

THE GREAT DEPRESSION



Terrace houses in Paddington housed many unemployed in the 1930s. Photograph by Ray Joyce. WELDON TRANNIES

IN THE 1920s the percentage of unemployed in Australia, as in many other western countries, reached double figures. Australian state and federal governments, whatever their political leanings, were not alarmed until the Wall Street crash in October 1929. In the three years after the crash the value of Australia's manufactured and agricultural exports fell dramatically. By June 1932 almost one-third of wage and salary earners were without employment.

The pattern of urban and rural unemployment is mapped on the following pages. The federal and state governments reacted slowly to the crisis and concentrated initially on repaying the interest on British loans rather than ensuring that their constituents had food, clothing and shelter, but by June 1933, when unemployment had fallen to around 23 per cent, all states had introduced some form of welfare benefits and a system of relief work.

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The world and Australia

THE WALL STREET CRASH of October 1929 is often said to date the start of the Great Depression. During 1929, the value of world trade fell by nearly 10 per cent and in January 1930 it stood at US\$ 2739 million. In the next 12 months the value of trade declined by a further 30 per cent and by January 1933 it had plummeted to US\$ 962 million, less than one-third of its 1929 level.

Few nations escaped the consequences of this economic decline. Australia was inevitably caught in the downward spiral. Along with the world's other major exporters of agricultural and mineral products, Australia suffered as the world's manufacturing economies went into decline and required less raw material for their industries. Prices fell. The value of food imported by the world's industrialised nations also decreased.

Although Australia was hard hit and its primary exports halved between 1929 and 1933, it fared better than many countries. With its greater range of primary exports, which included wheat, wool, dairy products, meat, sugar and minerals, the Australian economy was better placed than those that relied on a limited range of export goods. Canada, for example, with its dependence on wheat, suffered greater decline. Countries that exported only minerals, timber or specific products such as rubber fared even worse. Chile, Peru and Bolivia, for instance, which depended on mineral production, lost over 70 per cent of their exports.

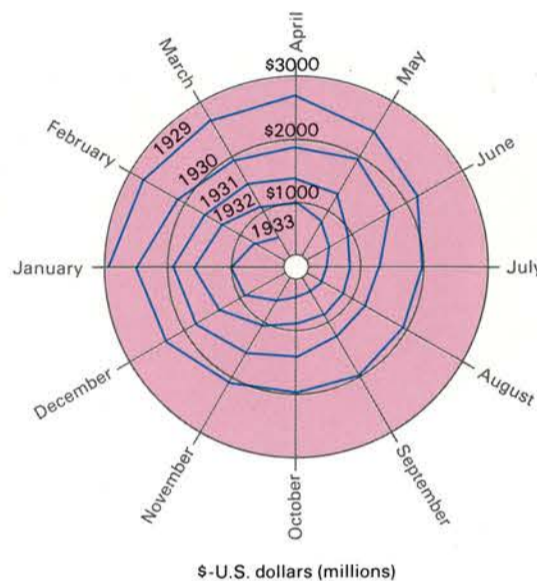
Rising unemployment

The stock market crash of October 1929 was sudden and dramatic and had worldwide ramifications. It was, however, just one major dip on the long slope of economic decline. The crisis had already been heralded in most Western economies. To many who lived through the Great Depression, its most striking

feature was unemployment, which had been rising since the mid-1920s.

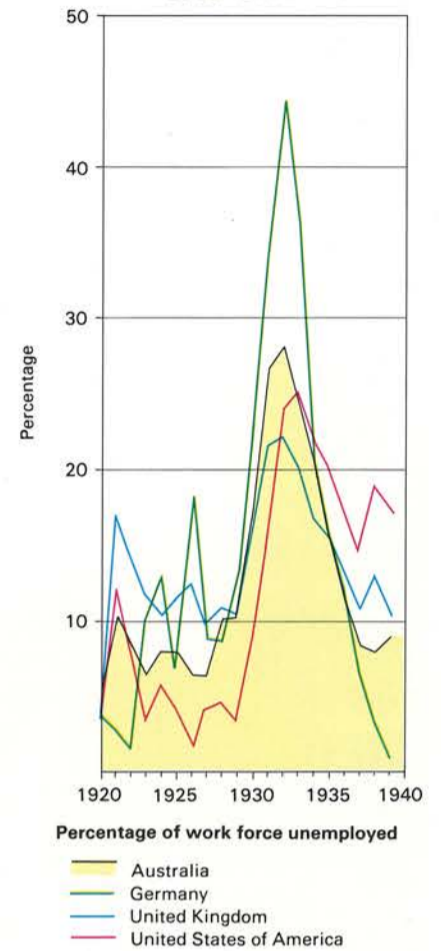
In Australia, the economy had started to falter late in 1926 and thereafter there was a sustained downturn in factory employment. As the economy came under strain, the general level of unemployment rose. In September 1929, 12.1 per cent of the workforce was unemployed. This figure rose every quarter until 1932, peaking at just over 30 per cent.

Though slightly higher, the Australian unemployment level was broadly similar to those of the United States of America and Great Britain. The crisis in Australia, Great Britain and the United States of America did not reach the staggering proportions experienced in Germany, where unemployment rose to more than 40 per cent.

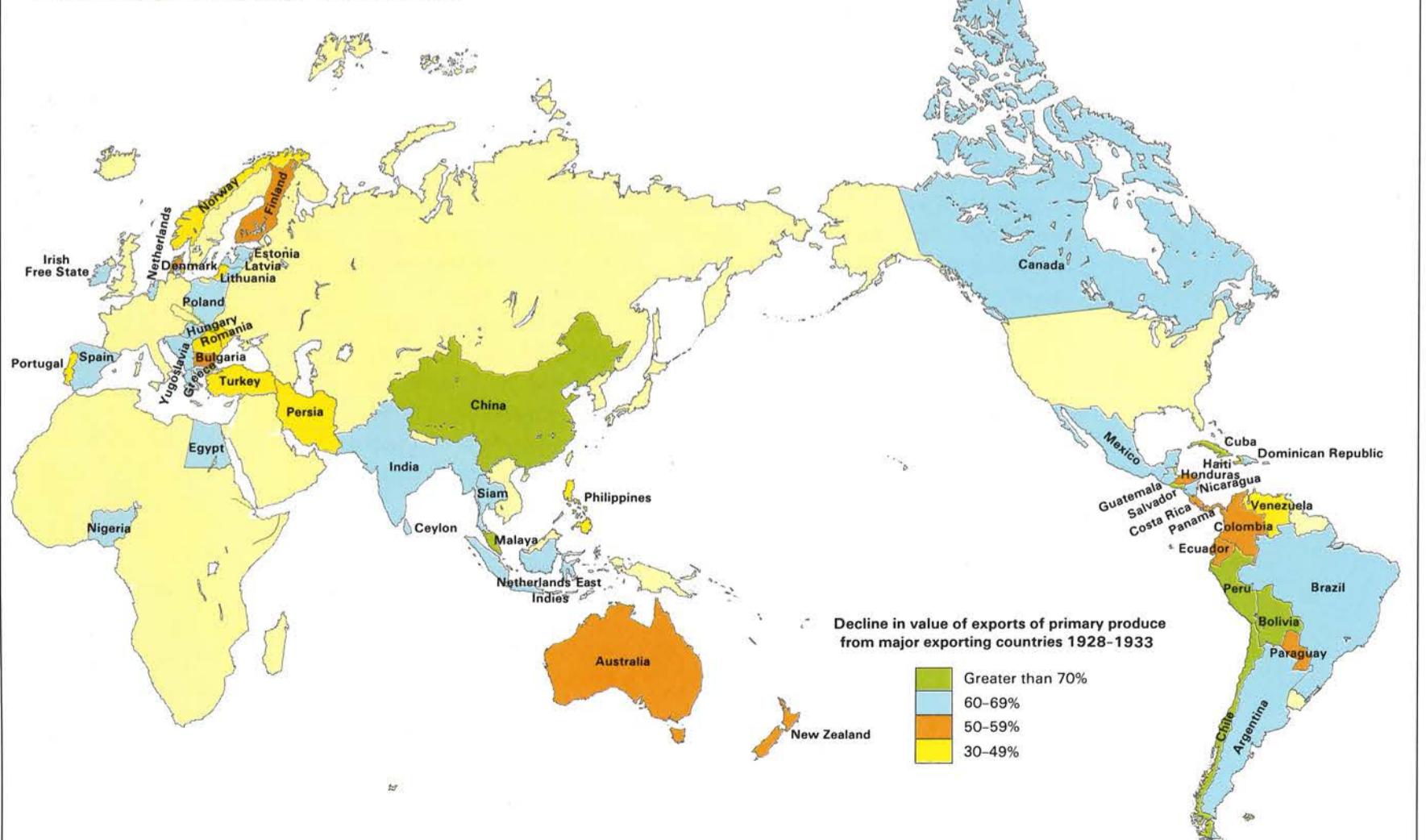


Contracting spiral of world trade 1929-1933

Unemployment rates 1920-1939



Declining primary exports 1928-1933



Export prices

The Australian economy, dependent on overseas markets, was severely affected by falling export prices. This situation was made more critical because the nation was deeply in debt. Australian governments had borrowed large sums of money overseas to finance World War I and, during the 1920s, to pay for development programs: land settlement, assisted immigration from Britain, the building of railways and the extension of roads, electricity and sewerage services. As export prices declined, income earned from exports fell accordingly. Between 1928 and 1931, for example, export prices measured in £ sterling fell by nearly 60 per cent. Yet interest due on the national debt had to be paid; the proportion of the export income spent on interest repayments rose. By late 1929, nearly 25 per cent of the income earned by Australian exports was needed to meet interest payments. As world prices continued to decline during the 1930s, the situation worsened. Gold stocks and Australian funds held in London were devastated. Australia devalued its currency, left the gold standard and set an exchange rate of £stg 100 to £A 125 that remained in force for the next 30 years.

