers. It is not possible to establish the total number of workers who experienced some unemployment during the depression, but it would have been considerably higher than the peak figure of 80,000 registered male unemployed, which constituted about 16% of the total male work force. Possibly as many as one third or even one half of the country's 300,000 male wage and salary earners had their earnings reduced at some time by unemployment. Others may have avoided long periods of unemployment by taking on casual work, probably at a lower rate of remuneration than for their usual job.

The rates paid for the various kinds of relief work are dealt with in detail in the next section, and the incidence of unemployment in Chapter 3; together these indicate the extent to which unemployment impacted on the incomes of wage earners. By 1936 half the 35,000 men then unemployed had been without work for over twelve months. The relief rates suggest that their incomes for that year would have been less than three quarters of what they would have earned if in full-time employment. In any year between 1931 and 1935 the number who had their incomes reduced would have been considerably higher, and the reductions greater.

27 Hospital Statistics of New Zealand, 1930-1936.

TABLE 2.6: Index of real incomes for wage and salary earners of all ages in selected occupations or sectors who reported an income, 1935 (1926=100).

	<u>Males</u>	<u>Females</u>
<u>Workers in Agricultural and Pastoral Sector</u>		<u>Workers in Personal and Domestic Occupations</u>
Modest Income	52	52
Middle Income	72	59
Upper Income	80	75
<u>Miners and Quarrymen</u>		<u>Private Domestic Servants (Included in Above)</u>
Modest Income	81	48
Middle Income	100	59
Upper Income	105	69
<u>Workers in Building and Construction</u>		<u>Workers in Clothing Trade</u>
Modest Income	60	71
Middle Income	75	88
Upper Income	86	113
<u>Workers in Public Administration, Clerical and Public Administration Sector</u>		
Modest Income	114	86
Middle Income	108	92
Upper Income	108	113
<u>Workers in Commercial Sector</u>		
Modest Income	61	59
Middle Income	69	87
Upper Income	108	102
<u>Labourer (No Industry Specified)</u>		
Modest Income	39	
Middle Income	52	
Upper Income	66	
<u>Workers in Transport and Communication</u>		
Modest Income	110	
Middle Income	117	
Upper Income	116	

Notes: Modest Income = 20th percentile.
 Middle Income = 50th percentile (median).
 Upper Income = 80th percentile.

Sources: Census, 1926, Vol. XI, Incomes; 1936, Vol. XII, Incomes; Lloyd Prichard, p. 373.

The information regarding incomes in the 1936 Census (table 2.6), combined with the information on effective wage rates in particular industries or occupations, (table 2.5 and graph 2.4) gives some idea of the extent to which workers were still having their gross real incomes reduced by unemployment during 1935. The effective wage rates in most industries and occupations examined were higher in 1935 than in 1926, with the exception of dairy farm hands whose wage rates were 1% lower. In spite of this, workers in several sectors, most notably general labourers, men in agriculture and in building and construction work, as well as many women, including those in domestic service, all reported 1935 incomes that were lower in real terms than those reported by workers in those sectors in 1926, suggesting that their earning capacity was being reduced by unemployment and shortened working hours. This is particularly likely to be true of general labourers. They had by far the highest rates of unemployment of any occupation throughout the depression, and this would seem also to account for their earnings not having recovered by 1935.²⁸ Since in 1936 only 3% of women in domestic service reported themselves as wholly or partly unemployed,²⁹ the depressed wage rates mentioned above would appear to have been the main contributor to the reduction in their incomes. At the same time, workers in transport and communication, and those in public administration, clerical and professional positions, appear to have been enjoying real gross incomes above those received by workers in those areas in 1926, suggesting that they were, at least by 1935, not significantly affected by unemployment.

In addition, it is clear that in almost every occupational group the incomes of lower-paid workers had been affected to a greater extent than those at the upper end of the scale. This suggests that these

28 In 1936 36% of general labourers were fully unemployed. Census, 1936, Vol. X, Industries and Occupations, p. 71.

29 *ibid.*, p. 73.

workers were the most likely to be still affected in 1935 by periods of unemployment.

The Census therefore gives evidence of a wide range of financial experience among wage and salary earners, both between those at different ends of the income spectrum, and between those in different occupational groups. Manual workers, and those already on low incomes, seem to have been generally the most likely to be still suffering financially in 1935, whether from depressed wage rates or from unemployment. The precise effects of the economic crisis on the incomes of wage and salary earners during the early 1930s can unfortunately not be known with any certainty.

6: THOSE UNEMPLOYED AT CENSUS DATE

As far as the unemployed are concerned, comparative information on incomes in the Census is only available for those who actually reported themselves as unemployed at the two census dates. In 1926 they numbered 10,694 males and 2,434 females, in 1936 35,774 males and 1,862 females.³⁰ The sizes of these groups underwent considerable change between the two Censuses. In December 1930 less than 3% of the male work force was registered as unemployed, but this figure rose to 10% in June 1931, reaching a peak of at least 16% in September 1933.³¹ The effect of unemployment on the incomes of those unemployed in the years between the two Censuses can only be inferred from the difference between relief and wage rates, which is dealt with here, and consideration of the incidence and duration

 30 Census, 1926, Vol. XI, Incomes, p. 9; 1936, Vol. XII, Incomes, pp. 9, 10. The 1936 figures represent only those describing themselves as wholly unemployed.

31 NZOYB, 1937, p. 709. Unemployment is dealt with in more detail in Chapter 3.

of unemployment which is examined in the next chapter.

Three main questions need to be addressed concerning the financial assistance available to the unemployed during the 1930s depression. How did the relief measures then available compare with those available previously? How did the relief rates compare with current wage rates? In addition, how did those relief rates compare with what was available in other countries?

Comparison between income figures in the 1926 and 1936 census returns shows that, at all income levels, males unemployed in 1936 had real incomes at least 40% lower than those unemployed in 1926. At the middle and upper levels the declines in the incomes of the unemployed were greater than those for the total work force, but at the lower level somewhat less. Together with the fact that the percentage with no income at all was in 1936 just over half the 1926 figure, this implies that relief rates were, at least at the lower levels, providing more financial assistance to the unemployed than had been available previously.

Unlike the United Kingdom, where a scheme of unemployment insurance had operated since 1911,³² New Zealand's unemployment relief was limited until 1930 to paid manual labour with the Public Works Department and local bodies. The nature of the work available discouraged some of those out of work from registering with the Labour Department, as did the fact that, at least until the later 1920s, unemployment was mainly short-term. In 1926 only a quarter of the 10,694 unemployed males were registered with the Labour Department, and thus eligible for direct government assistance.³³

32 William H. Beveridge, Full Employment in a Free Society (London, 1944), p. 45.

33 Census, 1926, Vol. X, Unemployment, p. 9; NZOYB, 1927, p. 866.

Those not registered could only expect help, usually in kind rather than cash, from local hospital boards and other charitable institutions. In 1936, on the other hand, three quarters were registered, the majority being eligible for some kind of financial assistance³⁴, which perhaps partly accounts for the decrease between the two Censuses in the percentage with no income. The overall difference in incomes of the unemployed between 1926 and 1935 can probably be attributed to changes in the proportions experiencing long term unemployment; 45% of those unemployed in 1936 had been out of work for 12 months or more, and a further 14% for over four months.³⁵ By comparison, as late as 1929 less than 5% of those registered as unemployed had been without work for a year or more.³⁶

Relief payments were "not intended to approach so closely to wages ruling in ordinary industry for comparable work as to handicap the revival of normal employment."³⁷ Most historians have focussed their attention (and their criticism) on the pay rates that applied to Scheme 5, which provided work for the largest single group of the jobless.³⁸ In September 1931 this Scheme occupied around 43,000 men, or 90% of the registered unemployed; during the next four years the percentage receiving either sustenance pay or pay for work under Scheme 5 varied between about 55% and 70%.³⁹ Here the aim is to

34 Census, 1936, Vol. XI, Unemployment, p. 15.

35 *ibid.*

36 Report of the Committee on Unemployment, 1929, AJHR, 1929, H-11B, p. 14.

37 Report of the Unemployment Board, 1932, AJHR, 1932, H-35, p. 2.

38 For example, Condliffe, The Welfare State, pp. 54-5; Simpson, The Slump, p. 42; The Sugarbag Years, p. 6; Sutch, Poverty and Progress, pp. 136-7; Quest for Security, pp. 130-131.

39 Report of the Unemployment Board, 1935, AJHR, 1935, H-35, p. 29.

TABLE 2.7: Scheme 5: Maximum relief rates refundable to local bodies by Unemployment Board, 1930-36, in shillings weekly (main centre rates).

	1930- 31.3.31	1.4.31- 31.5.32	1.6.32- 31.6.35	1.7.35- 31.5.36	1.6.36- 31.9.36	1.10.36 ***
		*	**			
	s	s	s	s	s	s
Single Man	28	18	15	17	21	27
Married Man	42	37.5	25	27	38.5	45
Married Man, 1 Child	42	37.5	30	31	42.5	45
Married Man, 2 Children	56	37.5	35	35	46.5	54
Married Man, 3 Children	"	50	40	39	50.5	54
Married Man, 4 Children	"	"	"	41	54.5	63
Married Man, 5 Children	"	"	"	43	58.5	"
Married Man, 6 Children	"	"	"	45	62.5	"
Married Man, 7 or more Children	"	"	"	47	66.5	72

Notes: * Men worked only three weeks out of four, being "stood down" without pay for the fourth week.

** A higher rate was paid between 1.1.35 and 31.6.35, but exact figures are not given. Report of the Unemployment Board, 1935, AJHR, 1935, H-35, pp. 18-19.

*** These figures include additional payments from local bodies.

Sources: NZOYB, 1935, p. 620; 1936, p. 649; Report of the Unemployment Board, 1931, AJHR, 1931, H-35, pp. 7, 10, 14; 1932, p. 12.

TABLE 2.8: Scheme 5: Maximum four-weekly relief rates as a percentage of the average minimum four-weekly wages of a builders' labourer, 1930-1936.

	Married Man, Two Children	Married Man, Four Children
1930-31.3.31	68%	68%
1.4.31-31.12.31*	34%	45%
1.1.32-31.5.32*	38%	50%
1.6.32-30.6.35	47%	54%
1.7.35	47%	55%
1.6.36	60%	71%
1.10.36	70%	82%

Note: Between 1 April 1931 and 31 May 1932 men worked only three weeks out of every four, and were expected to apply for charitable aid or supplementary rations; one man reported receiving 15/6 worth of rations for himself, wife and five children during his stand down week. Simpson, The Sugarbag Years, p. 90.

Sources: NZOYB, 1935, p. 620; 1936, p. 649; 1937, p. 713; 1938, p. 807; Report of the Unemployment Board, 1931, AJHR, 1931, H-35, pp. 7, 10, 14; 1932, p. 12; Statistical Report on Prices, Wages and Labour, 1930-1936.

indicate the extent to which payments to the unemployed varied during the course of the depression and across the range of different schemes devised to assist those out of work.⁴⁰

Until 1933 all relief payments were contingent on the performance of work. Relief work was only provided for pakeha males, and for Maori males who elected to pay the Unemployment Levy. On Scheme 5 a man's rate of pay, and the number of days' work allocated, were on a sliding scale according to the number of his dependants. Basic weekly rates were higher in the four main centres than in other areas, and together with the allowances for dependants they varied during the depression period, being generally at their lowest levels between June 1932 and June 1935. (See table 2.7) In addition, between May 1931 and June 1932, each man was "stood down" for one week out of four, when he received no work or pay. Monthly earnings were therefore at their lowest during this period.

To establish how Scheme 5 relief rates compared with one of the lower wage rates, the four-weekly relief wages paid in the four main centres for a married men with two children, and those for a married man with four children, are shown in table 2.8 as a percentage of the average minimum four-weekly wage rates of a builders' labourer. As can be seen, between April 1931 and June 1935 the Scheme 5 rates were around half the wage rates of a builders' labourer, which meant that the incomes of the unemployed on Scheme 5 were well below what they could expect to earn when in their regular employment. The decline was of course biggest for skilled workers whose normal wages were higher than unskilled. Table 2.9 shows the drop in income likely to be experienced by men in certain occupations if they became fully unemployed and dependent on the Scheme 5 relief rates

40 A useful summary of the schemes appears in the NZOYB, 1937, pp. 710-716.

TABLE 2.9: Scheme 5: Maximum weekly relief rates payable to a married man with two children as a percentage of average minimum weekly wage rates in selected occupations, 1930 and 1933.

	1930 Relief Rates as a Percentage of 1930 Wage Rates	1933 Relief Rates as a Percentage of 1933 Wage Rates
Carpenters	55	40
Motor Mechanics	57	43
Coalminers	52	38
General Farm Hands	81	80
Railway Engine Drivers	50	39
Grocers' Assistants	59	41
Bakers (Journeymen)	56	40

Sources: NZOYB, 1935, p. 620; Report of the Unemployment Board, 1931, AJHR, 1931, H-35, pp. 7, 10.

applying in the four main centres. The relief rates have been calculated at the level payable to a married man with two children.

In 1930 the weekly relief rates amounted to 50-81% of the average minimum weekly wage rates then being paid to major groups of workers, but by 1933 they had fallen to 38-80% of those same wage rates. During the twelve month "stand down" period, they compared even less favourably with wage rates. For example, an unemployed railway engine driver with two children working on Scheme 5 would have received in four weeks only a quarter of what he would have received if then in full-time employment. When average weekly wage rates are compared with the relief rates payable to single men, the drop in income is even more marked. A single unemployed carpenter working on Scheme 5 in one of the main centres would in 1933 have received only 17% of the full-time ruling wage rate.

No doubt those who were unemployed compared their relief pay not only with what those in full-time employment were paid at the time, but also with what they themselves remembered receiving before the depression. The 1933 weekly relief rates for a married man with two children amounted to 31-51% of 1928 weekly wage rates in nominal terms, though when changes in the cost of living are taken into account the figures rise to 39% and 64% respectively.

Table 2.10 shows how the changes made to Scheme 5 rates related to changes in retail prices during the depression. It is evident that despite the fall in retail prices the real value of relief rates was lower during the whole of the period April 1931 to June 1936 than at the start of the depression. It was further lowered by the payments required for the Unemployment Levy, though from 1934 those on part-time relief work such as Scheme 5 paid only 4s per annum instead of the full rate of £1.0.0.⁴¹

41 Report of the Unemployment Board, 1934, AJHR, 1934, H-35, p. 6.

TABLE 2.10: Scheme 5: Index of real value of maximum relief rates payable, 1930-1936 (Rates payable 1930-31.3.31 = 100).

	Married Man, Two Children	Married Man, Four Children
1930-31.3.31	100	100
1.4.31	54	72
31.5.32	58	78
1.6.32	73	83
1933	78	88
1934	77	87
1935	73	83
1936	104	117

Sources: Lloyd Prichard, p. 373; NZOYB, 1935, p. 620; 1936; p. 649; 1937; p. 713; 1938; p. 807; Report of the Unemployment Board, 1931, AJHR, 1931, H-35, p. 7, 10, 14; 1932, p. 12; Statistical Report on Prices, Wages and Labour, 1930-31.

These part-time relief rates could legally be supplemented in numerous small ways. Men were expected to augment relief pay with casual work, and it was reported in 1935 that about half of them were doing so, though the additional earnings were usually small.⁴² There is little firm evidence of how much supplementary work was available in the early 1930s. Questions in the House were asked to clear up the confusion as to how much additional earnings were permitted before workers became ineligible for relief, which suggests that at least some men were successful in finding casual work.⁴³

By 1935 there was a sliding scale of allowances for additional earnings. A single man, for example, was permitted to earn up to 23/- in addition to his relief pay of 17/-, giving him a maximum weekly income of 40/-, or just over half the average weekly wage of a builder's labourer.⁴⁴ The earnings of children under 16 were ignored in estimating eligibility, and relief workers with three or more children had always been eligible to apply for the family allowance of two shillings per child per week.⁴⁵ Various supplements were available from the Unemployment Board in the form of boots, blankets and food, particularly towards the end of the

42 Report of the Unemployment Board, 1935, AJHR, 1935, H-35, p. 2; C. J. Claridge, "Tough Times in the Depression Years", Journal of the Auckland-Waikato Historical Societies, 27(October 1975), p. 19.

43 One statement was to the effect that they only had to requalify if their outside employment extended to a consecutive period of fourteen days, but apparently some local bodies were less generous than this. Smith, NZPD, 228 (1931), p. 778. It was also reported that if any man earned as much in any week from another source as he would get on relief work, he was not entitled to any relief. Langstone, NZPD, 232 (1932), p. 273.