Economic decline

All sectors of the economy experienced marked decline. The coincidence of the lowest levels of output in the economy during the early 1930s is clearly shown in the second graph on this page. Pastoral and agricultural output dipped suddenly at the end of the 1920s, falling to their lowest levels during 1931 and 1932. Mining also dipped after 1925, reaching its lowest level in 1931. Public investment decreased from the mid-1920s and there were severe cutbacks on railways, rural development and land settlement schemes. Manufacturing investments, which increased in the early 1920s, reached a plateau towards the end of the decade before sharply declining. With the interest on the loans raised in the early 1920s to be paid for largely by overseas earnings, confidence in the Australian economy ebbed. Overseas funds became difficult to attract, production levels fell and the number of unemployed increased.

Trade union unemployment

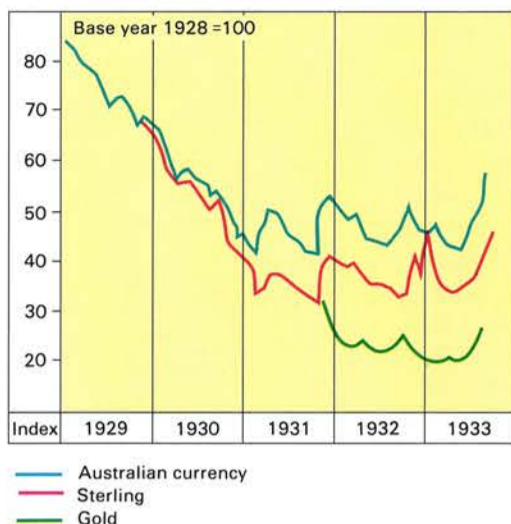
The most comprehensive unemployment figures collected during the 1920s and 1930s were those for members of trade unions. They provide a fair indication of general unemployment in Australia.

Unemployment peaked in all states in the first two years of the 1930s. When set against the national average for 1927–36, the pattern of state unemployment for trade union members shows some marked contrasts. Unemployment did not occur uniformly across the nation, although at least 15 per cent of unionists lost their jobs in every state.

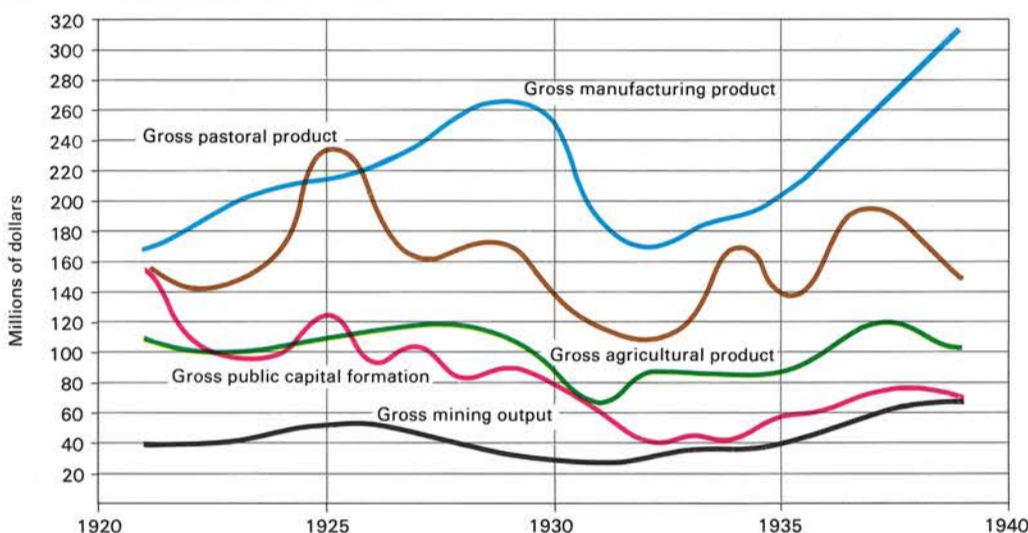
The most dramatic and sustained level of unemployment occurred in South Australia. Here the level of unemployment quickly worsened in 1928 and again in 1930, 1931 and 1932: in the worst years unemployment among trade unionists in South Australia reached 35 per cent, or 7 per cent above the national average. These figures lend support to the popular belief that South Australia was first and worst hit by the Depression; its unemployment levels were higher than the national average until 1936.

Unionists in Queensland fared better in a decentralised economy which relied less on manufacturing than the other states. The sugar industry managed to survive the depression without experiencing a major drop in production, in its turn providing employment in other areas of the economy, such as transport. Nonetheless, more than 20 per cent of trade union members lost their jobs.

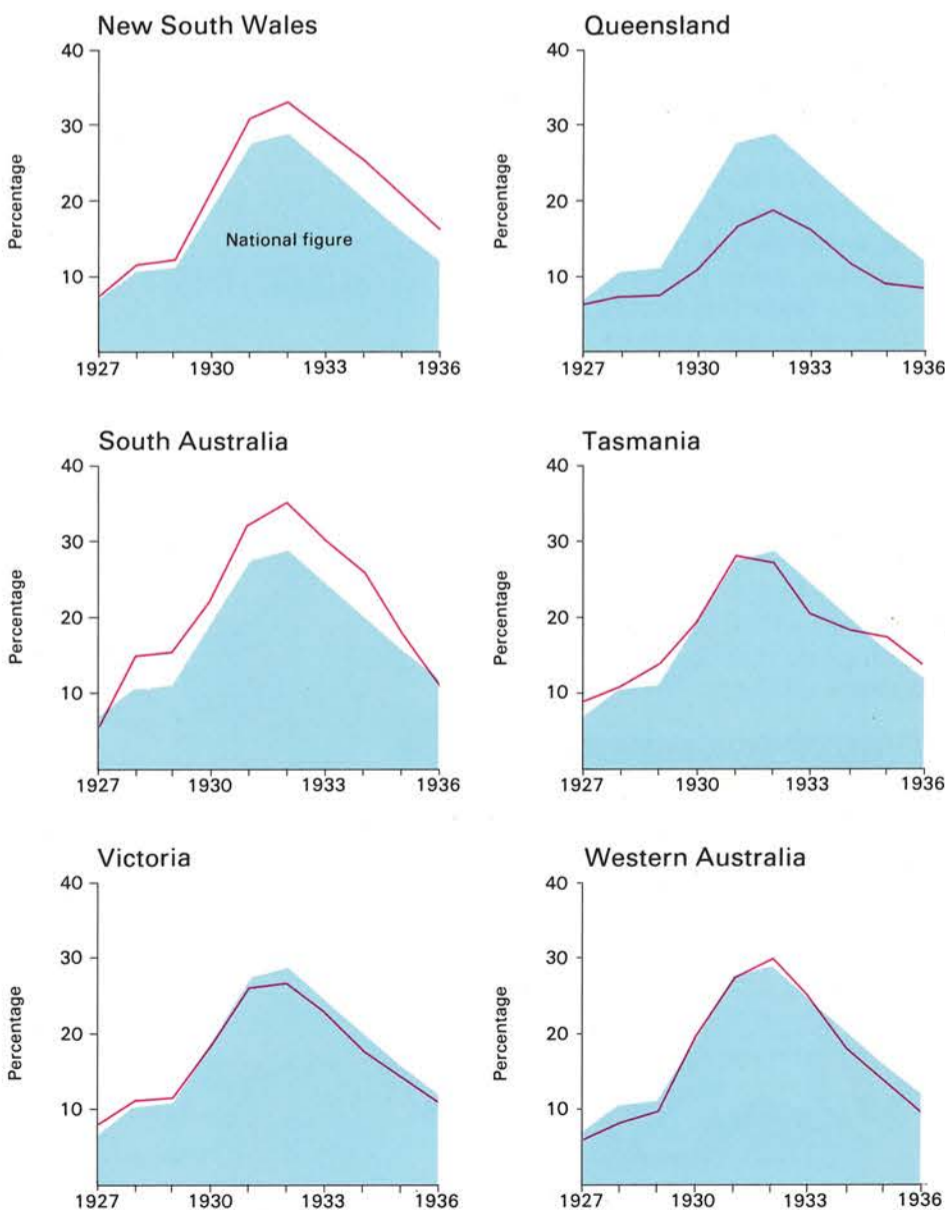
Australian export prices index 1929-1933