44 Report of the Unemployment Board, 1935, AJHR, 1935, H-35, p. 17.

45 Coates, NZPD, 232 (1932), p. 282.

depression, and some local organisations arranged supplies of vegetables and meat,⁴⁶ but it is clear that many continued to need further assistance from local charitable sources.⁴⁷

There would therefore seem to be some justification for referring to these relief rates as "niggardly", or "a miserable sum".⁴⁸ Nevertheless, in the early 1930s they did compare quite favourably with provisions made elsewhere. In Australia rates varied over time and from state to state, but usually involved stringent means testing and were in the form of rations or food orders rather than cash. Western Australia was among the most generous states in the early 1930s; there relief was calculated in units of 7/-, of which 5/- was given in food orders and 2/- in cash. A single man received one unit, a married couple two, plus one for each child to a maximum of 49/-.⁴⁹ While a large Western Australian family was receiving an amount comparable in money terms to the maximum a New Zealand family could receive at that time,⁵⁰ a single unemployed man in Western Australia was much worse off than his New Zealand counterpart.⁵¹

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- 46 Report of the Unemployment Board, 1932, AJHR, p. 12; 1935, p. 21, 22; Nicholas Boyack and Jane Tollerton (eds), In the Shadow of War: New Zealand Soldiers Talk About World War One and their Lives (Auckland, 1990), pp. 213-215.
- 47 For example, the number of cases receiving charitable aid from hospital boards on the grounds of unemployment rose from 6,091 in 1930 (half of all cases) to 28,773 in 1932 (three quarters of all cases). Hospital Statistics of New Zealand, 1930, 1932. Some of these cases would have been men ineligible for relief, waiting to be placed, or needing aid during their stand down week.
- 48 Simpson, The Slump, p. 42; Sinclair, p. 257.
- 49 F. A. Bland, "A Note upon Unemployment Relief in Australia", Economic Record, 8(1932), pp. 24-40.
- 50 50/- between April 1931 and June 1932, and 40/- from June 1932 to June 1935, plus family allowances.
- 51 A single man in New Zealand received 18/- between April 1931 and June 1932, and 15/- between June 1932 and June 1935.

Moreover, the Australian pound was in 1931 and 1932 worth 4-12% less than the New Zealand pound, and retail food prices were in 1932 16% higher than in New Zealand, which suggests that in real terms the unemployed were at that time substantially worse off in Australia than in New Zealand.⁵² The lack of hard cash meant that Australian families, while able to eat, were unable to pay rent or fuel bills, and evictions were common.⁵³ However, unlike New Zealand, relief was in most Australian states extended to single women, and more assistance with training and employment was given to minors.

The New Zealand unemployed would also seem to have been better off than those in the United States in the early stages of the depression. Relief rates varied widely from state to state, but the average monthly payment in 1933 was the equivalent of under £3.0.0, compared with the £7.0.0 received by an unemployed New Zealand man with two children working on Scheme 5. The highest monthly United States rates, those paid in New York, amounted to only £5.10.0.⁵⁴ Retail food prices were in 1933 7% higher than in New Zealand, which further increased the disparity between relief rates in the two countries.⁵⁵

By the later stages of the depression, however, unemployment relief in both Australia and the United States appears to have increased relative to that available in New Zealand. In December 1934 a single man in New South Wales was receiving 19/- a week in a combination of rations and money, 3/- more than a single New Zealand man on Scheme 5 rates, and a married man with two children was

52 NZOYE, 1934, pp. 491-2; 1933, p. 571.

53 F. A. Bland, p. 53-4.

54 Lester V. Chandler, America's Greatest Depression, 1929-1941 (New York, 1970), p. 191.

55 NZOYE, 1934, p. 563.

receiving 49/9, 14/9 more than the New Zealand counterpart.⁵⁶ The two currencies were then on a par, and while retail food prices were still 15% higher in Australia than in New Zealand, this was less than the difference in the rates.⁵⁷ When work projects were later established in the United States under the New Deal, those employed on them were in 1934 reportedly on hourly rates more than double those paid to New Zealand relief workers.⁵⁸

New Zealand's unemployed seem to have been better off than many of those in Canada. In Canada relief was a municipal responsibility. Rates paid varied widely, and single men were generally not included. By 1936 maximum relief payments for a family of five ranged from less than one third to about two thirds of the wage of a builders' labourer. In New Zealand at that time a married man with three children working on Scheme 5 received an amount equivalent to two thirds of the wages of a builders' labourer.⁵⁹

Britain's contributory national insurance scheme had perhaps the widest coverage of all the countries studied, since single women and minors were included. It was a three stage system, under which the full benefit was paid until a worker's national insurance contributions expired. A transitional benefit was then payable at a similar rate through the Unemployment Assistance Board for 26 weeks, after which responsibility was passed to the locally run Public Assistance Committees. Their rates varied, approximating to the full benefits, but more stringent conditions were attached and strictly enforced. Any small earnings by any member of the family, including rent paid by a grandparent for example, led to a reduction in the amount received.⁶⁰

56 New South Wales Official Yearbook, 1932-3, p. 635.

57 NZOYB, 1938, p. 663; 1935, p. 580.

58 New Zealand Worker, 30 May 1934, p. 3.

59 Green and MacKinnon, pp. 385, 388.

60 Orwell, pp. 68-9; Whitaker's Almanack, 1932, p. 508; 1939, p. 682.

In money terms, the British and New Zealand rates were very similar, though the New Zealand rates were higher up to June 1932 and in the later 1930s. The British rates perhaps seemed more generous since, unlike the New Zealand system, recipients were not expected to work for them. They were also generous compared with the prevailing wages for an unskilled man in Britain, which could be as low as 30/- for a full-time week. Since they included allowances for dependants, unemployed men with large families could receive considerably more than this. To be unemployed in Britain in the 1930s did not necessarily imply a marked drop in the standard of living,⁶¹ a fact that was regarded by some as an indictment of the low wages paid in Britain, rather than a tribute to the generosity of unemployment relief.⁶² The dissatisfaction with New Zealand's Scheme 5 rates stemmed partly from the fact that work, often apparently meaningless, was required in return, and partly from the disparity between the rates and the generally high wages workers were accustomed to.

At a very rough estimate, perhaps 50-60% of the total registered New Zealand unemployed were being paid at the basic Scheme 5 relief rates during the period 1933-35. For most the decline in earning potential would have been considerable, though slightly less in the case of those who were paid by their employing authority at higher rates than those laid down by the Unemployment Board.⁶³ Of the

61 A study of young men in Cardiff showed that 34% of single men and 45% of married men were receiving more in unemployment relief than they had been receiving in their last job. Mowat, p. 484.

62 Men Without Work: A Report made to the Pilgrim Trust (Cambridge, 1938), p. 164.

63 Christchurch City Council, for example, paid its relief workers at full award rates, though of course they were not working full time. New Zealand Worker, 10 June 1931, p. 1.

remaining registered unemployed, perhaps half received less than the Scheme 5 rates, while some of those on other schemes were on award wages and would have experienced little or no decline in income.

Consider first those who received less than the Scheme 5 rates. Some of those men registered as unemployed received no relief pay for various reasons; for some this period without pay was only short-term while awaiting placement on a work scheme, but others had what were considered adequate financial resources, and were thus ineligible for any relief. Some were possibly men who had refused the relief work offered. In April 1931 there were 37,000 receiving no assistance. This fell to 4,000 by September, but by August 1936 there were still 2-3,000 men receiving no financial assistance. By October 1933 sustenance payments, at a slightly lower rate than the Scheme 5 relief rates, were being made to those unable to accept relief work for health or family reasons. The rates payable between 1934 and 1936 are set out in table 2.11. When these are adjusted for changes in the cost of living their real value increased in 1935 and 1936, being about 50% higher in 1936 than in 1934. The number on sustenance pay rose from 7,000 (13% of the registered unemployed) in February 1935 to 26,000 (53% of the registered unemployed) in August 1936.⁶⁴

64 Ruth, A Compilation of Unemployment Statistics, pp. 5-6, 11-12. According to one newspaper, sustenance rates had been introduced as early as July 1933, at only 50% of relief rates, but official sources do not confirm either the earlier start or the lower rates. New Zealand Worker, 12 July 1933, p. 2.

TABLE 2.11: Sustenance rates payable in four main centres, in shillings weekly, 1934-1936.

	August 1934	1.1.35- 31.6.35	1.7.35- 31.5.36	1.6.36- 29.11.36	30.11.36
Single Man	10	*	14	17	20
Married Man	↑	*	24	29	35
Married Man, One Child		*	28	33	39
Married Man Two Children		*	32	37	43
Married Man Three Children		*	36	41	47
Married Man Four Children		*	38	45	51
Married Man Five Children		*	40	49	55
Married Man Six Children		*	42	53	59
Married Man Seven Children	36	*	44	57	63

Note: * Rates were slightly higher than those payable from August 1934, but exact figures are not given.

Sources: NZOYB, 1937, p. 711; 1938, p. 806; Report of the Unemployment Board, 1935, AJHR, 1935, H-35, p. 18.

The other groups who received less than those on Scheme 5 rates included unemployed youths under 20, Maori and women. They were not entitled to the same level of relief as adult non-Maori men, and individual circumstances, including levels of family support, would have decided their standard of living. The Unemployment Board did make some attempt to assist them, though this was on a smaller scale than their other operations. For example, it placed over 4,000 boys in employment in each of the years 1933 to 1935, perhaps half of the estimated number unemployed, and subsidised others onto farm training schemes and general farm work.⁶⁵ Women's Employment Committees were set up to administer relief to destitute single women, and organise training and jobs for them, though these were mainly low paid domestic positions and the numbers involved never exceeded 1,000.⁶⁶ The fact that as late as 1936 there were 1,862 women describing themselves as unemployed suggests that at the worst of the depression there were probably considerably more unemployed women than the official statistics indicate, and they would have received no official assistance.⁶⁷ Maori men were eligible for some relief if they registered and contributed to the Unemployment Fund, and in October 1932 8,000 were contributing.⁶⁸ Relief was extended to them mainly in the form of grants to the Native Department, which operated land development schemes and employed them on projects such as scrub-cutting. Their relief pay rates were intended to be "based generally on existing Scheme 5 rates."⁶⁹

The second exceptional group of unemployed comprised those working

 65 Report of the Unemployment Board, 1933, AJHR, 1933, H-35, p. 11; 1934, p. 13; 1935, p. 23-4.

66 Report of the Unemployment Board, 1932, AJHR, 1932, H-35, p. 23; 1933, p. 11; 1934, pp. 12-13; 1935, p. 22.

67 Census, 1936, Vol. X, Industries and Occupations, p. iv.

68 Report of the Unemployment Board, 1932, AJHR, 1932, H-35, p. 8.

69 Report of the Unemployment Board, 1935, AJHR, 1935, H-35, p. 9.

on schemes where rates of pay were higher than on Scheme 5. The Unemployment Board was anxious to get men into full-time work rather than part-time relief work,⁷⁰ and Schemes 10 and 12 were devised specifically to stimulate the building industry and provide work for unemployed building workers. At their peak, in November 1933, they employed 8,387 full-time tradesmen, (one tenth of the total registered unemployed) at standard rates of pay subsidised by the Unemployment Board.⁷¹ Full-time work in other secondary industries was subsidised, and special arrangements were made for men to work full-time on public works and for local bodies at standard rates of pay. The numbers involved in these schemes amounted to only a few thousand in the early 1930s, but increasing numbers were transferred to them after 1935.⁷²

Several schemes were devised specifically to get the unemployed out of the cities, so that they could do more productive work than that involved on Scheme 5, and enjoy both a healthier lifestyle and a greater measure of self-sufficiency. The Unemployment Board subsidised the wages of men working on various farm schemes, and included them under the category of those receiving "standard or award rates of pay".⁷³ For example, under Scheme 4A some 3,000 men were employed on individual farms in November 1933; of these 1,000 married men were said to be earning an average of £1.13.2 a week, and 2,000 single men an average of 17/10 a week. These rates were compared favourably with the standard rates of £1.0.0 to £1.10.0 paid to general farm hands and 15/- to £1.5.0 paid to dairy farm hands.⁷⁴ Some 1,000 families were also settled on their own farms

70 *ibid.*, pp. 1-2.

71 Ruth, Compilation of Unemployment Statistics, p. 38.

72 *ibid.*, pp. 40-52.

73 Report of the Unemployment Board, 1935, AJHR, 1935, H-35, p. 16.

74 Report of the Unemployment Board, 1934, AJHR, H-35, p. 9.

under the Small Farms Scheme. They were expected to achieve a measure of self-sufficiency, though at times of difficulty they could receive sustenance payments of £1.0.0 per week. Half of those settled were reported to be independent by February 1933.⁷⁵

A further 3,000 men were involved in various gold prospecting schemes, single men being paid by the Unemployment Board at 15/- per week, married men £1.10.0. In addition, they were able to keep 90% of their earnings from gold, with the proviso that when this reached a certain amount the subsidy was discontinued. It was estimated that weekly earnings from gold were averaging 10/- to £1.10.0 per man in 1934.⁷⁶

Scheme 6 involved camps set up in rural areas, to which men were sent to work on roading and land improvement projects. The Unemployment Board included them in the category of those working full-time, and it was generally reported in official sources that their piecework pay in addition to board and lodging averaged 10/- per week, raised to 15/- per week in 1936.⁷⁷ However, despite assertions that some gangs were earning over 10/- per week, there are numerous reports of gangs finding it impossible to achieve this.⁷⁸ The numbers employed under this scheme ranged between 5,000 and 7,000 for most of the period 1933-35; the evidence suggests that

75 Coates, NZPD, 235 (1933), p. 262.

76 Report of the Unemployment Board, 1934, AJHR, 1934, H-35, p. 10; NZOYB, 1935, p. 621.

77 Report of the Unemployment Board, 1932, AJHR, 1932, H-35, p. 17; NZOYB, 1933, p. 610; 1934, p. 601; 1935, p. 620; 1936, p. 650.

78 For example, New Zealand Worker, 30 September 1931, p. 1; 29 June 1932, p. 1; 27 July 1932, p. 1; 16 August 1932, p. 1; 14 September 1932, p. 1. An official Department of Labour report in August 1932 confirmed that men were averaging under 10/- per man per week. Cited by Noonan, p. 23.

while a minority may have earned more than the Scheme 5 relief rates, others did not.

This brief examination of the rates payable under some of the unemployment schemes suggests that it is not feasible to talk about the financial experience of the unemployed as a group, since it was subject to as much variation as the experience of the population as a whole. Some of the unemployed themselves were aware of the differences: One young man employed on the Unemployment Board's gold prospecting scheme remembered that "... we thought we had it pretty rough, but that we were in clover compared to the people in the cities".⁷⁹ A woman settled with her husband under the Small Farm Scheme concluded that "it was a hard life but it was better than being on relief ... there was a measure of independence, a feeling of doing something constructive, and a healthy, outdoor life".⁸⁰

While the unemployed relief rates paid to many in this country during the depression were low compared with contemporary wage rates, and the administration of relief left a lot to be desired, they were, for adult non-Maori males at least, an advance on the minimal arrangements existing previously. The depression marked an important stage in the development of the welfare state in that assistance to the unemployed was for the first time accepted as a government responsibility, and a nationwide organisation was put in place to administer it. This has led one historian to argue that the depression was in the long run of benefit to the labouring classes.⁸¹

79 Simpson, The Sugarbag Years, p. 29.

80 A. Tremeneere Yorke, The Animals Came First: Farming in New Zealand During the Depression of the 1930s (Auckland, 1980), p. 59-60.

81 Watson, "Crisis and Change", p. 580.

7: CONCLUSIONS

This study of incomes is necessarily limited by the available sources. The most serious limitation is the lack of firm evidence about incomes at the worst point of the depression. It does suggest, however, that it is not possible to talk of a depression experience for the population as a whole. Nor is it possible to generalise about groups within the population, since even within particular employment or occupational categories, experiences seem to have varied widely. This study confirms the usefulness of Hawke's emphasis on the wide range of individual financial experiences, and amplifies it with a suggestion that within any occupational category it was in most cases the lower income earners who suffered the biggest, or the longest lasting, declines in income.

Wage and salary earners, who comprised over half the work force, generally experienced a greater measure of security than did other employment categories. The evidence of both real wages and real incomes seems to indicate that the upper income earners in several sectors were better off in the mid-1930s than they had been in the late 1920s. However, the unskilled, and those at the lower end of the income scale appear to have had their incomes reduced quite markedly. Similarly, small farmers, tradesmen and business people also suffered more substantial, or longer lasting, declines than did those with larger concerns, whose financial situation seems to have been relatively untouched by the economic downturn. The impression gained is therefore not of an egalitarian society in which the financial burdens of the depression were equally shared. Rather, it seems one in which certain groups were able to consolidate, and

subsequently even improve, their financial position, while others faced considerable hardship.