Australian domestic product



Unemployed trade unionists 1927-1936



Unemployment 1921 and 1933

The censuses of 1921 and 1933 provide two snapshots of unemployment, one at the start of the post-war boom and the other at a time when Australia was just beginning to emerge from the most serious depression it had ever experienced. At the 1921 census 9.6 per cent of wage and salary earners were unemployed; in 1933 22.9 per cent were unemployed. At both censuses unemployment varied between states, with the greatest number of unemployed in New South Wales — in 1921, 62 000 people were without work and by 1933 this had more than trebled to 222 000. The most dramatic rise in unemployment occurred in South Australia, where in 1933 44 000 or one-quarter of the state's wage earners were unemployed, four times as many as in 1921. Western Australia and Tasmania had the lowest levels of unemployment, although in both states more than 18 per cent of wage and salary earners were without work, more than double the 1921 level.

Loss of factory jobs

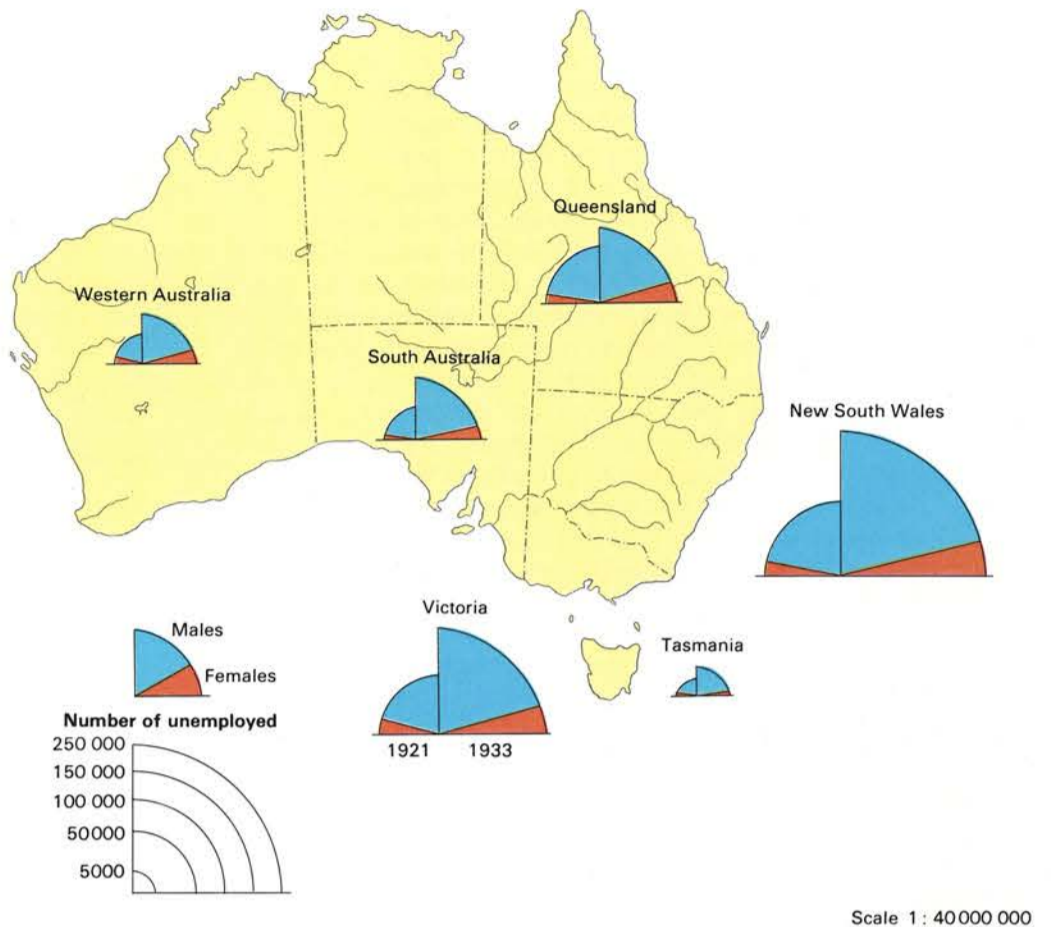
During the first half of the 1920s, British, American and Australian firms, aided by tariff barriers, expanded existing manufacturing plants and established new ones. In Victoria, for example, more than 2500 new factories were opened between 1918 and 1927, including a Ford assembly plant at Geelong in 1925 and a General Motors assembly plant at Melbourne in 1926. In 1928–29, the base year for the six adjoining graphs, there were 180 000 factory employees in New South Wales, 157 000 in Victoria, 45 000 in Queensland, 37 000 in South Australia, 21 000 in Western Australia and 10 000 in Tasmania. One-quarter of the 450 000 factory workers were females.

From late 1929 factory workers were retrenched in all states. The severity and extent of job losses in manufacturing varied by state, by industry and by sex. Losses were most severe in South Australia, New South Wales and Western Australia, where 30 to 40 per cent of male factory workers were retrenched. Not until 1935 did the number of men employed in factories in these states return to pre-depression levels. The loss of jobs in manufacturing in Victoria was lower than in the other states and recovery was quicker. From 1930 to 1932 Victoria lost just over 20 per cent of its factory jobs but the number of men employed in factories was back to its predepression level by the end of 1934.

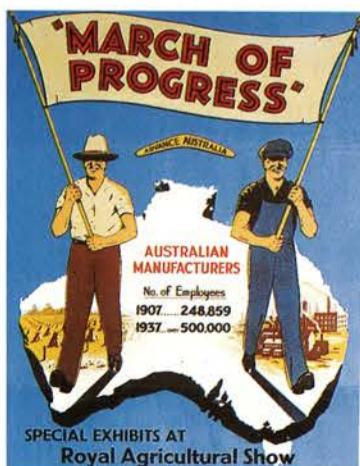
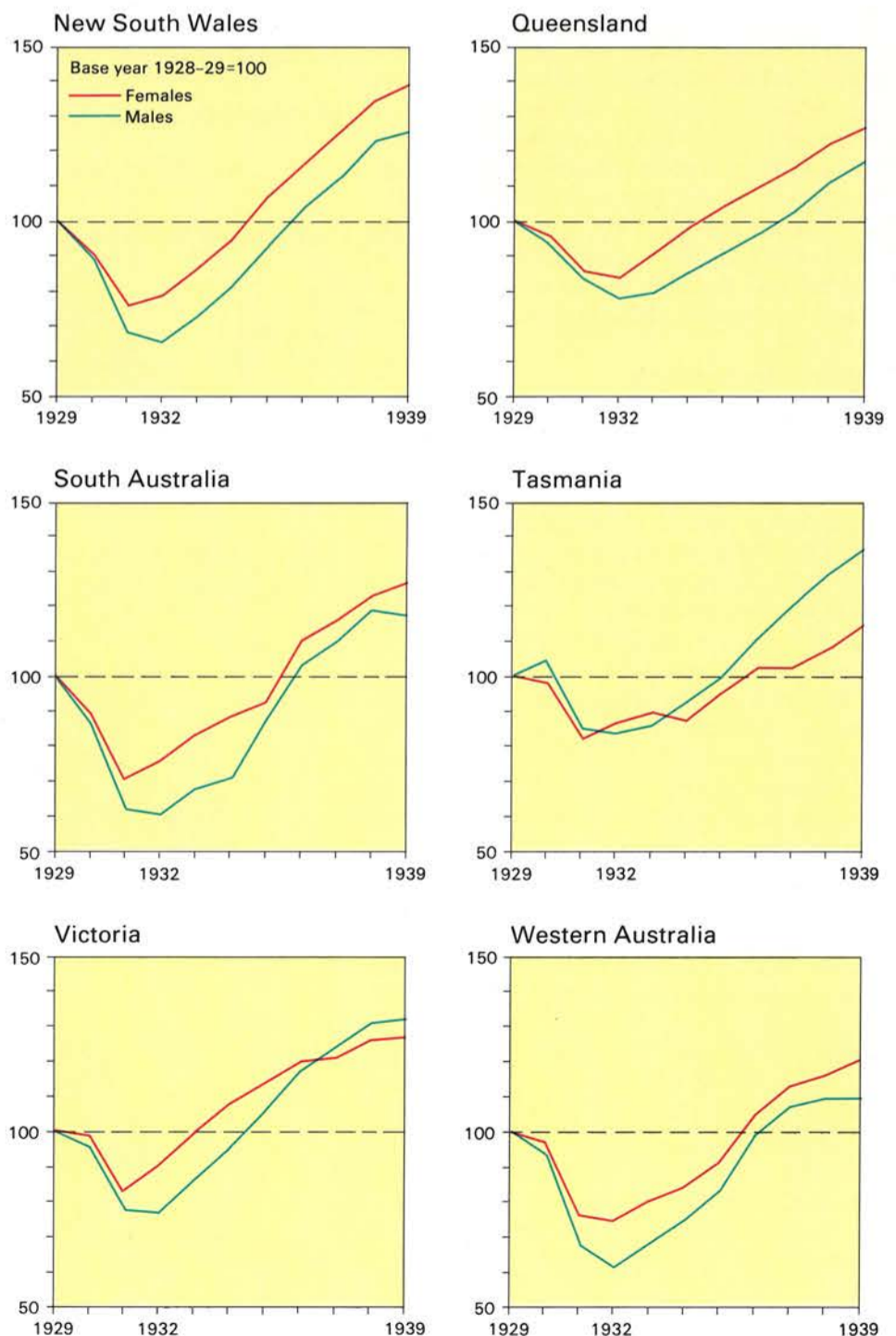
Job losses were not restricted to men; thousands of women were put out of work. In every state except Tasmania, job losses for females were fewer than for males.