It also appears that the emphasis in the literature on the cuts to wage and pension rates is misplaced, since, with the exception of the rates for agricultural and domestic labour, they did not in themselves contribute to any reductions in real incomes. The incidence of unemployment, and reduced income from investments, seem to have been more important influences on the incomes of workers and the retired. The emphasis on these cuts, and the fact that many historians omit to relate them to the cost of living, or to mention the extent to which they were restored before 1936, has perhaps had an unconscious political motive, to enhance the apparent difference in ideology between the Coalition and Labour Governments.

Emphasis on the experience of some of the unemployed, on the other hand, does seem justified, since the basic Scheme 5 relief rates were, for the worst years of the depression, much lower than wages. These rates, however, did not apply to all the unemployed, and few historians give an impression of the full extent to which relief payments on other schemes varied. Again, diversity rather than communality of experience needs to be stressed.

The incidence of unemployment was clearly the most important factor in the financial situation of non-farming individuals during the depression. The next chapter demonstrates how unevenly this hit New Zealanders, and leads in turn to the larger questions of demography raised at the end of Chapter 1.

CHAPTER 3

UNDEREMPLOYMENT AND UNEMPLOYMENT

INTRODUCTORY

It was argued in Chapter 1 that New Zealand's demographic trends showed little in the 1930s that could be identified unequivocally as a reaction to changed economic circumstances. Evidence relating to incomes in Chapter 2 demonstrated that there was a wide range of financial experience during the depression. While many were relatively unaffected, the unskilled, those operating small businesses or farms, and those at the lower end of the income range in particular experienced substantial declines in incomes in the early 1930s, which were largely recovered by the mid-1930s. But it was clear that cuts in wages were in most cases not the principal factor affecting incomes of wage earners, which suggests that unemployment and possibly also underemployment were much more crucial factors.

Limited opportunities for overtime, and the introduction of short time, or rationed work, were important factors reducing incomes in the United States and Australia, where the policy was to spread what work there was around as many workers as possible. In the United States it was estimated that about half of those in jobs in January 1932 were only working an average of 59% of normal time, and by April 1933 the whole of the United States Steel Corporation's labour force was working part-time.¹ In 1931 Australian Unions were protesting at the rationing of work,² and in South Australia an estimated half of those in work were on short time at the worst

1 Chandler, p. 35; Badger, pp. 18, 22.

2 New Zealand Worker, 14 January 1931, p. 4.

point of the depression, their wages being cut by one third or one half as a result.³

New Zealand unions seem to have been less opposed to short time than their Australian counterparts. It was certainly practised here, but was both less widespread, and less severe in its impact on the individuals affected, than across the Tasman or in the United States.

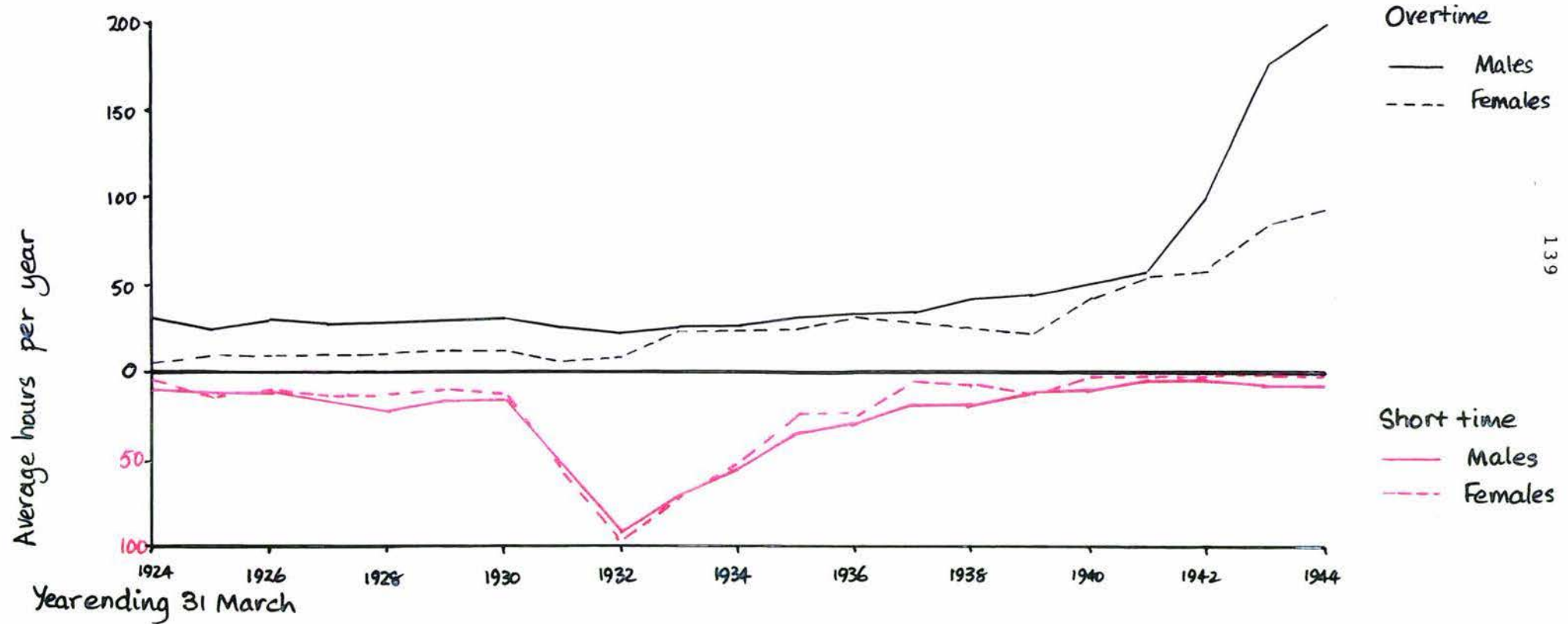
One writer has estimated that in this country the total amount of overtime worked decreased by 30% between 1928/9 and 1931/2, that short time increased by 400% in the same period, and that these, together with the increased taxation, were sufficient to wipe out any advantage workers may have gained from falling prices.⁴ When overtime is calculated as an average per employee in industry, however, as shown in graph 3.1, the reduction in hours was very slight, and of short duration, particularly for females. By 1933 females were working more overtime than before 1930, suggesting that in at least some industries there was an increasing demand for their services, possibly because of their lower wage rates.⁵ Demand for male employees took longer to recover, but by 1935 they too were working more overtime than in any year since 1923. Short time appears in this graph to have affected workers to a greater extent than reductions in overtime, since on average both males and females had their working time cut by 90 hours in 1931/2, compared with 10-25 in the 1920s, that is, by more than four times as much.

3 Broomhill, pp. 7, 113-4.

4 Ashton-Peach, pp. 6, 8-9.

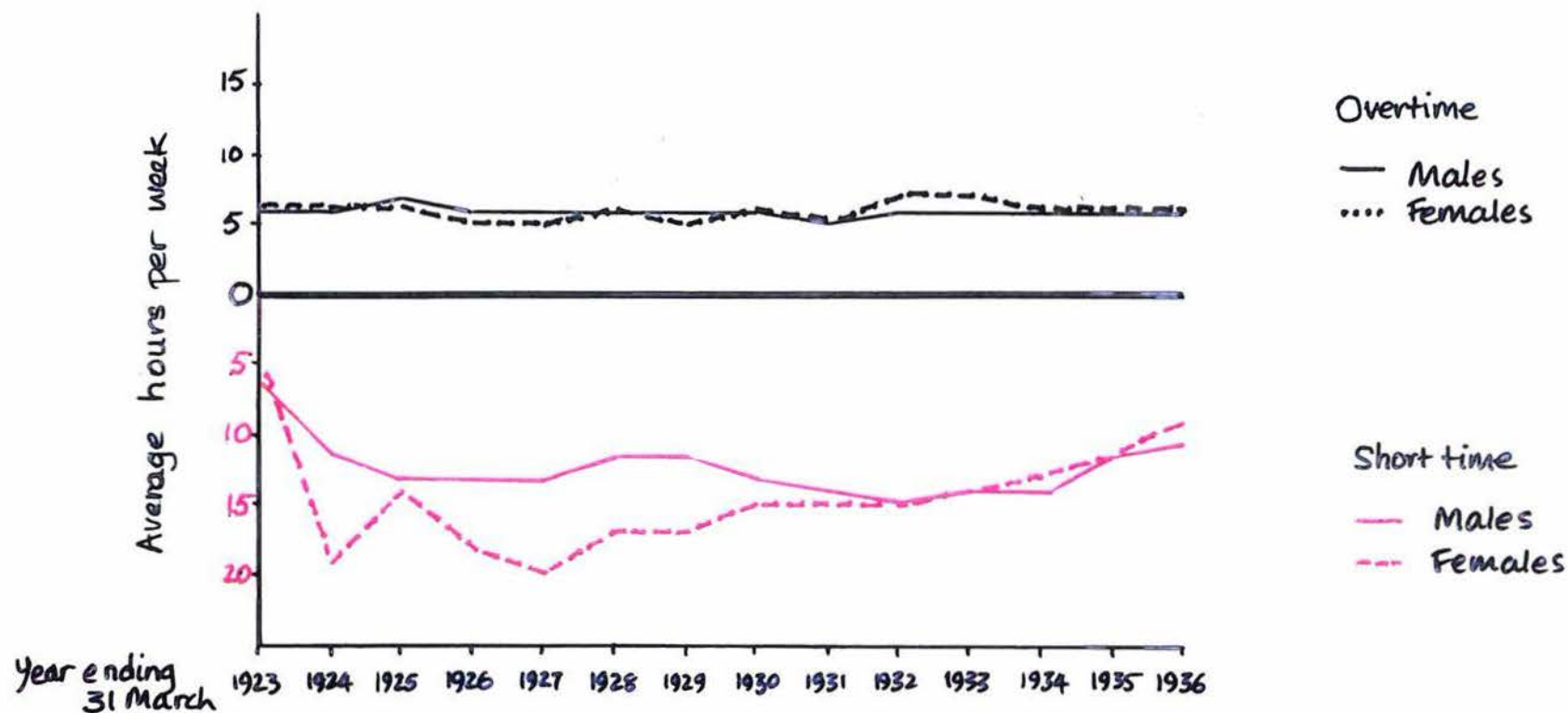
5 By 1936 there were reports of labour shortages in the clothing and millinery trades. Dominion, 15 October 1936, p. 10; 6 November 1936, p. 10.

GRAPH 3.1: Overtime and short time: average hours recorded per year, for all wage earning employees in industry, whether or not actually working overtime or short time, New Zealand, 1924-1944.



Sources: NZOYB, 1931, p.539; 1936, p.4-16; 1938, p.505; 1940, p.528; 1942, p.414; 1946, p.361.

GRAPH 3.2: Overtime and short time: average hours recorded per week per wage earning employee affected, New Zealand, 1923-1936.



Sources: NZOYB, 1931, p.539; 1936, p.417; 1938, p.505.

When the figures for both overtime and short time are calculated per employee affected the effects of cuts in hours are seen to be even slighter (graph 3.2). The hours of overtime worked per employee affected hardly varied during the 1920s and 1930s. Since the total number of hours worked did drop, this suggests that fewer people were working overtime, but that those who did experienced no reduction in their hours. Only about 12,000 people in industry worked shorter than normal weeks in 1931/2, one fifth of male and a quarter of female industrial workers. That is twice as many as in any one year between 1924/5 and 1929/30, but slightly fewer than in 1930/1.⁶ The 1931/2 figure amounted to less than 2% of the total work force and only 2.6% of all wage earners.⁷ Of those affected, females seem to have been better off in the 1930s, since their normal working week was reduced less than in the 1920s. On the other hand, males were slightly worse off in the 1930s than in the 1920s. On average, each male employee who experienced some short time had his normal working week reduced by three hours more than in 1929. This suggests that their incomes might have been 7% lower in 1932 than in 1929 as a result, assuming a normal working week of 44 hours.

It seems, therefore, that only a small minority of the work force had their incomes reduced by underemployment during the depression, which means that any major reduction in incomes at that time is most likely to be due to unemployment.

6 NZOYB, 1926-1934.

7 There is no firm evidence of how many were affected in sectors other than industry. Some coal miners were reported to be in financial distress since they were working only one day a week, and watersiders were reportedly earning less than 30/- a week due to short time at an early stage of the depression. New Zealand Worker, 15 October 1930, p. 1; 14 January 1931, p. 5; 21 January 1931, p. 5; 11 November 1931, p. 3; 12 September 1934, p. 1.

This chapter therefore examines trends in employment and unemployment with two basic aims in mind. Intrinsic to most histories of the depression is the notion that the unemployment of the 1930s was both uncommonly severe in its incidence, and unusual in its characteristics. This study seeks to determine to what extent the employment situation of the 1930s was anomalous, in respect of both the overall rate of unemployment and its characteristics, including the extent to which various occupations were likely to be affected by it. The broad conclusions are that while the extent of the unemployment was anomalous, in other respects it was rather an intensification of what was normal. A second aim is to discover how 1930s unemployment in New Zealand compared with the situation in other English-speaking countries.

The statistical sources present some problems. The two main materials are the quinquennial Census, and the statistics of the Department of Labour. Census returns have included information on unemployment since 1896, and probably give the most accurate, detailed and consistent historical information, since they reflect how people have regarded their own employment situation. Even so, responses can be affected by the wording of the questions, or by changing social norms. For example, the very low levels of female unemployment recorded in the 1936 Census may be due to social pressures making it more acceptable for women to describe themselves as "housewives" than as "unemployed".⁸ Maori and juvenile unemployment is also reported poorly. As with information about incomes, the lack of a Census in the early 1930s is a serious drawback, since by 1936 the registered unemployed numbered only three quarters of what they had in 1933, when unemployment was at its peak. As with incomes, the worst is missed by this source.

⁸ This is noted in the census report itself. Census, 1936, Vol. XI, Unemployment, p. i.

Statistics of the men assisted by the Department of Labour's Employment Bureaux are a useful supplement for the years between Censuses. They are available on an annual basis from 1891, but until the late 1920s are of limited value since the main relief offered was labouring work in the Public Works Department, and only a minority of those without work, usually the least skilled, registered as unemployed.⁹ From 1930 the Department of Labour's figures were published weekly by the Unemployment Board. They were also by then somewhat more accurate than previously, but were still restricted to adult males who chose to register, which means that they still tended to underestimate even male unemployment, perhaps by a quarter or more.¹⁰ Although the figures were broken down by occupation, the categories used were very broad, and not strictly comparable with those in the Census. Together with the underestimation of unemployment, this means that any attempts to establish occupational unemployment rates during the worst years of the depression can only be tentative. Nor is there between 1929 and 1936 information about the length of time individuals had been unemployed, or about the age groups most likely to be affected.

A further possible source is the records kept by trade unions in the 1920s about unemployment rates among their members, but low levels of union membership in this country make them very incomplete, and they are ignored here. This study uses a combination of Census, Labour Department and Unemployment Board data. For comparison with the current depression figures based on the 1986 Census, registered unemployment, and the Household Labour Force Survey are used, since final figures of the 1991 Census are not yet available. Due to the paucity and relative unreliability of statistics on unemployed

 9 Noel T. Ruth, "The Labour Force and Employment in New Zealand, 1926-35", MA thesis (University of Otago, 1949), p. 31.

10 For example, of those men reporting themselves as unemployed at the time of the 1936 Census, only 77.5% were registered with the Department of Labour. Census, 1936, Vol. XI, Unemployment, p. 15.

women, Maori and juveniles, the focus is on unemployment among adult non-Maori males.