Many without work in 1933 were not counted among the unemployed, including youths who had left school but who had not been able to obtain work, and those who would not admit to being out of work, often for fear that doing so would cause others to look down on them.

Male and female unemployment 1921 and 1933



Index of employment in factories 1928-1939



In this poster produced by the Made in Australia Council for Melbourne's show week in 1938, agriculturalists and manufacturers have left the depression behind.

Characteristics of unemployment: state differences

The largest proportion of unemployed males had worked in manufacturing. Sixty-three per cent of those out of work in Victoria and South Australia had previously been employed in factories and even in Queensland, where manufacturing was a less important element in the economy, 53 per cent of those out of work had previously been employed in manufacturing.

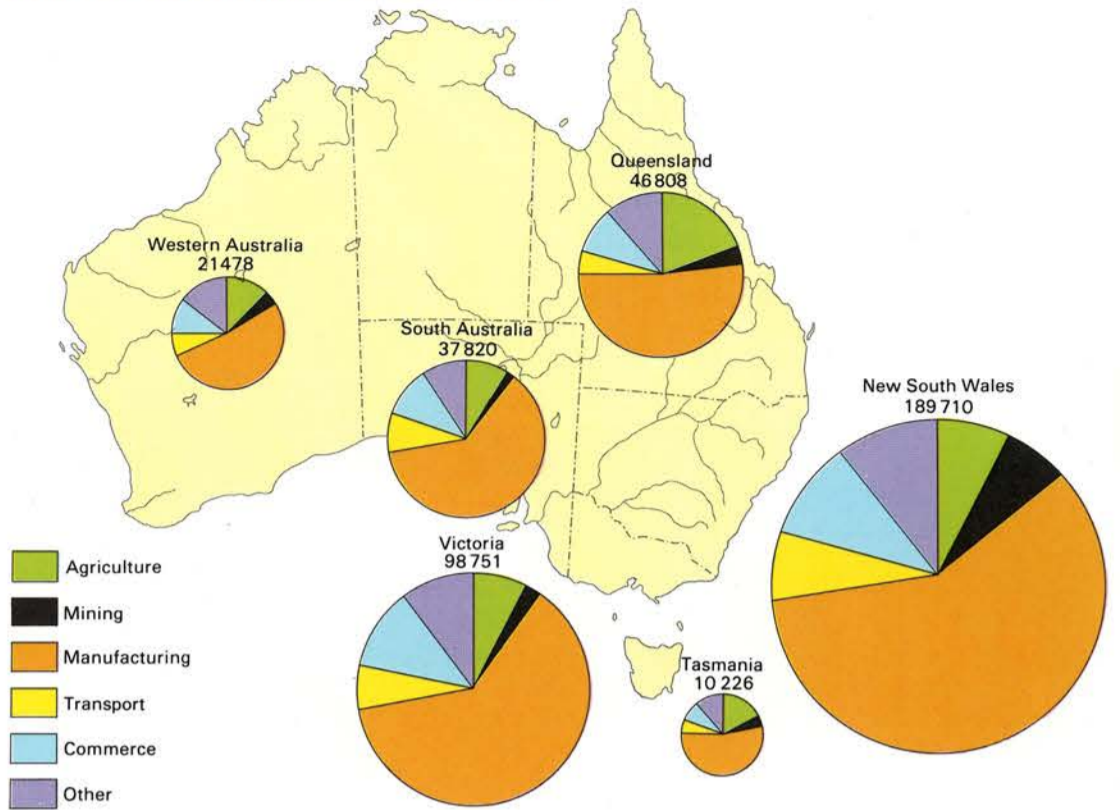
Agricultural workers made up a large percentage of the unemployed in Queensland, Tasmania and Western Australia. In these states between 12 and 19 per cent of the unemployed had previously worked on the land. Towns whose economies depended on mining suffered more than most communities. Throughout Australia some 18000 miners were without work in 1933; this represented 4.5 per cent of all males unemployed. In New South Wales about 40 per cent of miners were out of work. The proportion of those who normally worked in commerce and transport and who were unemployed was similar from state to state, averaging about 10 per cent for commerce and 6 per cent for transport.

Length of unemployment

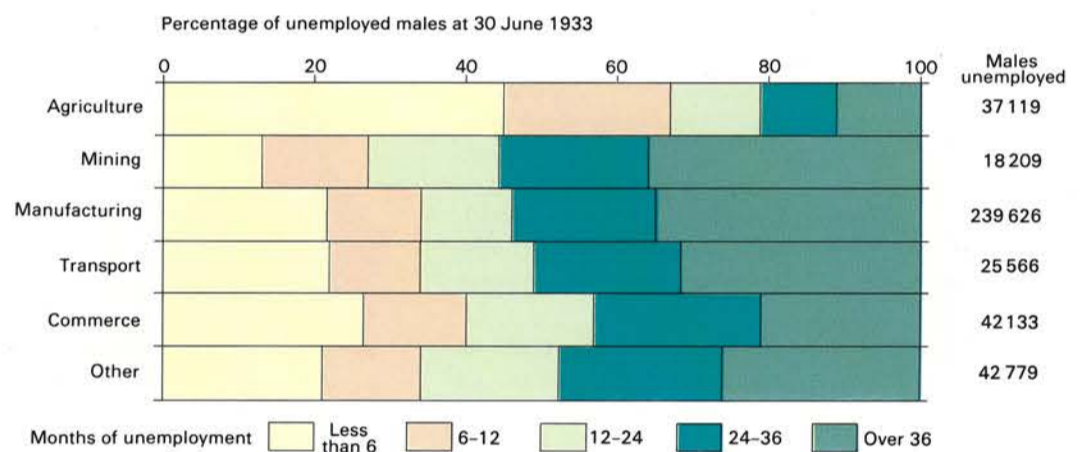
Nearly two-thirds of the 405 432 males unemployed in 1933 had been out of work for more than a year. In some industries such as mining, manufacturing and transport more than half the male unemployed had been without work for more than two years. Thirty-five per cent of miners, chiefly coalminers, had not received a pay packet for more than three years.

The capital cities, with 47 per cent of the total population, accounted for 58 per cent of the nation's unemployed. In Victoria three-quarters of the unemployed were in Melbourne, while in South Australia some 70 per cent were in Adelaide. Perth contained 62 per cent of the state's unemployed. Sydney accounted for 57 per cent of the unemployed in New South Wales. In Queensland, where provincial towns and rural districts had large numbers of unemployed, Brisbane accounted for less than 40 per cent of the total. As in Queensland, more than one-third of the unemployed in Tasmania were in the country, but in all other states less than one-quarter of the unemployed were in rural areas.