1: OVERALL RATES OF EMPLOYMENT AND UNEMPLOYMENT: A HISTORICAL AND COMPARATIVE PERSPECTIVE

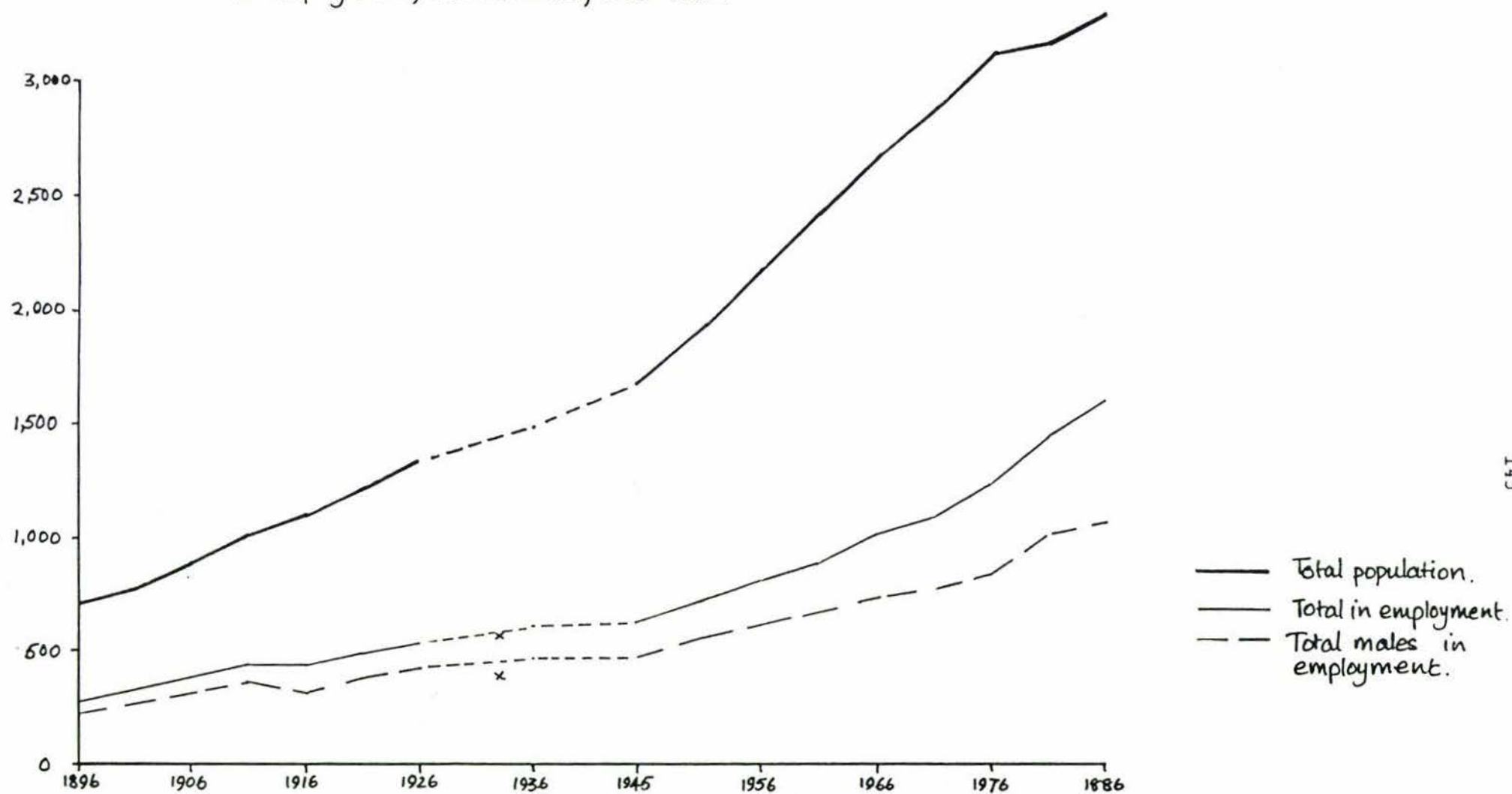
When viewed in the long term, the crisis of the 1920s and 1930s appears as an interruption to trends. However, it was essentially a short break, especially compared with that in other countries, and was not an isolated occurrence in New Zealand's history. Unemployment in these years also occurred within a context of some overall growth in employment.

Graph 3.3 shows the growth of the total population for census years 1896-1986, together with the total numbers, and the number of males aged 15-64, in employment. In spite of the contraction of the early 1930s, indicated by the estimated figures for the numbers in employment in 1933, it appears that there was some overall growth in employment opportunities between 1926 and 1936, both for the total work force and for the male work force. The growth consisted of only some 25,000 jobs, however, which was not sufficient to keep up with the growth in the male population of working age. This had grown from 396,000 (63% of the total male population) in 1921, to 444,000 (65% of the total male population) in 1926, and to 512,000 (68% of the total male population) in 1936.¹¹ It has been suggested that these demographic factors may have been partly responsible for the extent of unemployment during the depression, and that the problem was due as much to limited growth in employment as to a reduction in numbers of jobs available.¹²

11 *Census*, 1926, Vol. III, Ages, p. 11; 1936, Vol. IV, Ages and Marital Status, p. 4.

12 Ruth, "The Labour Force and Employment in New Zealand", p. 91.

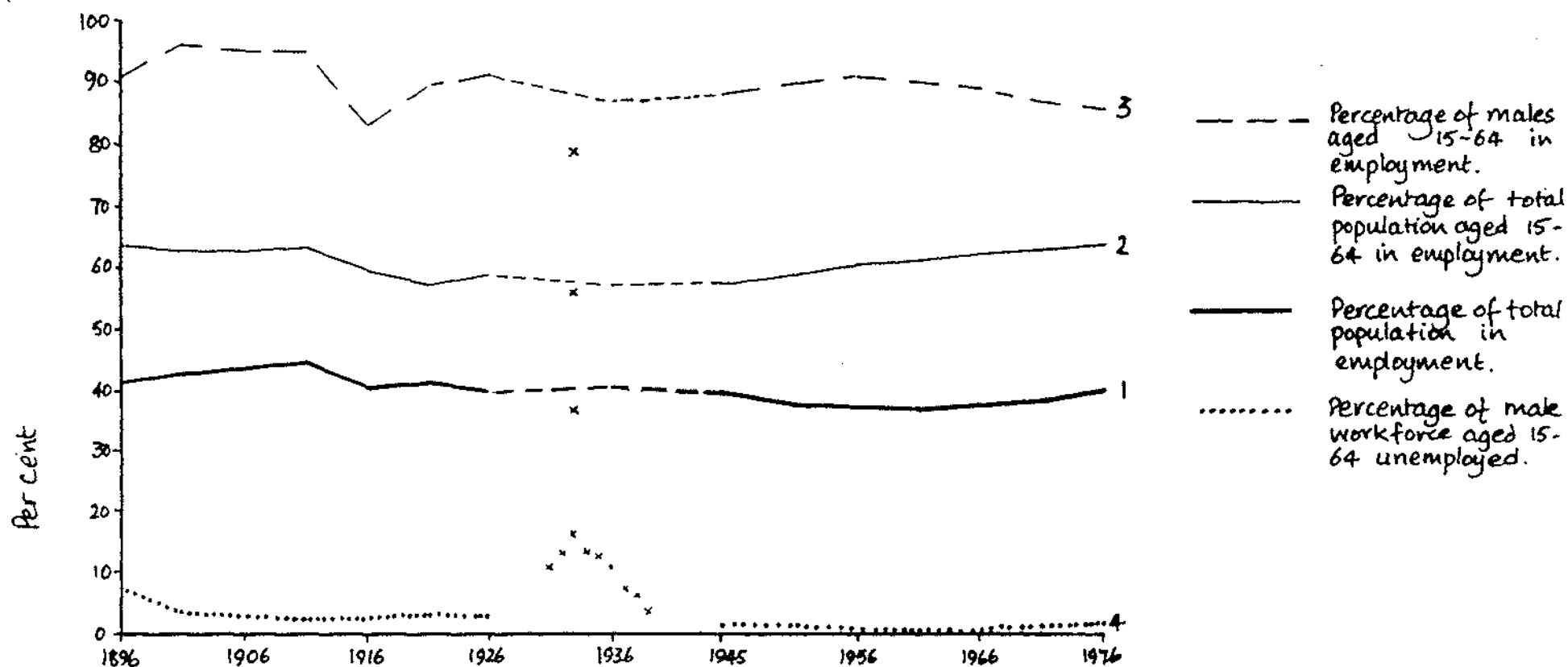
GRAPH 3.3: Total population, total numbers in employment, and total numbers of males in employment, New Zealand, 1896-1986.



Sources: G.T. Bloomfield, *New Zealand Handbook of Historical Statistics* (Boston, Mass., 1984), p.144; Census, 1896-1986; NZOYB, 1935.

Notes: No Census taken 1931 or 1941. Non-Maori only to 1945, Maori included from 1951.
 * 1933 figure estimated based on figures in Macrae and Sinclair, p.44.

GRAPH 3.4: Percentage of the population in employment, and percentage of the male work force unemployed, New Zealand, census years 1896-1976, with estimated figures for 1931-1939.



Sources: G.T. Bloomfield, *New Zealand Handbook of Historical Statistics* (Boston, Mass; 1984), p. 44; Census, 1896-1976; Macrae and Sinclair, p. 44; NZOYB, 1937, p. 709; 1939, p. 744.

Notes: x estimated figures (see footnotes 13 and 15 in the text).
No Census taken 1931 or 1941

Graph 3.4 shows the numbers in employment as percentages of the population, to demonstrate more clearly changes over time in the proportion of the population in employment.¹³ Curve 1, of the percentage of the total population in employment, shows little variation over time, the reduction between 1926 and 1936 being similar in size to that between 1911 and 1916, for instance, caused by the absence of 43,000 men serving in forces overseas.¹⁴ However, this curve is liable to distortion due to changing age ratios, shifting percentages in full time education, and variations in levels of female participation, the latter being responsible for the rise after 1966. Curve 2 reduces the effect of changing age ratios by measuring the percentage of the total population aged 15-64 in employment, and this too shows little variation over time. Curve 3 eliminates the effect of changing levels of female participation by measuring just the percentage of the male population aged 15-64 in employment, and the interruption to trends in the 1930s is somewhat more evident here. Since until the late 1960s men were overwhelmingly the principal breadwinners, this is the most accurate way of demonstrating any interruption to employment trends during the depression. This curve is still liable to some distortion due to changes in proportions undertaking secondary and tertiary education, and in proportions retiring before 65. These probably account for the generally lower percentages in employment after 1911, and more particularly after 1956, but the records cannot be made to address this issue. However, such long-term changes are unlikely to have significantly affected the numbers in employment in the 1930s.

 13 Figures for 1933, the year when unemployment was at its peak, have been estimated, based on the calculations in John Macrae and Keith Sinclair, "Unemployment in New Zealand in the Late 1920s and Early 1930s", Australian Economic History Review, 15(1975), pp. 35-44. These figures take into account unregistered as well as registered unemployed males; the 25,000 men working full-time subsidised by the Unemployment Board have been counted as unemployed.

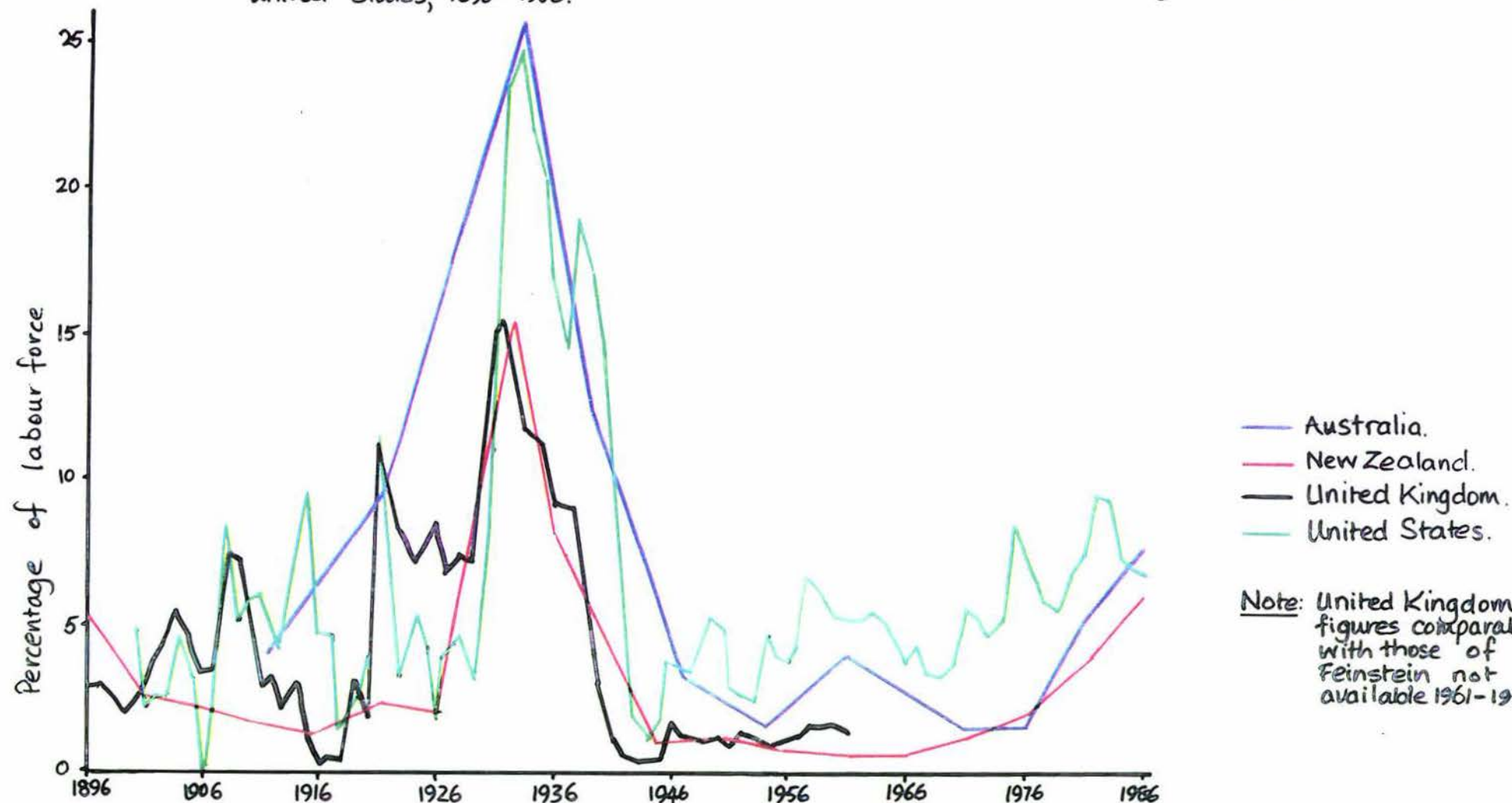
14 Census, 1916, Government Statistician's Report, p. 12.

Curve 4 is of the percentage of the male work force aged 15-64 who reported themselves as unemployed in census years, with estimated figures inserted for the years 1931-1939.¹⁵ Here the 1930s depression does clearly show as a marked interruption to trends. About 16% of the male work force was unemployed in 1933, compared with between 2 and 3% during the period 1901-1926, and around 1% in the period 1945-1971. However, several points need to be made. First, if accurate figures were available for unemployment during the "long depression" of the later nineteenth century, they would probably reveal some 16 years of mainly seasonal unemployment, at levels not far below those of 1930-36.¹⁶ In addition, unemployment in the current depression of the 1980s and 1990s seems likely to reach a similar level.¹⁷ New Zealand has therefore experienced three substantial periods of high unemployment in the past century, and when viewed in the long term the period between 1941 and 1971, when unemployment never rose above 1.5%, seems to be as much of an anomaly as the times when unemployment has been high.

Graph 3.5 compares unemployment rates in New Zealand with those in three other English-speaking countries. The New Zealand and

-
- 15 Unemployment rates for 1931, 1932 and 1934-9 have been calculated using the March figures for registered unemployment, including those on subsidised work, and an estimated figure for the size of the male work force. The rate for 1933 is based on Macrae and Sinclair's figures, and includes unregistered as well as registered unemployed.
- 16 R. J. Campbell estimated that in the 1880s unemployment may have been only 1-2% in summer, but in the towns in the winter it might have ranged between 6 and 12%. Campbell, p. 69.
- 17 Nearly 200,000 people, or 14.8% of the total work force, were registered as unemployed in September 1991. Dominion, 18 October 1991. In June 1991 13.5% of the male work force was classified as "jobless". New Zealand Labour Force, June 1991 Quarter, p. 30.

GRAPH 3.5: Percentage of work force unemployed, Australia, New Zealand, United Kingdom and United States, 1896 - 1986.



Sources: Census, 1896-1986; C.H. Feinstein, National Income, Expenditure and Output of the United Kingdom, 1855-1965 (Cambridge, 1972), T. 126; Official Yearbook of the Commonwealth of Australia, 1912-1986; Statistical Abstract of the United States, 1959-1989; U.S Bureau of the Census, Historical Statistics of the United States: Colonial Times to 1957 (Washington, 1960), p. 73.

Australian figures are derived directly from census publications, the others from secondary sources. To give some idea of New Zealand's peak rate, an estimated 1933 figure has been included, based, as in graph 3.4, on Macrae and Sinclair's calculations. Australia's unemployment was at its highest in 1932, and the 1933 census figure slightly understates the maximum. Figures for the United Kingdom were calculated by C. H. Feinstein, and derive from census data, corrected by information gained from National Insurance and other sources.¹⁸ The figures for the United States are of the annual average numbers of unemployed as a percentage of the civilian labour force.¹⁹ The figures all show unemployment for male and female combined, and are broadly comparable, although United Kingdom and United States figures are more detailed since they cover inter-censal years.