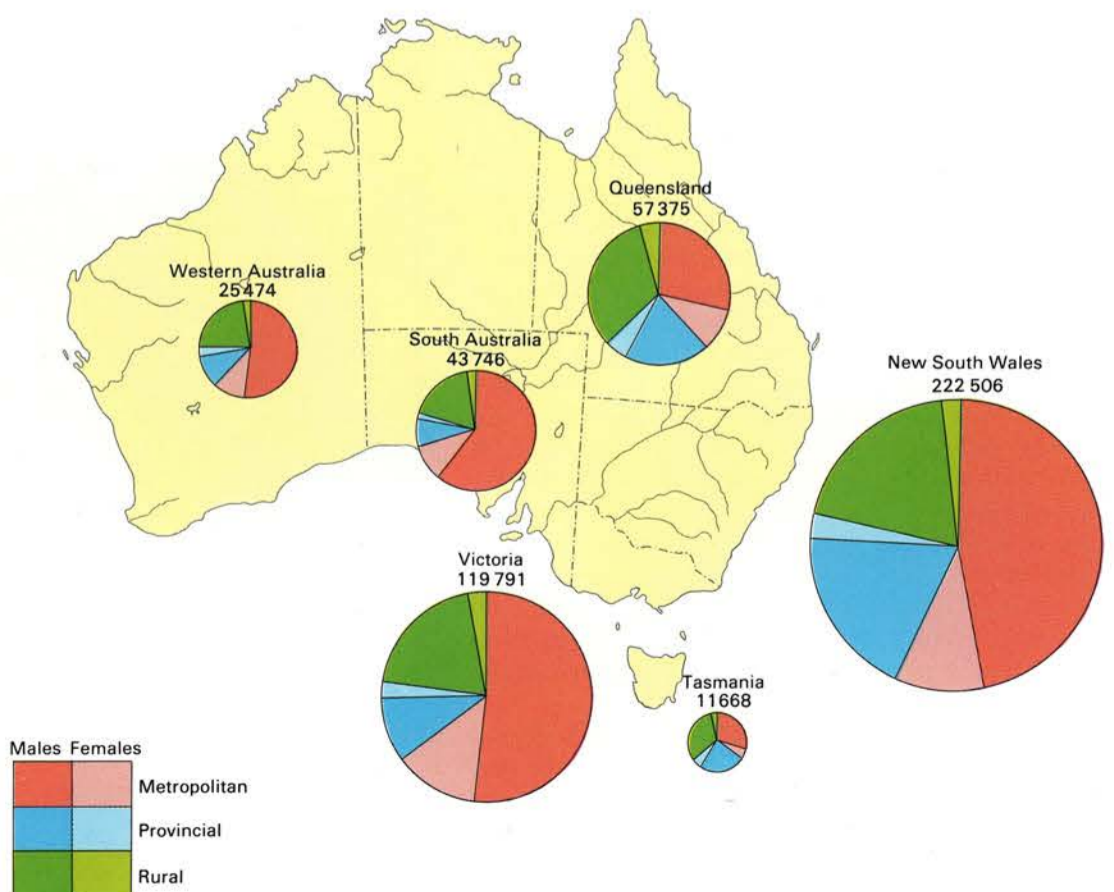
Male unemployment by industry 1933



Duration of male unemployment 1933



Urban and rural unemployment 1933



As the depression deepened during the early 1930s, governments provided limited relief for the unemployed and their families, but most had to rely on charity. Here, men gather for a meal at a Melbourne soup kitchen.
THE SALVATION ARMY

Metropolitan unemployment and poverty

MOST OF THE nation's unemployed were in the capital cities. There were 279 000 without work in the six capitals. Of those seeking work 226 000 were men. The rate of unemployment in cities varied as much from suburb to suburb as from city to city. The maps of metropolitan areas reflect four ranges of unemployment categories, derived by dividing the list of Local Government Areas within the capital cities into four equal groups. Those LGAs with the highest percentage of unemployment fall into the first category and range between 25.1 and 42.7 per cent.

Adelaide had high levels of unemployment; over half the city had a rate greater than 19.6 per cent. The northern and central parts of the city had more than 25 per cent of male breadwinners out of work and in some suburbs, e.g. Port Adelaide, this rose to more than 30 per cent. In contrast to Adelaide, Brisbane had only two suburbs, Fortitude Valley and Kurilpa, where unemployment exceeded 19.6 per cent. Most of Brisbane's metropolitan area had less than 15.1 per cent of adult males without a job. Hobart also had a comparatively low unemployment level.

Central Melbourne experienced high rates of unemployment and the inner-city suburbs of Richmond, Collingwood and Fitzroy all had levels above 25 per cent. The western suburbs had lower levels of unemployment and the bayside suburbs had the lowest levels, generally below 15.1 per cent. In Perth the only suburb in which more than one-quarter of the men were without work was North Fremantle. With a rate of 27.2 per cent, it stood in contrast to Peppermint Grove and Nedlands, which had rates of 8.1 per cent and 9.9 per cent respectively. Unemployment in these two suburbs was among the lowest in the nation.

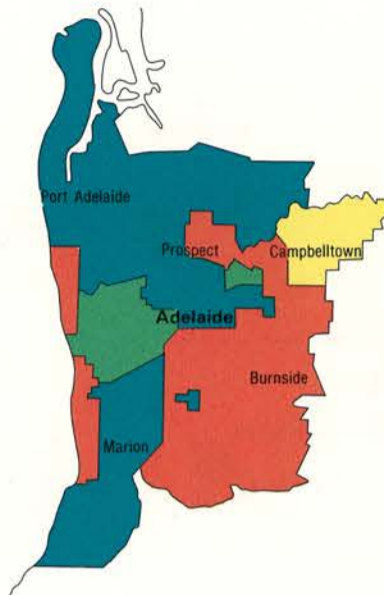
Sydney had many suburbs with high rates of unemployment including inner-city areas of Alexandria, Erskineville, Redfern, Darlington and Glebe with rates above 35 per cent. The level of unemployment was also high in the city's western suburbs. The wealthy suburbs of Strathfield and Vaucluse had rates of 13.4 per cent and 10.6 per cent respectively. North of the harbour, Mosman and the outer suburban area of Kuring-gai also had low unemployment. These low rates might be underestimates, however, as many middle-class men may not have been prepared to admit to the census collector that they were unemployed.

With unemployment came job queues, the sight of the unemployed lined up to scan the 'positions vacant' pages of the metropolitan dailies, and protest marches, strikes and demonstrations, sometimes accompanied by violence. Thousands of families lived in poverty and keeping a roof over one's head became as important as finding or keeping a job. With more than one-third of the workforce jobless the depression was a time of extreme and widespread hardship for men, women and children alike. The dole was the only means of subsistence for many thousands of households. About one family in four had no other means of support. The hungry were fed at soup kitchens throughout the metropolitan areas. Thousands dosed down in city parks, on railway stations and in odd shelters. Others built bag or iron humpy dwellings in shanty towns on the edge of the metropolitan areas.

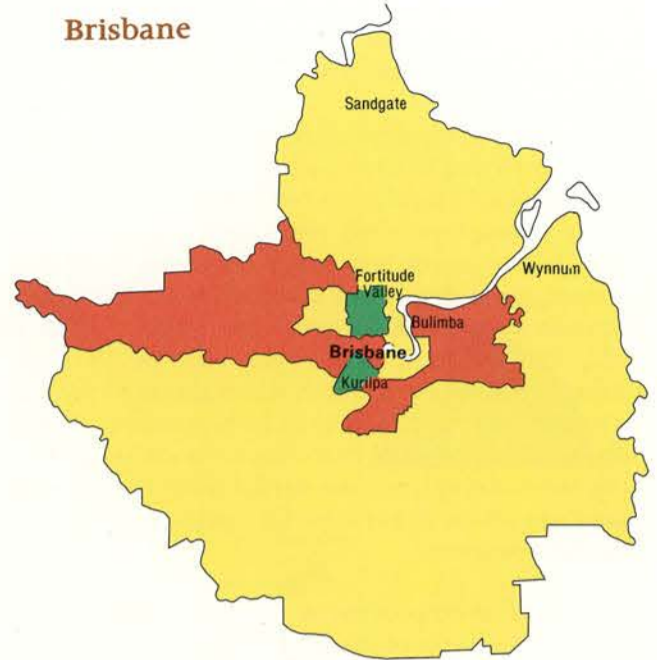
The information collected in the 1933 census about personal income earned in the previous year gives a good indication of the extent of economic hardship throughout the community.