During the first three decades of this century New Zealand's unemployment rates were generally lower than those of the other three countries, and this was particularly so in the 1920s. While rates in the winters of 1921 and 1922 were higher than at the census date of April 1921, it is unlikely that they would have been as high as the 9-11% experienced at that time in the other countries. Unemployment peaked in all four countries between 1932 and 1933. While New Zealand's peak was similar in size to that of the United Kingdom, it was considerably lower than that of Australia and the United States. As far as recovery was concerned, New Zealand again paralleled the United Kingdom in being virtually recovered by the time war broke out in 1939. At that time unemployment in this

 18 C. H. Feinstein, National Income, Expenditure and Output of the United Kingdom, 1855-1965 (Cambridge, 1972), T126-127.

19 U. S. Bureau of the Census, Historical Statistics of the United States, Colonial Times to 1957 (Washington, 1969), p. 73.

country was below 2% of the work force,²⁰ while in Australia it was still over 12%. In the United States it was still above 14% in 1940, and 7% of the Canadian work force was still unemployed as late as 1941.²¹ By comparison then, the depression in New Zealand was only moderately sharp in terms of unemployment, and the period of high unemployment was relatively short.

2: THE EXTENT OF LONG-TERM UNEMPLOYMENT

International comparisons of unemployment usually focus, as did the preceding section, on the overall rates at the worst point of the depression. More meaningful comparisons would show both the total percentage of a work force experiencing some periods of unemployment, and the percentage subject to long-term unemployment. A depression in which large numbers are without work for short periods may appear the more serious, or have different social and political consequences, since the effect is widespread. Nevertheless, it may be less severe in its effect on individual incomes than one where fewer experience unemployment, but are without work for longer periods. While available statistics do not allow firm conclusions to be drawn, it appears that the 1930s depression in New Zealand tended rather to the former than the latter type, with a smaller "hard core" of long-term unemployed than in Australia and the United Kingdom, but perhaps a larger fraction of the work force experiencing intermittent periods without work.

 20 In August 1939 there were 8,066 men in receipt of an unemployment benefit, which is 1.6% of the total number of males actively engaged at the time of the 1936 Census. There were also, however, 15,695 men in full time subsidised employment at that time; if they are counted as unemployed the figure is 4.7% of the 1936 male work force. Statistical Report on Prices, Wages and Labour, 1939, p. 23; Census, 1936, Vol. X, Industries and Occupations, p. 1.

21 Chandler, p. 34; Green and MacKinnon, p. 392.

Three attempts were made to calculate the total number who experienced unemployment at some stage in New Zealand. The first is based on the rates of turnover among registered unemployed, the second on the difference between the numbers of men actually unemployed at the time of the 1936 Census and the number who claimed to have had some period without work in the previous year, and a third on a figure 2.2 times the total number of unemployed at the 1933 peak, the 2.2 ratio being derived from an Australian study of this issue.²² These produced figures of between 160,000 and 220,000 experiencing some period of unemployment during the early 1930s, figures equivalent to perhaps about one third of the total work force, or approximately two thirds of male wage and salary earners. It is unlikely, however, that all the unemployed came from the ranks of wage and salary earners; an unknown percentage would have been self-employed tradesmen or owners of small businesses or farms. While by no means conclusive, these figures do suggest that the depression was probably very wide-reaching in its effect, with a substantial proportion of the male non-Maori work force being affected by unemployment at some time. It is not possible to even guess at a similar figure for women or Maori.

As early as 1933 nearly a third of Australian unemployed men, and an estimated half of the unemployed in Britain's depressed areas, had been without work for more than three years.²³ There are reports of some in Britain being without regular work for as long as fifteen years.²⁴ Since unemployment during the 1920s was considerably lower in New Zealand than in either Australia or the United Kingdom, it is unlikely that the incidence of very long-term unemployment here was

22 Broomhill, p. 184.

23 Census of the Commonwealth of Australia, 1933, pp. 1780-1781; Men Without Work, p. 42.

24 Nigel Gray, The Worst of Times: An Oral History of the Great Depression in Britain (London, 1985), pp. 157-60.

as high, though the lack of information on duration of unemployment during the early 1930s precludes any firm conclusions or direct comparisons.

Predictably, the incidence of comparatively long-term unemployment did rise as the depression progressed. In 1929 about one tenth of men registered as out of work had been in that situation for a year or more, while the 1936 Census showed that problem faced nearly half the unemployed, and of that half two thirds had been without work for 99 weeks or more.²⁵ A 1937 survey showed that of the 23,000 men then on relief work or receiving sustenance pay, half had been unemployed for less than a year, a quarter between one and three years, and a quarter for more than three years. Only just over 2,000, less than one tenth of the total, had been without work for more than five years.²⁶

To gain some idea of the turnover among those registered as unemployed, the new and renewed registrations for each month were analysed for the period January 1928 to August 1935, together with the numbers dropping off and the numbers remaining on the register at the end of each month.²⁷ (Those who were unemployed but did not register for assistance are unknown for this period.) Up to the end of 1930 the numbers registering and leaving the register were both much higher than the totals remaining on the register each month, indicating a very high turnover rate and very short-term unemployment. This was perhaps due to a combination of a high rate of success at finding work for the unemployed and a high level of seasonal or casual employment. Some men may also have dropped off

25 Report of the Committee on Unemployment In New Zealand, 1929, AJHR, 1929, H-11B, p. 31; 1930, p. 29; Census, 1936, Vol. XI, Unemployment, p. 19.

26 NZOYB, 1938, p. 809.

27 New Zealand Monthly Abstract of Statistics, 1928-1935.

the register voluntarily through dissatisfaction with the Department of Labour's efforts. But from late 1930 the rate of turnover decreased sharply, signifying probably both that work was harder to find, and that the expectation of paid relief work was an incentive for men to stay on the registers. By the end of 1931, the monthly rate of turnover was about 20%, and it remained between 10 and 20% until August 1935. This indicates that even during the worst years of the depression between one in ten and one in five of registered unemployed men were finding work each month. Anecdotal evidence seems to confirm this, particularly for young people, though suggesting that much of the work was casual or temporary.²⁸ While the work available may have been unskilled and paid at a lower rate than some men's regular employment, those who had it would probably have had a higher income than if they had been on Scheme 5 relief rates.

What evidence is there on groups particularly likely to have experienced long-term unemployment? One such group was men aged over 45. By March 1936 over half of those unemployed for twelve months or more were aged over 45, and by March 1937 this had increased to almost two thirds. Furthermore, over 70% of those who had been without work for five years or more were over 45.²⁹ It seems that once a man had lost his job the likelihood of his being unemployed for a long period increased with age. Of those still unemployed by 1937, 8% of those age 36-45 had been unemployed for five years, while the equivalent figure for those aged 46-55 was 11%, and for those aged 56-64 14%.³⁰ Similar trends have been noted

 28 Simpson, The Sugarbag Years, pp. 12, 15-16, 32, 35, 76-7. This would seem to have been the experience for young women as well as for young men, see Findlay, Tooth and Nail.

29 Census, 1936, Vol. XI, Unemployment, p. 19; Report of the Department of Labour: Unemployment Division, 1937, AJHR, 1937-8, H-11A, p. 28.

30 NZOYE, 1938, p. 809.

in the United Kingdom and Canada.³¹ The fact that younger men were less affected by long-term unemployment may help explain the slightness of reaction to the depression in terms of interruptions to marriage and fertility patterns, since decisions regarding marriage and fertility are generally made in early adulthood rather than in middle age.

There may have been considerable overlap between the long-term unemployed over 45, and those classified by the Unemployment Board as "unemployable", though it is not possible to confirm this since there is no breakdown by age of those receiving sustenance pay. As early as 1932 the Unemployment Board considered that the numbers of unemployed were being swollen by the registration of those normally unemployable, and in 1935 they estimated that 10-15,000 of the unemployed were "unfitted for employment of any kind under normal industrial conditions".³² It is probably reasonable to assume that these were the 15,000 who were receiving sustenance pay by the end of 1935. By August 1937 the Department of Labour's Employment Division estimated that only 17,000 of the 37,000 registered unemployed were "able-bodied and available for employment", and 20,000 were then receiving sustenance pay.³³ All this suggests that throughout the depression a certain percentage of the registered unemployed, perhaps 10-20% of the total at the peak in 1933, and larger fractions at other times, were at best only marginally employable, whether due to age or some kind of disability, and would therefore have had only limited earnings even before the depression. If, as seems likely, these men constituted a substantial proportion of the long-term unemployed, this suggests that not all the

 31 Men Without Work, pp. 20-21; Green and Mackinnon, p. 374.

32 Report of the Unemployment Board, 1932, AJHR, 1932, H-35, p. 9; 1935, p. 2.

33 Report of the Department of Labour: Employment Division, 1937, AJHR, 1937-8, H-11A, pp. 15, 26.

unemployed suffered a severe decline in income - for many resources and prospects were already poor.

There may also be some correlation between long-term unemployment and occupation, though this is less clearcut than that with age. The 1936 Census shows that of the unemployed in relatively skilled occupations, such as pastrycooks, market gardeners, commercial travellers, clerks, solicitors and accountants, over 55% had been unemployed for over a year. The equivalent rate for less skilled occupations, such as farm labourers, axemen/bushmen and watersiders, was below 40%.³⁴ Similarly, the numbers of "labourers and quarrymen" and farmhands who registered as unemployed between 1931 and 1935 was at least 20% lower each summer than the previous winter. The numbers of unemployed classified as skilled tradesmen fluctuated less regularly and to a lesser extent, indicating that the less skilled found it easier than the skilled to obtain casual seasonal work.³⁵ This also occurred in Canada, though it has been suggested that the opposite was the case in South Australia, with the unskilled being more likely to be unemployed for long periods.³⁶

3: THE CHARACTERISTICS OF THE UNEMPLOYED

This section investigates further the characteristics of the unemployed, to determine who was most likely to be without work during the depression, and whether they differed from those most susceptible to unemployment at other times, and in other countries. Details about who was most likely to be unemployed in the late nineteenth and early twentieth centuries are sketchy, but two types of unemployment were common. Some short-term, mainly seasonal,

 34 Census, 1936, Vol XI, Unemployment, pp. 5-15.

35 NZOYB, 1933, p. 607; 1936, p. 643.

36 Broomhill, p. 24; Green and Mackinnon, p. 369.

unemployment was frequent among agricultural workers and those in industries based on agricultural products. These groups were still vulnerable to this type of unemployment in the 1920s.³⁷ On the other hand, more serious long-term unemployment due to cyclical downturns, such as occurred in the 1880s, mainly affected urban industrial workers. Since seasonal workers often moved to towns and cities in the off-season in search of work, unemployment in New Zealand has tended to be predominantly an urban phenomenon. This seems to have been the case even in prosperous times. In 1916, for example, a year of relatively low unemployment, the male unemployment rate in urban areas was more than twice that in rural areas.³⁸

Information about the ages of the unemployed is available in the Census from 1916; those with the highest unemployment rates between then and 1926 were men under 25, and those over 45, the rates generally increasing with age.³⁹ As far as occupations were concerned, unemployment rates for workers in the industrial sector were generally slightly above the male work force average in census years between 1896 and 1926. Particularly susceptible were unskilled labourers attached to no particular industry, many of whom were probably transients. They predominated amongst the male unemployed in the 1880s,⁴⁰ and had the highest unemployment rates of any occupational group from 1896 to 1926, whether this is measured

37 Report of the Committee on Unemployment in New Zealand, 1929, AJHR, 1929, H-11B, p. 8; NZOYB, 1927, p. 867.

38 Campbell, pp. 68-9; Census, 1896, General Report, p. 64; Census, 1916, Report on the Census of New Zealand, p. 131.

39 Census, 1916, Report on the Census of New Zealand, p. 133; 1921, General Report, p. 146; 1926, Vol. X, Unemployment, p. 3.

40 Campbell, p. 82; Miles Fairburn, The Ideal Society and its Enemies: The Foundations of Modern New Zealand Society 1850-1900 (Auckland, 1989), pp. 125-42; Peter Gibbons, "Turning Tramps into Taxpayers: The Department of Labour and the Casual Labourer in the 1890s", MA thesis (Massey University, 1970), pp. 16, 44-5.

as a percentage of the male work force or as a percentage of the wage earners in each occupation. Their rate was usually at least twice, and in 1916 three times, that of the rate for all male wage earners, and up to four times that for the male work force as a whole. By contrast, unemployment rates for all males in the primary, commercial and professional sectors were consistently lower than was the work force average between 1896 and 1926.⁴¹

It would seem, therefore, that the men most likely to suffer high rates of unemployment in New Zealand before the depression were the less skilled workers, either in urban industries or, more especially, those attached to no specific industry. The age groups most affected were those under 25, or, more particularly, over 45.

A: GEOGRAPHICAL FACTORS

The predominantly urban nature of unemployment in this country seems to have become more marked during the 1930s, due largely to the fact that by then wage employment was more urban than rural.⁴² There was some rise in rural unemployment in the later 1920s, attributable in part to the effect of farm mechanisation,⁴³ and by the time of the 1926 Census the male rural unemployment rate was 48% that of the urban rate, whereas in 1916 it had been 44%.⁴⁴ However, by 1936 the male unemployment rate (wholly unemployed only) in the fourteen main urban areas was three times that of the rest of New Zealand.⁴⁵ If

41 Census, 1896-1926.

42 Condliffe, The Welfare State, p. 52.

43 Report of the Committee on Unemployment in New Zealand, 1929, AJHR, 1929, H-11B, pp. 8-11.

44 Census, 1926, Vol. X, Unemployment, p. 2; 1916, Part IX, Occupations and Unemployment, p. 132.

45 Census, 1936, Vol. XI, Unemployment, p. ii.

those partly unemployed are included the urban unemployment rate was just under twice that of the non-urban rate, which indicates a higher level of partial unemployment in rural than in urban areas.

For the years between the 1926 and 1936 Censuses it is not possible to calculate exactly comparable figures. When unemployment rates are calculated from the figures of registered unemployment the urban rate is around four times that of the rate for the rest of the country between 1931 and 1935. This is an even greater difference between urban and rural unemployment than was apparent in the 1936 Census, and suggests that the figures of registered unemployment may considerably understate rural unemployment.

Australian census figures show that the ratio between urban and rural unemployment there was closer to that derived from New Zealand's census figures than to those derived from figures of registered unemployment. Despite the fact that Australia was in the 1930s somewhat more industrialised, and its overall unemployment rates were higher, male unemployment rates in the six state capitals were in all cases only about twice the rates in the remainder of their respective states.⁴⁶ Rural unemployment there may have been exacerbated by the marked tendency for young single Australian males to leave the cities in search of work.

As well as increasing disparities between urban and rural rates of unemployment, depressions appear also to increase regional disparities in New Zealand. Unemployment in the 1880s tended to be localised in isolated pockets, though affecting most major towns.⁴⁷ In 1926 male unemployment as a percentage of the male work force was fairly evenly spread throughout the provinces, ranging from 3.2% in Auckland to 1.6% in Southland and Taranaki. The rates in individual

46 The Wasted Years?, p. 208.

47 Campbell, pp. 68-9.

cities varied slightly more, ranging from 4.7% in Auckland to 1.9% in Hastings.⁴⁸ By contrast, in 1936 the highest provincial rate of the wholly unemployed was for Canterbury at 10.4% of the male work force, one and a half times the national figure of 7.1%, and more than three times that of the lowest in Westland (3.1%). The highest urban rate, in Christchurch, was 14.5%, almost three times the lowest urban rate in Hamilton (5.2%).⁴⁹ The current depression has also produced some regional disparities, though these are at present less marked than in the 1930s; the highest male unemployment rate of 15.8% is in Gisborne, just over twice the lowest in the Nelson/Marlborough region (6.6%).⁵⁰

New Zealand's regional disparities were, however, somewhat less evident than those in the United Kingdom during the worst years of the 1930s depression. While the average unemployment rate there was around 15%, and in the South East was 11.5%, in some areas of the North East and South Wales it was as high as 50%.⁵¹ One writer commented that in the South of the United Kingdom unemployment was "scattered and queerly unobtrusive" compared with the distressed industrial areas.⁵² The United States similarly had its distressed areas, and, as in the United Kingdom, most were places dependent on a single industry. In Detroit, for example, an estimated 50% of the work force was jobless in 1933, twice the national unemployment rate.⁵³ New Zealand had nothing comparable.