Work rationing was extensive in almost every industry of the private and public sectors. This enabled many people to keep their jobs, even though they only worked two or three days a week. Returns

Adelaide



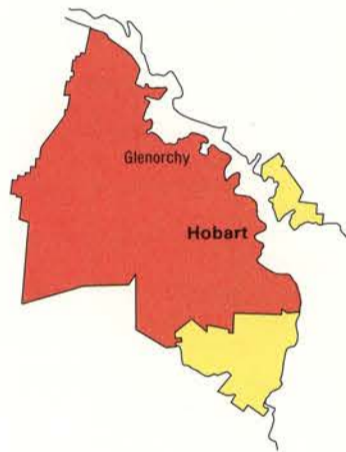
Brisbane



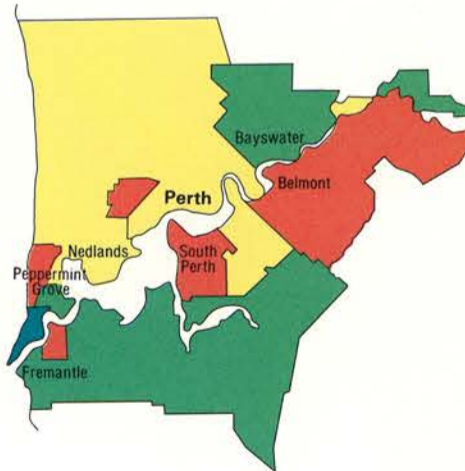
Melbourne



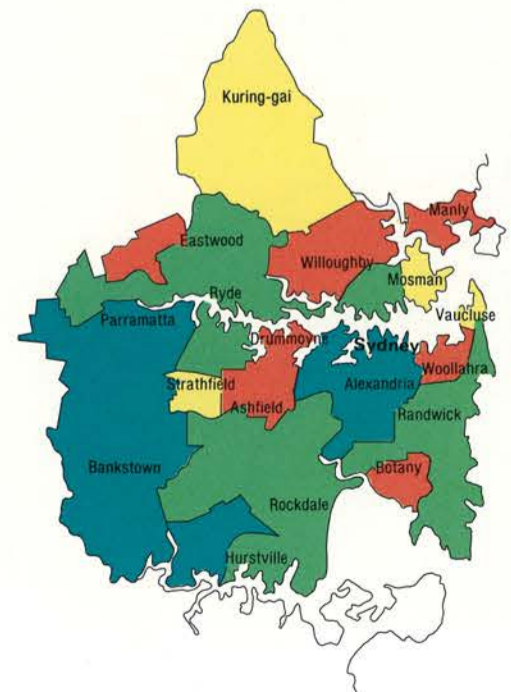
Hobart



Perth



Sydney



Male unemployment



Percentage of male breadwinners unemployed at June 1933

Scale 1:500 000
0 5 10 15 20 Kilometres

on male incomes show the differences between cities as well as between suburbs within cities. They help to identify communities that suffered the greatest poverty during the depression. Although the census collected information on the weekly earnings of women, these returns are less satisfactory for identifying the differences between cities and suburbs because fewer women were in the workforce and because most were in lower-paid jobs, being rarely paid more than 54 per cent of the male wage. The basic wage (£163 per annum in 1933) was designed for a man and his wife and two children, but it was also paid to single men without dependants. Two-thirds of male breadwinners had earned less than this in the previous twelve months. Single women with dependants had to try and survive on 54 per cent of the basic wage.

This series of maps for metropolitan areas shows the proportion of male wage earners who received less than the basic wage. All the capitals except Brisbane had suburbs in which at least two-thirds of male wage earners had received less than the basic wage in the previous twelve months. Throughout the Adelaide metropolitan area the proportion of wage earners who received less than the basic wage was high. In every suburb at least half the men received less than the basic wage. The poorest suburbs were Port Adelaide to the north, the southwestern suburb of Marion and the inner western suburbs.

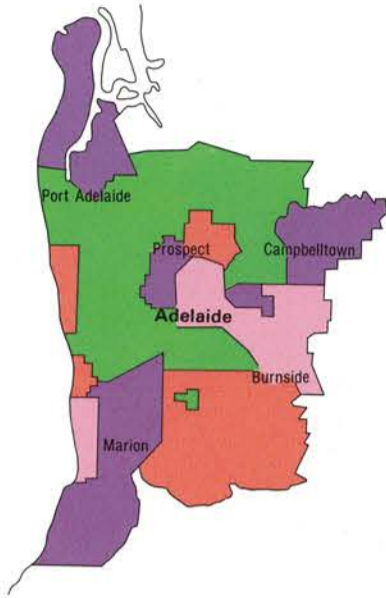
In Perth the poorest areas were the eastern suburbs of Canning, Belmont Park and Bayswater and the port suburbs of Fremantle and North Fremantle. In Sydney, the largest number of poor households was found in the inner-city area and the western suburbs. These areas contrast with the eastern and northern suburbs of the city. At least 55 per cent of the male workers in Vaucluse, Mosman and Willoughby earned the basic wage. Melbourne also had its poorer districts, particularly Port Melbourne, Collingwood, Fitzroy and Richmond. These stood in sharp contrast with the bayside and eastern suburbs.

Many families were forced to leave their homes because they were unable to pay the rent. Many more had to subsist on inadequate diets.



'Tea and cakes - one shilling - Bavin's basic wage.' Cartoonist George Finney passes bitter comment on the inactivity of the Bavin government in New South Wales as the number of unemployed rose with the onset of the Great Depression. 'Cakes' is an allusion to the remark made by Marie Antoinette as starving people demanded bread on the eve of the French Revolution: 'Let them eat cake.' Labor Daily, 10 Oct 1930.

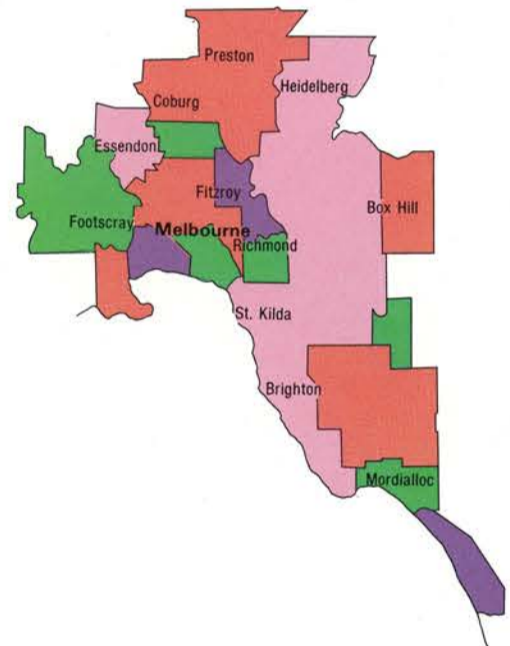
Adelaide



Brisbane



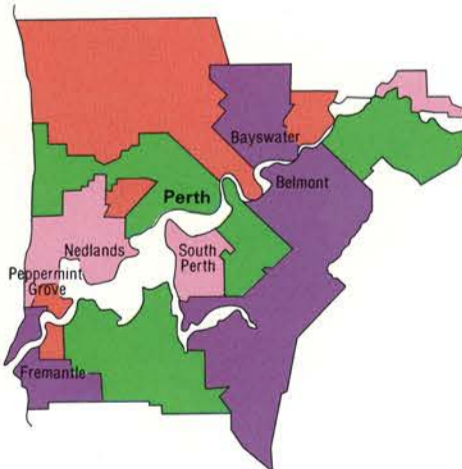
Melbourne



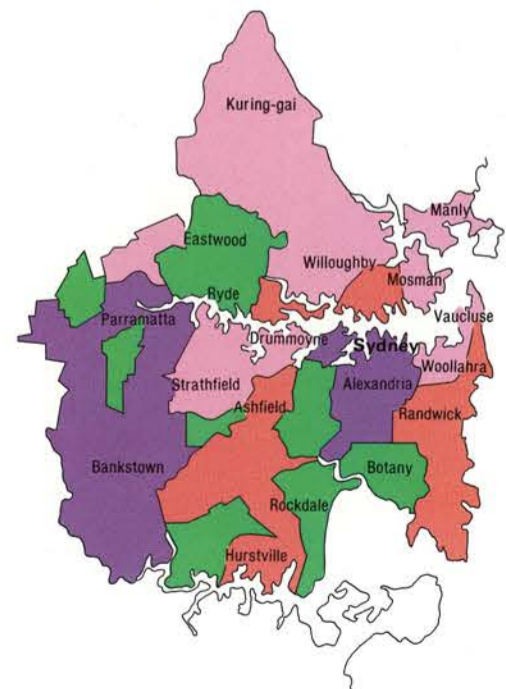
Hobart



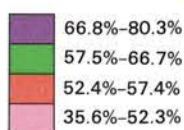
Perth



Sydney



Poverty



Percentage of male breadwinners who earned less than the basic wage at June 1933

Scale 1 : 500 000
0 5 10 15 20 Kilometres

THIS MAP SHOWS the level of male unemployment outside the metropolitan areas. Forty-four per cent of Australia's 405 000 unemployed males lived outside the capital cities: 74 000 in provincial cities and towns and 104 000 in rural areas. The level of unemployment in the country varied greatly: from less than 1 per cent in the remote rural districts of Western Australia to more than 60 per cent at Greta, a coalmining settlement west of Newcastle in New South Wales. Many country towns experienced high levels of unemployment.