48 Census, 1926, Vol. IX, Industrial and Occupational Distribution, p. 97.

49 Census, 1936, Vol. XI, Unemployment, p. iv. When these figures are calculated including both fully and partly unemployed relativities change only slightly.

50 New Zealand Labour Force, June 1991 Quarter, p. 34.

51 Casson, p. 33; Beveridge, p. 60.

52 Orwell, p. 75.

53 Badger, p. 21; Chandler, p. 44.

B:AGE FACTORS

It is not possible to produce firm evidence as to whether the 1930s depression caused a notable change in the age groups most likely to be unemployed, though there are some signs that the existing tendency for unemployment rates to increase with age became slightly more marked. As far as adults are concerned, the census reports of 1916 to 1926 indicate that the highest unemployment rates were for those aged 21 to 25 and over 45. (table 3.1) The 1936 Census allocates the unemployed to different age groups from those used for the work force as a whole, making it impossible to calculate work force unemployment rates by age groups. However, if the numbers unemployed are correlated with the total number of males in the different age groups (a reasonable substitute since about 90% of all males aged 15-64 were in the potential work force) the results show that those aged 20-30 experienced the lowest rates of unemployment, the rates increasing with age (table 3.2).

The only years between the 1926 and 1936 Censuses for which information regarding the ages of the registered unemployed is available are 1929 and 1930. When this is used to calculate an unemployment rate per 100 males in the population in each age group, the results show very similar rates for each age group under 65, and extremely low rates for those over 60. The samples are, however, too small to be reliable. The figures are also distorted by the fact that the elderly were probably the least likely to register at that stage of the depression, since labouring work with the Public

TABLE 3.1: Unemployment rates per 100 males in the work force, by age group, census years 1916-1926.

Age Groups	1916	1921	1926
21-24	0.9	3.4	2.8
25-29	1.1	2.9)	2.16
30-34	1.1	2.3)	
35-44	1.6	2.2	2.05
45-54	2.2	2.5	2.54
55-64	2.9	3.6	3.45
65+	3.1	4.8	4.87

Sources: Census, 1916, Part IX, Occupations and Unemployment, p. 173; Part II, Ages, p. 3; 1921, General Report, p. 146; 1926, Vol. X, Unemployment, p. 3.

TABLE 3.2: Unemployment rates per 100 males in the population, by age group, 1936.

Age Groups	1936
under 20	1.4
20-30	5.2
30-40	6.7
40-50	7.7
50-60	9.9
over 60	10.1 (per 100 males aged 60-70)
	17.0 (per 100 males aged 60-65)

Sources: Census, 1936, Vol. XI, Unemployment, p. 15; Vol. IV, Ages, p. 1.

Works Department was almost the only relief available.⁵⁴ Nevertheless, the percentage of the registered unemployed who were aged over 45 did tend to increase in the early years of the depression, from 33% in October 1929 to 46.5% in December 1930, and in 1937, the next date when age data is available for the registered unemployed, 51.5% were aged over 45.⁵⁵ This has been used as evidence that the age characteristics of the unemployed changed during the depression,⁵⁶ but in the absence of information about the intervening years it would not seem conclusive evidence of a change in the age structure of the unemployed. Rather it would seem further evidence that the older man was, once out of work, more likely to stay that way. The 1937 breakdown is only of the 25,544 men receiving sustenance pay or on Scheme 5 relief work, and the 20,000 receiving sustenance pay were those considered unfit for normal work. It would therefore not be a representative sample; if the 6,000 by then in full-time subsidised work had been included the age structure would have shown higher proportions in younger age groups.

For males under 21 unemployment rates were 2.7% in 1921 and 2.0% in 1926, in both cases less than for those aged 21-30.⁵⁷ Information about youth unemployment during the depression is very incomplete, in part since only those aged over 20 were formally registered and assisted by the Unemployment Board. Unemployment among minors was considered serious enough for a report to be prepared in 1933,⁵⁸ and

54 Report of the Committee on Unemployment in New Zealand, 1930, AJHR, 1930, H-11B, p. 29; NZOYB, 1931, p. 848; 1932, p. 730; Jain, Source Book of Population Data, Vol. II, pp. 10, 12.

55 Report of the Department of Labour. Employment Division, AJHR, 1937-8, H-11A, p. 30.

56 Olssen, "Depression and War", p. 218.

57 Census, 1921, Part VIII, Industries, Occupations and Unemployment, p. 146; 1926, Vol. IX, Industrial and Occupational Distribution, p. 95.

58 Report on Juvenile Unemployment, 1933, AJHR, 1933, H-35B.

committees were set up to assist youths to find work. While only 1.4% of males aged under 20 in the work force were unemployed at the time of the 1936 Census, it has been estimated that some 8-9,000 boys were unemployed in 1932, comprising perhaps 12-13% of those who were then aged 15-19.⁵⁹ This suggests an unemployment rate approaching that for adult males at the worst point of the depression, but a relatively rapid absorption into the work force at a later stage.

It also suggests a lower rate of youth unemployment than in South Australia, for example, where a 1935 study reported that 60% of young people aged 16-21 were unemployed.⁶⁰ In the United Kingdom in the 1920s older workers were considerably more likely than younger to be unemployed, largely because their skills were becoming obsolete.⁶¹ However, unemployment rates in the United States during the depression were reportedly highest for the very young and the elderly.⁶² This was the normal pattern in New Zealand prior to the 1930s, and there seems to be only weak evidence of a change during the depression to significantly higher rates amongst those above middle age. The current depression, on the other hand, is showing a marked deviation from the usual pattern. The unemployment rates for those under 30 have for some time been higher than for any other age group; in June 1991 21% of male and female workers under 20 were unemployed, more than three times the rate for any group aged

59 Robert T. Robertson, p. 278; Jain, Source Book Of Population Data, Vol. II, p. 14.

60 G. R. Giles, "Unemployment Among Young People in Australia", International Labour Review, 31(1935), pp. 830-831, cited by Broomhill, p. 29.

61 Casson, p. 6.

62 Chandler, p. 35.

between 40 and 60.63 Such a change suggests a more radical structural alteration in the labour force than occurred in the 1930s, and one that could have serious consequences for any future recovery.

C: OCCUPATIONAL FACTORS

One of the things that reportedly made the depression of the 1930s such a disturbing event was that workers whose services were usually in regular demand suffered unemployment. Frequent mention is made of the fact that skilled tradesmen, shop workers, small businessmen and professional people who had hitherto enjoyed secure employment were represented among the ranks of the jobless.⁶⁴ This study examines levels of unemployment in four sectors of the work force, and shows that while such groups did experience unemployment, their numbers and unemployment rates were, with the notable exception of building tradesmen, much lower than those of the unskilled. Some caution is necessary when examining occupational statistics over time, due to the tendency of the work force to "migrate" from one occupation to another. This is particularly true of those categorised as general labourers, but can also affect other workers, particularly at times of economic insecurity. Yet even taking this into account, there is little firm evidence that the unemployment crisis of the 1930s was, in occupational terms, a reversal of the normal situation. Rather, it seems an intensification, certainly severe but for most of relatively short duration, of a regular business downturn. The occupations that had high unemployment rates during the 1930s were, in general, those that normally have the highest rates.

63 New Zealand Labour Force, June 1991 Quarter, p. 32.

64 See for example Olssen, "Depression and War", p. 215-6; Simpson, The Sugarbag Years, pp. 6, 17, 34, 35, 75, 85, 93; Sinclair, p. 258; Sutch, Quest for Security, p. 130.

Industrial Sector

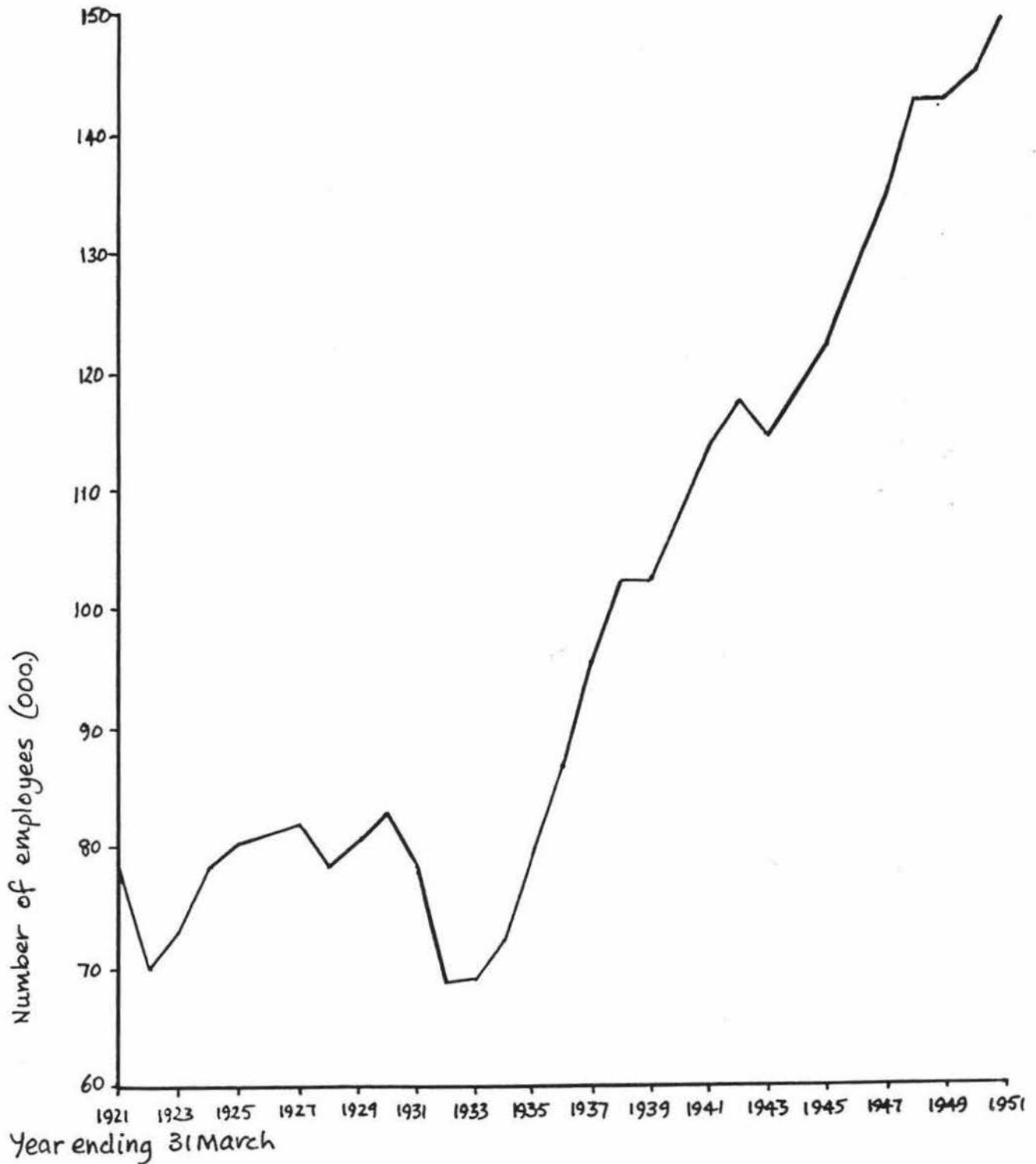
The industrial sector was the second biggest occupational grouping in the 1920s and 1930s, employing a quarter of the male work force, and nearly a third of male wage earners. Those in this group ranged from highly skilled tradesmen and factory operatives to unskilled labourers, and to them must be added a fluid group of general labourers not committed to any particular industry or sector. Between 1896 and 1926 the unemployment rate for industrial workers was always higher than that for the work force as a whole, whether measured as a percentage of all workers or as a percentage of wage earners. In 1896, for example, their rate was almost twice as high as the average when measured as a percentage of all breadwinners, and nearly one and a half times as high when measured as a percentage of wage earners. This relativity did not change in the 1930s depression, though since 1945 it has, with unemployment rates of industrial workers being below average.⁶⁵

As far as factory workers are concerned, annual figures of the numbers (male and female) employed from 1922 to 1951 indicate the extent of the interruption to employment trends during the depression (graph 3.6). Numbers fluctuated in the 1920s,⁶⁶ then fell 17%, from 82,861 in 1930 to 68,697 in 1932. By March 1936, however, the numbers employed were higher than ever before, implying that while for factory workers the unemployment of the depression may have been a sharp shock, it was a relatively short one. This expansionist trend seems to have started before the efforts of the First Labour Government had had time to take effect, a finding in line with that on underemployment earlier in this chapter.

 65 Census, 1896-1981.

66 The biggest drop, in 1922, was due to changes of definition. NZOYB, 1925, p. 479.

GRAPH 3.6: Employees in factories, male and female, New Zealand, 1921 - 1951.



Source: NZOYB, 1922-1953.

Nevertheless, in spite of this apparent quick recovery, the male unemployment rate for industrial workers in 1936 was still 10.8%, more than four times higher than in 1926 and slightly higher than the 1936 work force average of 10.3%.⁶⁷ This suggests that the annual employment figures, collected by the Department of Labour, perhaps underestimate the decline in unemployment at the worst point of the depression, and also that some workers were "migrating" from other occupations.

In the 1930s, as at other times, the building and construction trade showed signs of being particularly susceptible to economic fluctuations. The unemployment rate among building workers was nearly twice that of the work force average in 1896, and high rates were caused by a downturn in the industry at the start of the First World War.⁶⁸ While unemployment was lower than average in the three decades following the Second World War, the current depression has again reduced employment opportunities. The number of males employed in building and construction rose during the 1980s, then fell 25% from 89,400 in June 1989 to 68,600 in June 1991.⁶⁹

Several sources refer to the high unemployment rates amongst skilled building tradesmen, especially carpenters, caused by the downturn in construction during the depression.⁷⁰ The problem had been recognised by the Unemployment Board in 1932, who estimated that less than one fifth of the male wage earners listed in the 1926

67 Census, 1926, Vol. IX, Industrial and Occupational Distribution, p. 41; 1936, Vol. X, Industries and Occupations, p. 33. These figures include both fully and partly unemployed, as do all 1936 figures used in the remainder of this chapter, unless otherwise stated.

68 NZOYB, 1927, p. 866.

69 New Zealand Labour Force, June 1989 Quarter, p. 25; June 1991 Quarter, p. 42.

70 For example, Brooking, Milestones, p. 150; Olssen, "Depression and War", p. 215; Simpson, The Sugarbaq Years, pp. 6, 85.

Census as working in building and construction were in employment by 1932.⁷¹ Scheme 10, under which building workers were placed in full-time subsidised work, was introduced subsequently. The number employed in private sector building and construction projects fell from a high of 11,703 in 1929 to a low of 3,922 in 1933, a fall of 66%,⁷² and the 1929 figure was not regained until after 1938.

Throughout the depression building workers were the second largest occupational group among the registered unemployed, constituting at any one time 10-13% of the total unemployed. Since they comprised just 6% of the total work force, this seems further evidence of an unusually high unemployment rate. This is reflected also in the difference between the unemployment rates in the 1926 and 1936 Censuses. Building and construction workers as a whole had an unemployment rate of 2.6% in 1926, slightly higher than that for the total male work force, but in 1936 it was 14.5%, more than five times the 1926 rate, and nearly one and a half times the male work force average.⁷³ All this confirms that these workers experienced a particularly severe and long-lasting interruption to employment patterns.

It was not just wage workers in the building industry who lost their jobs. As can be seen in table 3.3, the number of skilled tradesmen

71 Report of the Unemployment Board, 1932, AJHR, 1932, H-35B, p. 21.

72 NZOYB, 1922-53. The decline in South Australia was of a similar size: an estimated 63.6% of those normally employed in the building trade there were unemployed in 1933. Broomhill, p. 21.

73 Census, 1926, Vol. IX, Industrial and Occupational Distribution, p. 15; 1936, Vol. X, Industries and Occupations, p. 8; Monthly Abstract of Statistics, 1930-35.

TABLE 3.3: Employers in building trade, 1926 and 1936.

	1926		1936	
	Number	As a percentage of total in occupation	Number	As a percentage of total in occupation
Carpenters	523	4.65	75	2.5
Painters	744	13.9	441	9.9
Plasterers	168	12.6	93	9.9
Plumbers	610	16.9	440	14.8

Source: Census, 1926, Vol. IX, Industrial and Occupational Distribution, p. 42; 1936, Vol. X, Industries and Occupations, p. 34.

in this industry employing others dropped between 1926 and 1936, whether measured in absolute terms or as a percentage of the total in that occupation. The decline was particularly marked for carpenters; there were in 1936 only one seventh as many employers as in 1926. In addition, the number of self-employed carpenters in 1936 was 292, less than a third of the number in 1926, though in other trades the number of self-employed was slightly higher than in 1926, suggesting perhaps that some former employers were by then working on their own.