The four categories used to map unemployment are based on a list of country towns and rural areas throughout Australia, which is arranged in order of highest to lowest in proportion of unemployed. Each category comprises an equal number of districts. Country towns and rural areas in the top quarter form the category with a level of unemployment greater than 18.3 per cent. Those in the bottom quarter (that is, those areas least affected by unemployment) form the category with less than 7.1 per cent unemployed. The two other categories identified are 7.1 to 10.8 per cent unemployed and 10.9 to 18.3 per cent.

At the June 1933 census, New South Wales had a total of 85 000 unemployed. Only six of the state's country towns had an unemployment rate of less than 10.9 per cent, while seventy-six municipalities outside the Sydney metropolitan area had a rate above 18.3 per cent. Many shires also had an unemployment rate above 10.9 per cent. The central tableland shires around Mudgee and Dubbo were hard hit, as were the towns in the wheat-sheep belt of the state, including Cowra and Young. In the far west, work was also scarce. The least affected areas of the state were the far north coast and the northern part of New England around Tenterfield. The coastal rural industries of sugar-growing and dairying withstood the depression far better than the wool and wheat industries. World sugar prices remained firm for much of the depression, while dairying was little affected by international fluctuations as most of the produce was destined for domestic markets.

Queensland had 31 000 unemployed. The south-east of the state, with the exception of the coastal district of Southport, suffered a generally lower level of unemployment than the rest of Queensland. But on the pastoral properties of southwestern and central western Queensland, there were few jobs and unemployment was high.

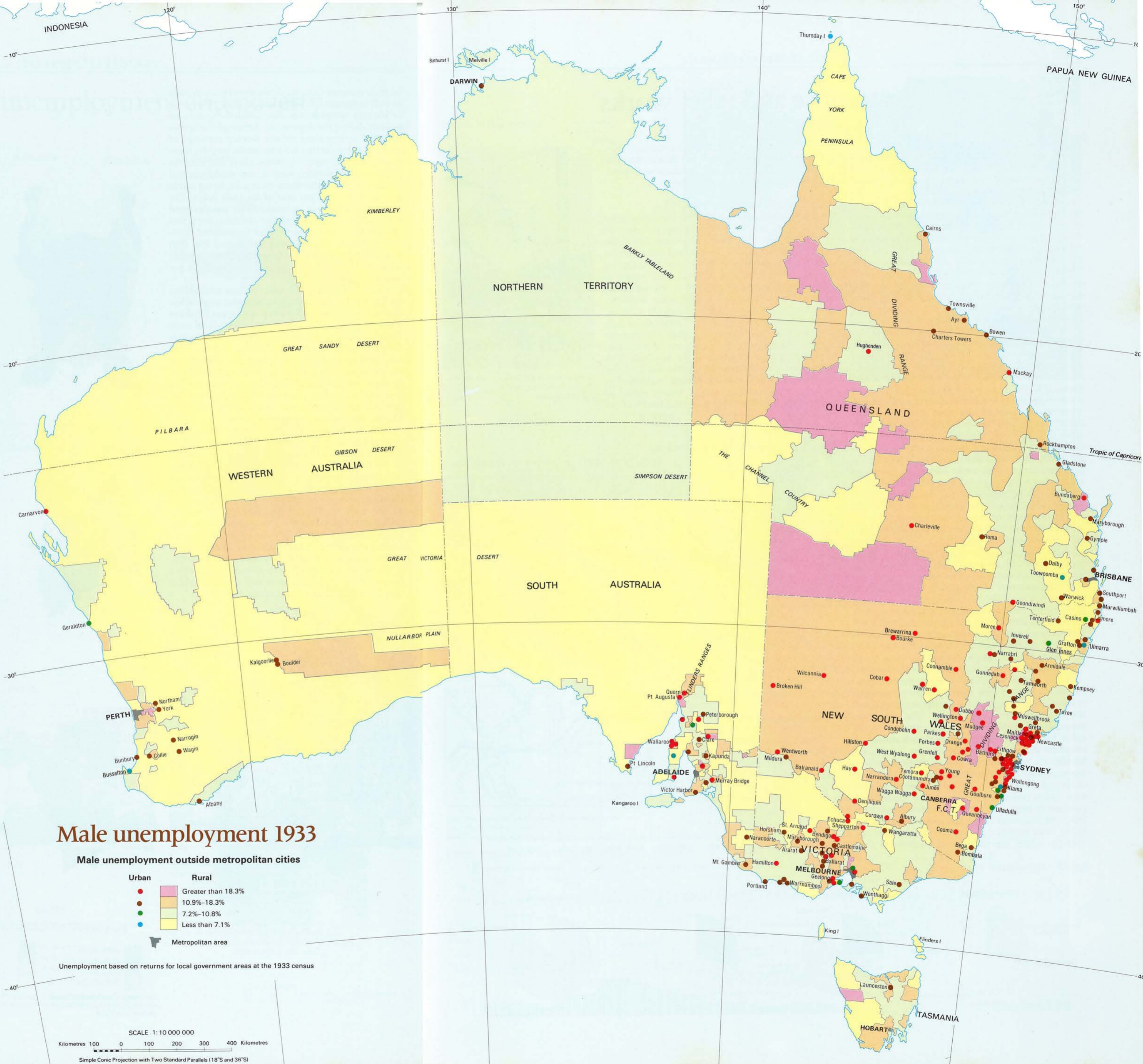
The total unemployed in Victoria was 36 000. Central Victoria was badly affected by the depression; most of the rural shires from Melbourne to Shepparton had levels of unemployment above 10.8 per cent, while the towns were above 18.3 per cent. Unemployment was lowest in northern and north-western Victoria and in the coastal shires, where dairy farming suffered less than most rural industries.

In Tasmania, with 7 000 unemployed, the highest level was on the west coast. Above-average levels of unemployment were also found on the north coast.

Although South Australia had 11 000 unemployed, one of the highest proportions in Australia, unemployment was confined to a small number of rural towns and shires, and Adelaide.

In Western Australia, with 8 000 unemployed, the level of non-metropolitan unemployment was generally lower than elsewhere. Except for a small pocket of relatively high unemployment just inland from Perth and that associated with the Eastern Goldfields around Kalgoorlie, the coalmining town of Collie in the southwest, and the wheat towns of Narrogin and Wagin, there were few non-metropolitan areas where the unemployment level exceeded 7.1 per cent.

In the Northern Territory, only 361 men recorded themselves as unemployed and one-third of these were in Darwin.



Male unemployment 1933

Male unemployment outside metropolitan cities

- | | |
|----------------------|----------------------|
| Urban | Rural |
| ● Greater than 18.3% | ■ Greater than 18.3% |
| ● 10.9%–18.3% | ■ 10.9%–18.3% |
| ● 7.2%–10.8% | ■ 7.2%–10.8% |
| ● Less than 7.1% | ■ Less than 7.1% |
| ■ Metropolitan area | |

Unemployment based on returns for local government areas at the 1933 census

SCALE 1:10 000 000
 Kilometres 100 0 100 200 300 400 Kilometres
 Simple Conic Projection with Two Standard Parallels (18°S and 36°S)

Sustenance and relief works

APART FROM QUEENSLAND, no state had a system of unemployment relief before the Great Depression. In 1923 a Queensland Labor government introduced an unemployment insurance scheme that covered about 60 per cent of the workforce. Elsewhere in Australia, the relief of unemployment was mainly confined to the allocation of government funds for public works such as roads and dams, and the issue of food orders and government subsidies to charitable organisations. There was little co-ordination among the various government departments responsible for relief work. None of the measures (including the government-controlled scheme in Queensland which limited benefits to fifteen weeks), was geared to combat hardship caused by long-term unemployment.

By late 1930 unemployment had become so serious that additional measures were needed. Each state hurriedly introduced a system of unemployment relief, although the questions of how it should be financed and by whom caused considerable debate. From 1932 the federal government became more active in providing funds to alleviate unemployment. To monitor expenditure on relief work, unemployment councils were set up in each state. Two main types of relief were provided: sustenance or food rations, and relief work, which could range from temporary and intermittent to long-term employment on a major public works scheme. As unemployment worsened through 1931 and 1932 the number of people receiving sustenance rose, peaking in 1932 at about 670 000. As relief work programs were set up and as economic conditions slowly improved, the number decreased, although more than 100 000 were still receiving sustenance in 1936.