Between 1896 and 1926 the unemployment rate of those listed as "general labourers" attached to no particular industry was consistently several times the rate for the work force as a whole; in 1916 it was five times as great. Even if calculated as a percentage of wage earners the unemployment rate of general labourers was still about twice that of other workers.⁷⁴ Since 1945 this disparity has been particularly marked, signifying the growing vulnerability to unemployment of unspecialised workers. In 1971, for example, the unemployment rate for all males specifying no particular occupation or industry, many of whom would be general

74 Census, 1896-1926.

labourers, was 38%, compared with an unemployment rate for the male work force as a whole of 1.1%.⁷⁵

General labourers comprised a substantial proportion of the registered unemployed during the depression. In 1921 they comprised only 10% of the total, but this rose to 21% in 1926, and then to 54% in July 1929, suggesting either that unemployment hit them earlier than other occupational groups, or possibly that they were at this stage the most likely to register with the Department of Labour.⁷⁶ From mid-1931 to December 1934 the number of unemployed men classified by the Department of Labour as "labourers and quarrymen" fluctuated between 20,000 and 25,000, comprising between 40% and 50% of the registered unemployed.⁷⁷ It is not possible to compare these numbers accurately with their representation in the work force as a whole, since the Labour Department's occupational categories are so broad and loose. However, those listed in the 1936 Census as general labourers, general building and construction workers and quarry workers amounted to less than 6% of the total work force, so it would appear that, as at other times, these unskilled workers were heavily over-represented in the ranks of the unemployed.

Census evidence seems to support this. While 2,295 general labourers (7.7% of the total) were unemployed in 1926, 7,784, or 30% were still fully unemployed in 1936, three years after the worst of the depression. If those partly unemployed are included, 46% were unemployed, almost five times the unemployment rate of the male work

75 Census, 1945-1981.

76 Census, 1921, Part VIII, Industries, Occupations and Unemployment, p. 159; General Report, p. 146; 1926, Vol. X, Unemployment, p. 14; Report of the Committee on Unemployment in New Zealand, 1930, AJHR, 1930, H-11B, p. 27.

77 NZOYB, 1933, p. 607; 1936, p. 643.

force as a whole, and nearly three times the unemployment rate for all wage earners. The total of those describing themselves as general labourers had, however, dropped in that time, from almost 30,000 in 1926 to just under 22,000 in 1936.⁷⁸ Perhaps some of those unable to find work had by then retired, or joined specific industries such as agriculture.

It therefore seems that while unemployment among industrial workers in the 1930s was high, its relativity to that of the work force as a whole was not too different from that in other years. However, it does seem that the depression considerably exaggerated the normal tendency for the least skilled to have the highest unemployment rates, a tendency that has become even more marked since the 1930s, as employment has become more specialised.

Agricultural Workers and Farmers

The primary sector was the biggest employer in the 1920s and 1930s, providing work for around one third of the male work force, and one quarter of male wage earners. Unemployment rates for the sector as a whole have historically been below those for the work force average. Those for paid farm employees, on the other hand, have tended to be slightly higher than the work force average, though somewhat lower than for other wage earners.⁷⁹

While paid agricultural workers may have been the group most severely affected by reduced wage rates in the early 1930s, they do not seem to have been amongst those most severely affected by unemployment. Estimated numbers of non-casual paid farm workers

78 Census, 1926, Vol. X, Unemployment, p. 14; Vol. IX, Industrial and Occupational Distribution, p. 50; 1936, Vol. X, Industries and Occupations, p. 71.

79 Census, 1896-1981.

(male and female), having fallen to a low of 75,000 in 1926, then rose to a high of around 92,000 between 1932 and 1936.⁸⁰ This was in spite of the fact that financial difficulties among primary producers were the primary manifestation of the economic crisis, and that farm mechanisation in the 1920s and 1930s was decreasing the need for labour. The Unemployment Board's policy of sending the unemployed into rural occupations may have contributed to this rise in the early 1930s. But in March 1936, when the number of farm workers was at its highest, only 2,456 men were in subsidised farm work, so the effect of directed employment could only have been slight.⁸¹ The number of farmers employing labour also rose, from just under 20,000 in 1926 to nearly 27,000 in 1936;⁸² this again is too big a rise to be due solely to the availability of cheap subsidised labour, and perhaps reflects efforts to combat the fall in prices by increasing productivity.

Notwithstanding the rise in the numbers employed each year, there were at any one time between 1931 and 1935 2,000-3,300 registered unemployed classified as "farm hands", comprising between 3% and 5% of the total registered unemployed.⁸³ This figure of registered unemployment cannot be directly correlated with the number of employees to calculate an unemployment rate for agricultural workers between the two Censuses, since it does not include all unemployed agricultural workers. It is possible, nevertheless, to arrive at an approximate rate by comparing the number unemployed in the 1936 Census with the 1935-36 Labour Department statistics, for which the

80 Hussey and Philpott, p. 43.

81 Ruth, Compilation of Unemployment Statistics, p. 27.

82 Census, 1926, Vol. IX, Industrial and Occupational Distribution, p. 41; 1936, Vol. X, Industries and Occupations, p. 33.

83 New Zealand Monthly Abstract of Statistics, 1931-1935.

occupational analysis was somewhat more specific.⁸⁴ This comparison suggests that there may have been up to 6,000 or 7,000 male farm workers unemployed at any one time between 1931 and 1935, around 7-8% of the paid male agricultural work force. The incongruity of a 7-8% unemployment rate in an industry whose paid work force was at an all-time high might be partly explained by the migration of workers from other sectors as employment opportunities in their regular work diminished.

This agricultural unemployment rate is, however, consistently lower than that for the male work force as a whole, which was continuously over 10% between 1931 and 1936, and reaching 16% in 1933. By 1936 the rate for all agricultural and pastoral workers was 4.1%, less than half that for the total male work force. The rate for those describing themselves simply as farm labourers was, at 5.6%, just over half that for the total male work force, and one third that for all wage earners.⁸⁵ The unemployment rates for other paid farm workers varied, generally being lower for more specialised occupations, but few were over 3%.

The only firm evidence regarding unemployment among farmers, as distinct from farm workers, is in the 1936 Census, which lists 187 farmers of various kinds as unemployed, 99 of them dairy farmers,

84 The 1935-6 Labour Department Statistics include the category "others" in farming, a group nearly as big as that of farm labourers, and give a total of 2,992 registered unemployed farm labourers and "others" in March 1936; the 1936 Census lists 3,229 registered unemployed males in agricultural and pastoral occupations, with a further 955 not registered, giving a total of 4,184. This suggests that while the 1936 Department of Labour statistics ("farm labourers" and "others") understate agricultural unemployment by about 30%, those between 1931 and 1935, when only "farm labourers" were separately covered, understate it by at least 50%. New Zealand Monthly Abstract of Statistics, 1935-1936; 27 April 1936, p. 27; Census, 1936, Vol. XI, Unemployment, p. 5.

85 Census, 1936, Vol. X, Industries and Occupations, pp. 33-38; Vol. XI, Unemployment, p. 5.

giving the very low unemployment rate of 0.3%.⁸⁶ Since the 1921 and 1926 Censuses do not list unemployed farmers separately from other agricultural workers there is no way of comparing this rate with those in earlier years. Nor is it possible to tell whether any of those classified by the Department of Labour as unemployed farm hands or other farm workers were former farmers. The only firm conclusion that can be reached is that the less skilled agricultural workers, like the less skilled industrial workers, were the most likely to experience unemployment.

White Collar Workers

White collar workers in the public administration, professional and clerical sector, and in the commercial and financial sector, comprised 22% of the work force, and just under a quarter of all wage earners.⁸⁷ Historically, their unemployment rates have always been lower than average, particularly for those in the public administration, professional and clerical sector, though certain occupations such as law clerks, civil engineers and surveyors frequently had above average unemployment rates in the first three decades of the twentieth century.⁸⁸

Estimates of unemployment rates for white collar workers during the depression are even more tentative than for other occupations, due to the lack of reliable statistics on registered unemployment. It has been argued that professionals are under-represented in official

86 Census, 1936, Vol. XI, Unemployment, p. 5; Vol. X, Industries and Occupations, p. 38.

87 Census, 1926, Vol. IX, Industrial and Occupational Distribution, p. 9; 1936, Vol. X, Industries and Occupations, p. iv.

88 Census, 1896-1981.

unemployment statistics, since they tended not to register, and only registered in large numbers towards the end of the depression, when unemployment was becoming less of a social stigma.⁸⁹ There is some evidence that this may have been so. Of all those listed in the 1936 Census as unemployed, 77.5% were registered as unemployed with the Department of Labour, whereas only 70% of professional, public administration and clerical workers were registered. Law clerks had the lowest registration rate of 55.2%, while 65.2% of teachers, 73.5% of general clerks, and 69.7% of accountants were registered.⁹⁰ By contrast, unemployed building and construction workers and general labourers had registration rates of over 87%. Reasons for non-registration could include the social stigma of unemployment, the type of relief work offered, and the greater likelihood of professionals having private resources, which would both enable them to survive longer without work, and make them ineligible for relief.

Teachers are the only professional group for which annual employment figures are available, and their numbers were quite stable during the period, with even a small rise in 1934.⁹¹ On the face of it there would appear to have been no lessening of demand for their services, though the statistics give no indication of how many teachers were on rationed work, a scheme that operated from 1932 to 1935.⁹² Census figures suggest that any contraction in the early 1930s was very short-lived. By 1936 there were only 67 male

89 Robert T. Robertson, p. 381.

90 Census, 1936, Vol. XI, Unemployment, pp. 5-15.

91 NZOYB, 1922-1953.

92 Annual Report of the Minister of Education, 1933-1936, AJHR, 1933-1936, E-1. The Wanganui Education Board reported 114 unemployed teachers on rationed work in that area. Report on Education: Primary and Post-Primary Education, 1932, AJHR, 1932-3, E-2, p. 23. By 1936 the Southland Education Board reported that the need for the rationing scheme was disappearing, and anticipated that there would soon be a shortage of teachers in that area. AJHR, 1936, E-2, p. 33. Simpson reported 1,500-1,800 unemployed teachers, (The Sugarbag Years, p. 110) and Sutch that 1,170 were unemployed in 1935. (Quest for Security, p. 163).

TABLE 3.4: Employees in selected occupations in the public administration, professional and clerical sector, 1926 and 1936, and numbers unemployed, 1936.

	Numbers		Numbers	Numbers unemployed as a percentage of total in work force
	1926	1936	unemployed 1936	
Legal (incl. Law Clerks)	1,365	1,079	74	2.9
Public Accountancy	390	751	87	5.0
Medical Practitioners in private practice, incl. attendants	45	41	2	0.3
Dentistry	238	254	35	3.8
Education	4,782	5,656	109	1.7
Government Service Administration	3,426	2,617	N/A	
Local Government, Administration and not elsewhere specially classed	6,683	5,280	695	11.6
Civil Engineering and Surveying	847	459	55	7.7

Sources: Census, 1926, Vol IX, Industrial and Occupational Distribution, pp. 43-3; 1936, Vol. X, Industries and Occupations, p. 35.

teachers and 38 female teachers unemployed, an unemployment rate of 1.5% and 0.5% respectively. In addition, there were 500 more male and 500 more female teachers in 1936 than in 1926.⁹³

For other occupations in the public administration, professional and clerical sector, the 1926 and 1936 Censuses are the only source of employment statistics. While there is evidence of growth over the decade in some occupations this gives no idea of any temporary reduction in numbers during the worst years of the depression. Numbers declined in legal positions, and in government and local government administration. (table 3.4)

The unemployment rate for all males in this sector in 1936 was 3.8%, more than three times the rate of 1.1% in 1926,⁹⁴ but still well under half the male work force average. For individual occupations, unemployment rates in 1936 varied widely. Of those examined, the highest rates were 7.7% for civil engineers and surveyors, who had always been prone to high unemployment rates, and 11.6% for those in local government who were administrators or workers not elsewhere classified, probably clerical workers for the most part. The high rate for this latter group was historically abnormal. While the number unemployed in government service administration is not given, the reduction in numbers employed suggests an unemployment rate even higher than that for local government workers.

It is not possible to ascertain the numbers of professional or clerical workers registered as unemployed for most of the depression, since until 1935 they were subsumed into the substantial group of "others", presumably because they were a small group. By

93 Census, 1926, Vol. IX, Industrial and Occupational Distribution, pp. 48-9; 1936, Vol. X, Industries and Occupations, pp. 35, 37, 49.

94 Census, 1926, Vol. IX, Industrial and Occupational Distribution, p. 9; 1936, Vol. X, Industries and Occupations, p. iv.

March 1935, however, unemployed professional and clerical workers combined numbered 1,583, and comprised just under 4% of the total registered unemployed.⁹⁵ This meant that they were under-represented in the ranks of the unemployed compared with their 6.4% share in the work force.

The 1936 Census confirms this in general terms, since only 2,154, or 4.1% of males in professional and clerical occupations reported themselves as unemployed at that time, well under half the work force average.⁹⁶ More detailed comparison between the census figures and those of registered unemployment are not feasible, since the Department of Labour's occupational classifications are not strictly comparable with those of the Census.

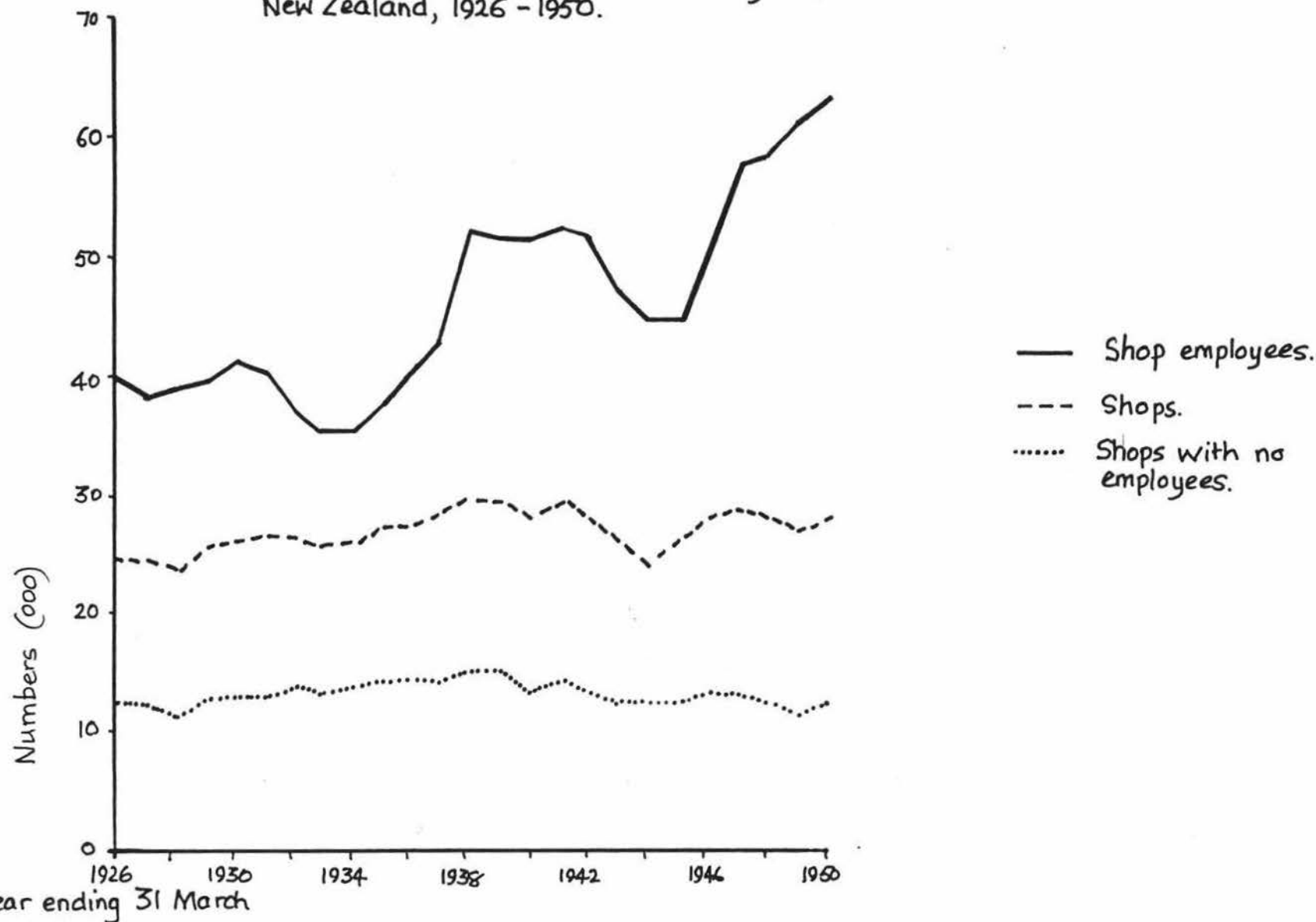
Australian census figures show that in 1933 4% of males unemployed were professionals and general clerks, with an unemployment rate of 5.9%, only a quarter of the work force average.⁹⁷ This suggests that New Zealand's figures of professional unemployment, while uncertain, are not too misleading. The repeated comments on the presence of professional and clerical workers among the unemployed in the 1930s do not seem entirely justified in view of the relatively low numbers involved, though the reduction in numbers employed in local and national government services implies considerable insecurity in those normally secure areas, and this may largely account for the reactions.

95 New Zealand Monthly Abstract of Statistics, 26 April 1935, p. 27.

96 Census, 1936, Vol. X, Industries and Occupations, p. 71.

97 Census of the Commonwealth of Australia, 1933, pp. 1,597, 1,804-5.

GRAPH 3.7: Numbers of shops and shop employees, male and female, New Zealand, 1926 - 1950.



Source: Report of the Department of Labour, 1926-1950, AJHR, 1926-50, H-11.

Shop employees are another of the groups for which annual figures are available. As can be seen in graph 3.7, the numbers (male and female) dropped 12.5% between 1930 and 1933, but by 1936 were back to their 1930 levels, then rose sharply to 1938. As was the case with factory workers, on this evidence the interruption to employment trends seems to have been relatively short. It is also worth noting that it was less than the 15.7% drop in numbers employed between 1941 and 1945.

The reduction in employee numbers would seem to have been due to individual shops having reduced their staffs rather than to shops closing, since the number of shops, having risen to 1931, then fell only 1.5% by 1933. Despite the high incidence of bankruptcy among shopkeepers in the 1920s,⁹⁸ there seems to have been little shortage of others replacing them as owners of small businesses. Again, the Second World War caused a much bigger interruption, with an 18.5% drop in numbers. The number of "one person" shops rose slightly during the depression, perhaps because some small shopkeepers were dismissing all assistance and continuing alone. If this had been a widespread practice the number of "one person" shops would have risen more noticeably, though possibly the number was kept stable by an equivalent number of small shops going out of business.

The evidence of census data on employment in the commercial and financial sector seems to support the argument that any decline in numbers employed during the depression was made up by 1936. The sector as a whole employed 11% more male wage earners in 1936 than in 1926,⁹⁹ and as can be seen in table 3.5 in several occupations the numbers had increased by still more.

98 See Chapter 2

99 Census, 1926, Vol. IX, Industrial and Occupational Distribution, p. 9; 1936, Vol. X, Industries and Occupations, p. iv.

TABLE 3.5: Employees in selected occupations in the commercial and financial sector, 1926 and 1936, and numbers unemployed, 1936.

	Numbers employed		Numbers unemployed	Numbers unemployed as a percentage of total in work force
	1926	1936	1936	
Land and Estate Agents	1,186	948	125	7.3
Motor Car Sellers	1,815	2,064	166	6.7
Drapers	4,886	5,181	693	9.5
Butchers	3,098	3,379	573	10.1
Grocers	4,148	5,627	746	9.0
Banking	3,008	3,297	20	6.3
Insurance	2,397	3,067	168	4.7
Department and General stores	1,916	1,470	132	4.8

Sources: Census, 1926, Vol. IX, Industrial and Occupational Distribution, p. 42; 1936, Vol. X, Industries and Occupations, pp. 34-5.

The increase in numbers employed conflicts with the fact that substantial numbers were still unemployed in 1936, suggesting some occupational migration, as in the case of agricultural and factory workers. The male unemployment rate in this sector was 7.5%, nearly four times greater than in 1926, but less than the male work force average of 10.3%. There was considerable variation between occupations, some being close to the work force average. One possible reason for the relatively high male unemployment rates might be the employment of increasing numbers of women, perhaps because of their lower pay rates; 22% more were employed in this sector in 1936 than in 1926.¹⁰⁰

100 Census, 1926, Vol. IX, Industrial and Occupational Distribution, p. 10; 1936, Vol. X, Industries and Occupations, p. iv.

Between 1931 and 1935 clerical and shop workers registered as unemployed were listed as one group, which numbered around 2,000-3,000 at any one time. This number showed less tendency to drop between 1935 and 1936 than did those for most other groups, suggesting that they had more difficulty being reabsorbed into the work force.¹⁰¹ By 1934 unemployed clerical and shop workers were a bigger group than were farm workers, both in numbers and as a percentage of the total unemployed, but still only half the size of the number in the building trades. It is likely that these official figures underestimate real levels of unemployment among these workers, since in 1936 only 68% of those unemployed in the commercial and financial sector were registered with the Labour Department.¹⁰² The broad occupational groupings used by the Department of Labour mean that the figures of registered unemployment cannot be correlated with those in the Census, but there is no firm evidence that their unemployment rate was higher than that for the work force as a whole.

While information about unemployment among white collar workers between the 1926 and 1936 Censuses is by no means conclusive, it suggests that their rates were in most cases substantially lower than average. To compare 1926 and 1936 unemployment rates misses the worst impact of the depression. However, comparing the increase in unemployment rates in the various sectors over that period can give some impression of how that impact might have varied from one group to another. For male workers in the two white collar sectors examined above, the 1936 rates were less than four times the 1926 rates; in all other sectors except transport and communication, they had increased more than four times, for building and construction

 101 New Zealand Monthly Abstract of Statistics, 1931-1936.

102 Census, 1936, Vol. XI, Unemployment, p. 13.

workers nearly six times. This suggests that the impact of the depression on male white collar workers as a group was less than it was for manual workers, skilled or unskilled, though government and local government employees seem to have been an exception to this. A study of unemployment in Canada reached similar conclusions.¹⁰³

The present depression may be reversing the usual pattern regarding occupations, since over a quarter of all unemployed and a fifth of all male unemployed are seeking jobs in professional, administrative, clerical, service and sales occupations. While the unemployment rate for that group as a whole is still only 4.5%, less than half the work force average, for clerks it is 7% and for service and sales workers it is 8.5%, both higher than for either industrial or agricultural workers.¹⁰⁴

The three groups studied, industrial, agricultural and white collar workers, comprised between them nearly four fifths of the male work force in the 1930s. Notwithstanding the need for caution mentioned at the start of this section, the evidence of relative unemployment rates in these occupational groups is of continuity, with an intensification of existing trends, rather than a reversal of the normal situation. The occupations most susceptible to unemployment were those which had been most susceptible in the previous decades, and in some cases those who are still among the most susceptible.

In addition, within sectors it was generally the less skilled who were worst hit, the unspecialised labourer experiencing an unemployment rate that probably diverged even more from the work force average than in previous years. This seems consistent with the argument in the previous chapter, that among wage and salary earners it was those at the lower end of the income scale who

103 Green and MacKinnon, p. 365.

104 New Zealand Labour Force, June Quarter, 1991, pp. 42, 46.

suffered the biggest income declines, and that this was in most cases more likely to be caused by unemployment than wage cuts.

It seems therefore, that the only respect in which the unemployment of the 1930s can be described as a marked anomaly within New Zealand's history is its scale. Those most likely to find themselves unemployed tended to be, as at other times, urban, manual and less skilled workers, with older workers the most likely to remain unemployed for long periods.

CONCLUSIONS

It was shown in Chapter 1 that the demographic changes in New Zealand which were directly attributable to the economic crisis were essentially slight and of short duration. These findings are perhaps surprising, and contrary to what was widely believed at the time, and is still believed by many. The slightness of these changes suggests that there is little justification for citing them as evidence of the severity of the depression's social impact.

There are several possible reasons for the lack of change. One might be that the effect of the depression on individuals in terms of reduced incomes was only mild. Against this, however, there is plenty of evidence, statistical and anecdotal, that many individual incomes did drop, some quite markedly, whether from falling export prices, lower levels of economic activity, or periods of unemployment and reduced working hours.

The shortness of the economic crisis and its associated distress and uncertainty is also worth considering. Despite several warning signs in the 1920s, in the form of fluctuating export prices and growing unemployment, there is little evidence that conditions were then considered threatening enough to affect many plans for marriage or childbearing. The early 1930s, on the other hand, were undoubtedly a time of distress for many, but this was not long lived. By 1935 the incomes of a substantial proportion of male wage earners, who constituted three-fifths of the male work force, appear to have virtually recovered from the downturn, though this is perhaps less applicable to female wage earners. Moreover, it is debatable whether the interruption to demographic trends would have been more marked if unemployment rates had stayed high for longer: overseas evidence suggests that it might not. Britain's longer lasting depression did not cause a bigger or longer lasting interruption to marriage and childbearing patterns, perhaps because

of the high level of dole payments relative to wages there, and of the fact that for many unemployment and financial insecurity were no novelty. In Australia marriage trends returned to their previous pattern well before unemployment rates did so, and even in New Zealand marriage rates had started to rise in 1933, the year of peak unemployment.

Prolongation of the depression might perhaps have resulted in more marked interruptions to trends in mortality and health, though this would have been less likely if it were accompanied, as in the United States and Australia, by improvements in the organisation and levels of relief payments. Despite the long duration of the depression, the high levels of unemployment and the low levels of official relief in the United States, the interruption to health and mortality trends there was relatively slight. This has been attributed in part to the influence of a combination of self-help and "invisible relief". The effects of poverty could be mitigated by borrowing, by seeking help from relatives and friends, supplementing income with the earnings of wives or children, by sharing accommodation, and by setting up an informal alternative economy where goods and services were bartered.¹ There is plenty of anecdotal evidence that New Zealanders and Australians also helped themselves and each other in similar ways, in some cases reviving nineteenth century survival strategies such as "swagging", collecting cocksfoot seed and where possible supplementing food by

1 Chandler, pp. 51-2; Badger, pp. 33-4.

growing vegetables, hunting and fishing.² It is quite likely that the financial situation of some was not quite as serious as the low incomes declared in official sources would indicate.

A perhaps even more important factor limiting demographic change in New Zealand is that the economic effects of the depression were not evenly distributed throughout the population, but tended to fall more heavily on a substantial minority - the less skilled workers and those operating small farms or businesses, and their families. It has been suggested in Chapter 2 that the gap between rich and poor may have widened during the 1930s, as appears to be happening in the current recession. It is therefore not feasible to generalise about the depression experience of New Zealanders, demographic or otherwise; as Hawke emphasised, it covered an extremely wide spectrum. Books such as Robin Hyde's Nor the Years Condemn, John Mulgan's Man Alone, and some of Frank Sargeson's short stories³ presented the depression experience of one section of the population. For them it was a time of misery, uncertainty and financial stringency, and this powerful imagery captured the historical imagination. Contemporary newspapers did, of course, carry reports of unemployment and financial distress, but they also recorded the experience of those who were comparatively unaffected, reporting the society weddings, fashionable race meetings and balls that continued apparently uninterrupted throughout the 1930s.

A significant factor in any relationship between economic circumstances and demographic change is not so much the existence of

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- 2 A wide range of strategies are described in Simpson, The Sugarbag Years, passim. See also Broomhill, pp. 95, 102-8; Burdon, p. 140; Shaw, pp. 12-15; J. A. T. Terry, "The Depression in Frankton", Journal of the New Zealand Federation of Historical Societies, 2 no. 4(1986), p. 52.
 - 3 Robin Hyde, Nor the Years Condemn (London, 1938), John Mulgan, Man Alone (Hamilton, 1949), Frank Sargeson, The Stories of Frank Sargeson (Auckland, 1982).

poverty within a population, as the degree of economic change experienced, and by how great a proportion of that population. It was suggested in Chapter 1, in line with the thinking of Scrimgeour and Sutch, that at least some of the poverty brought to light by the depression already existed before it. It has also been suggested here that in respect of unemployment, the factor most likely to reduce incomes, especially of wage earners, the depression caused not so much a reversal as an exaggeration of pre-existing tendencies. While some of those in normally secure occupations did experience unemployment in the early 1930s there seems little evidence that this deviation from normal was sufficiently widespread to have prompted marked changes in demographic behaviour. Long-term unemployment in particular appears to have been predominantly associated with older men, which again helps explain the slightness of interruptions to marriage and fertility trends, since their decisions in these areas would already have been made.

There also seems to be some evidence that both high unemployment rates and reduced incomes affected mainly those who were already towards the lower end of the socio-economic scale, some of whom would always have been prone to economic insecurity. While those higher up the scale were not unaffected, the level of economic change there seems not to have been sufficient for major changes to be apparent in the demographic patterns of the population as a whole. Any changes in behaviour that may have been caused by serious financial deprivation have perhaps been masked by the behaviour of the majority who continued with existing trends.

A final, and perhaps even more crucial reason for the lack of change is the one that emerges when the demographic trends of the depression years are examined in an international and historical perspective. The inconsistent patterns noted in Chapter 1 suggest

that demographic behaviour is no longer the sensitive indicator of economic change that it seems to have been in pre-industrial society. The independence of twentieth century marriage patterns from economic changes may be largely due, as suggested by D. V. Glass, to the growing availability and efficiency of contraceptive methods. The gradual evolution in the late nineteenth and early twentieth centuries of a range of centralised welfare systems may also have contributed in countries such as Britain and New Zealand, by minimising the fear of complete destitution in times of crisis. All this implies that even a longer lasting, more severe or more widespread pattern of financial deprivation would not necessarily have caused more demographic disruption.

Those writing at the time were aware that the burden of the depression was not evenly spread.⁴ The various measures taken during 1931 and 1932 were intended to correct this, though, as has been shown, the burden was still not shared by all. Despite this, the assumption that the depression was a "community trauma" and "human disaster" of unprecedented proportions, and that it "scarred an entire generation",⁵ is now well established in the collective consciousness.

There are several reasons why this might be so. One is perhaps the result of popular short histories which emphasise a simple causal relationship between a depression and political and social consequences.⁶ The general lack of critical comparisons between

4 For example H. Belshaw, D. O. Williams et al., The Crisis in New Zealand and The Problem of Reconstruction (Wellington, 1932), pp. 6-7; Fisher, "The New Zealand Economic Problem", p. 86.

5 Allan Bagley, "Look Back in Anguish", PSA Journal, 90, no. 1(1983), p. 4; Simpson, The Slump, pp. 124, 164.

6 See Introduction.

the impact of the depression in New Zealand and elsewhere has also served to reinforce belief in the universality and severity of its effects here.

Another reason may be that the unemployed were highly visible in New Zealand, especially in the cities, a fact that has already been commented on in another thesis.⁷ Unemployment was predominantly an urban phenomenon, and urban projects occupied many of those on relief work, while in both cities and rural areas job-seeking itinerants were readily apparent. The small size of New Zealand's population, together with the fact that perhaps a third or even a half of the male wage earners may have been affected by periods of unemployment at some stage during the early 1930s, may also have contributed to this. Most people would know of someone close who had lost their job or experienced financial problems, and repeating stories about them would tend to reinforce the idea of communal suffering.

Psychological factors may also have been involved. The "community trauma" for many may have consisted not so much of actual financial deprivation, as fear that they too might lose their economic security, and this fear could easily become equated over the years with actual suffering. In addition, the depression shattered for many the "colonial dream", the illusion that New Zealand was some kind of utopia for the hard-working man - a vision that had attracted them or their immediate forebears to come here. The depression showed how vulnerable this country's economy was to fluctuations in the export market, and this temporarily threatened the future of the small family farm that had come to symbolise security and prosperity.

7 Robertson, p. 390.

The depression also revealed the gap between the rich and the poor here, which threatened the concept of New Zealand as an egalitarian society. Possibly the tradition that the depression affected all massively has grown up at least partly to cover some sense of guilt on the part of those who survived comfortably. In order to preserve the image of a small, close-knit community involved in "a collective struggle against hardship from outside"⁸, the diversity of experience has unconsciously been glossed over.

This thesis has taken some steps towards re-evaluating certain aspects of the depression experience of New Zealanders. Much remains to be done, particularly on the experience of women, Maori and young people. The appropriateness of doing this has become increasingly apparent during 1991, as this country deals with its third major depression in just over one hundred years. Unemployment rates, while still below those of 1933, seem likely to rise further. Incomes have fallen sharply for many, soup kitchens, foodbanks and dole queues have proliferated in the cities, and substantial segments of the population are once again facing hard times.

8 Hawke, The Making of New Zealand, p. 123.

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