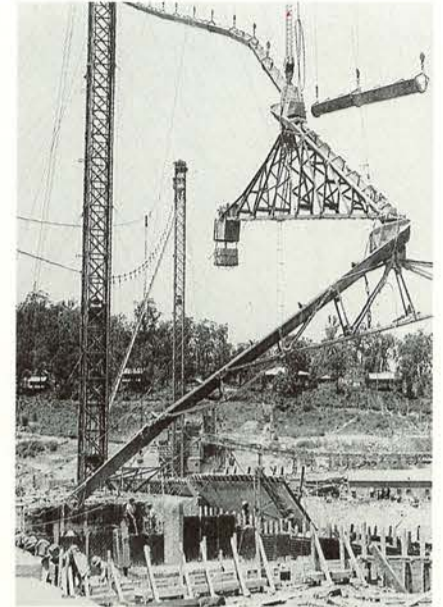
To obtain 'susso' a person had to have been out of work for fourteen days and have been registered as unemployed for seven days. In some states those who received sustenance were required to work for it. In Victoria, for example, the government declared that in return for rations men could be asked to work at such jobs as establishing and maintaining parks and gardens, constructing and maintaining roads and footpaths and repairing and renovating public buildings. In Western Australia, single women were expected to work regularly at sewing centres in return for rations.

Before mid-1932, political attitudes and economic conditions allowed little more than the provision of rations for the unemployed. After this date a wide variety of government schemes began. The number on sustenance fell as employment rose on relief works called 'reproductive works': building roads and dams, irrigation works and sewerage schemes. Ideally, the benefits of a 'reproductive work' would become obvious soon after its completion. Works that employed the largest numbers of men for the money expended were given preference and those that required the purchase of large quantities of machinery and materials were discouraged. The allocation of relief money varied from state to state. In New South Wales and Victoria, where the numbers of unemployed were

greatest, a large proportion of relief expenditure went to provide food. In Queensland and Western Australia, where the numbers of unemployed were lower, spending on public works was much higher.

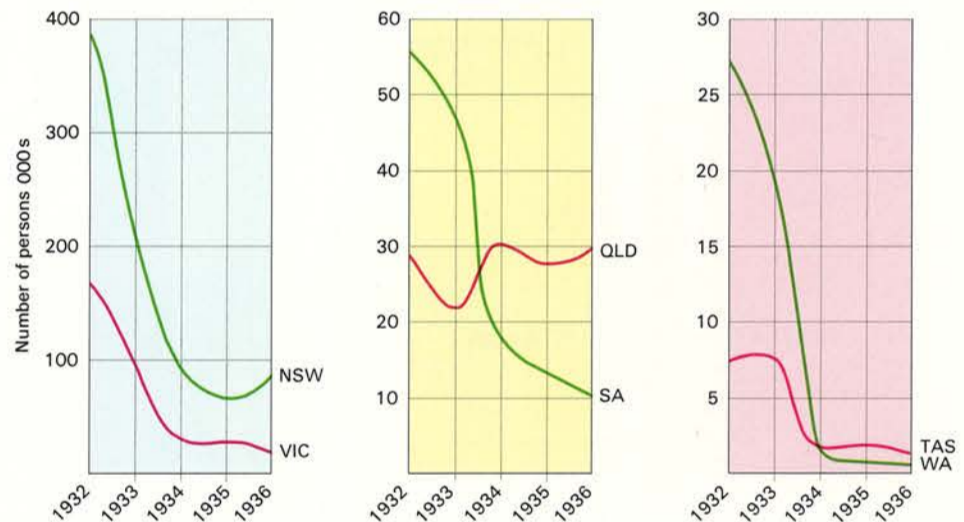
Relief work in Western Australia

Water supply and sewerage schemes were suitable for relief works because little skill was required. All state capitals extended their sewerage systems during the Great Depression using the pick and shovel of the worker on relief schemes. In Western Australia, for example, the government allocated relief money to sewerage development in Perth and to overhauling the water pipelines to the towns of the Eastern Goldfields. In 1931 relief workers began building the Canning Dam, 45 kilometres from Perth. Thousands of men were also put to work on irrigation and drainage schemes. Throughout the southwest of the state, forestry projects provided work for hundreds. The government also attempted to settle some of the unemployed on the land. A scheme established in Nornalup, 90 kilometres west of Albany, started 81 married men on 120-acre (48-hectare) forest blocks to be cleared for dairy farming.

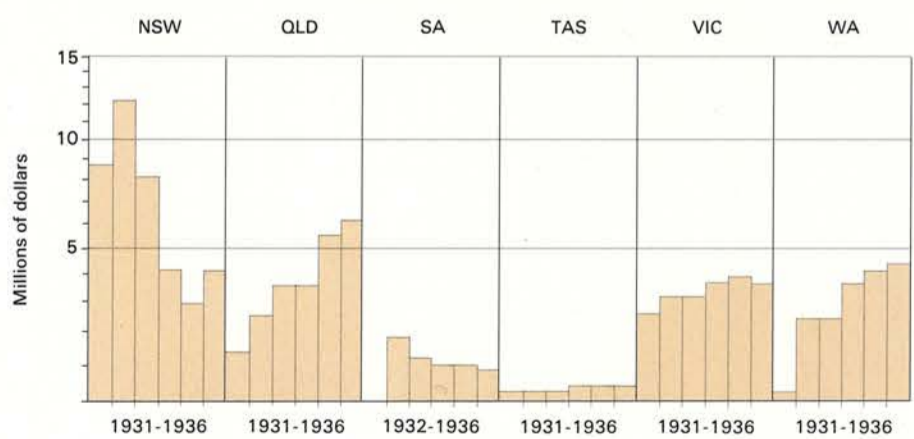


Relief workers on the Canning Dam site in Western Australia in early 1934. BATTYE LIBRARY

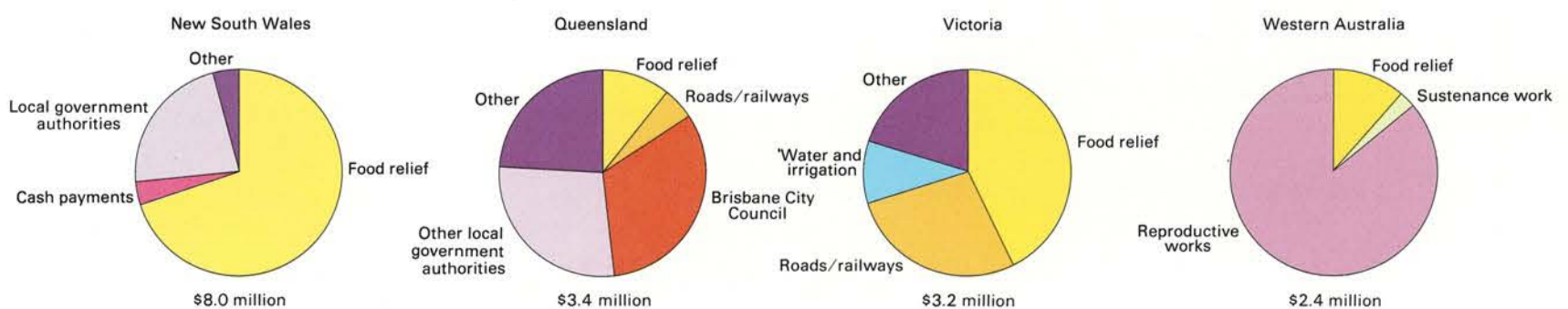
Number in receipt of sustenance



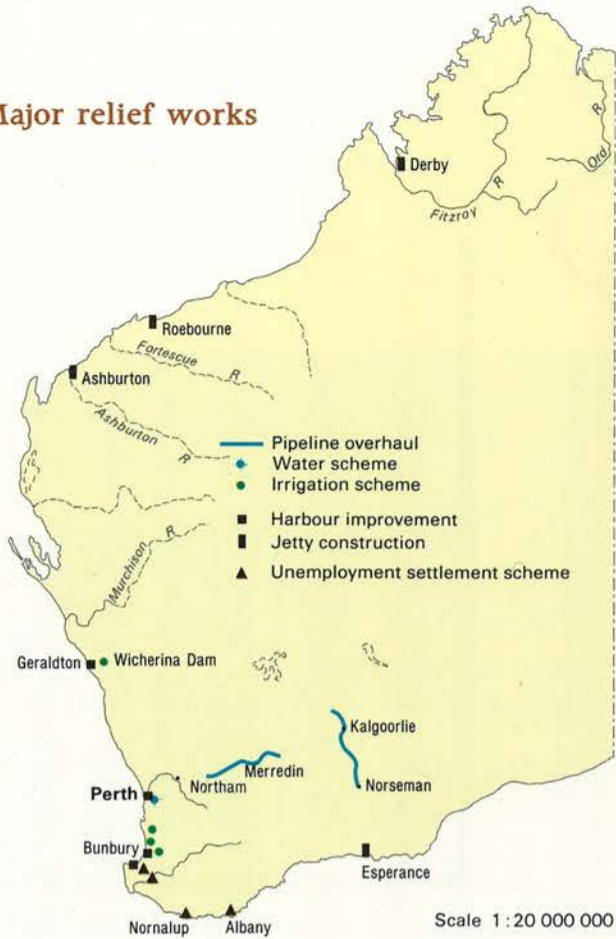
Expenditure on relief 1931-1936



Relief expenditure 1933



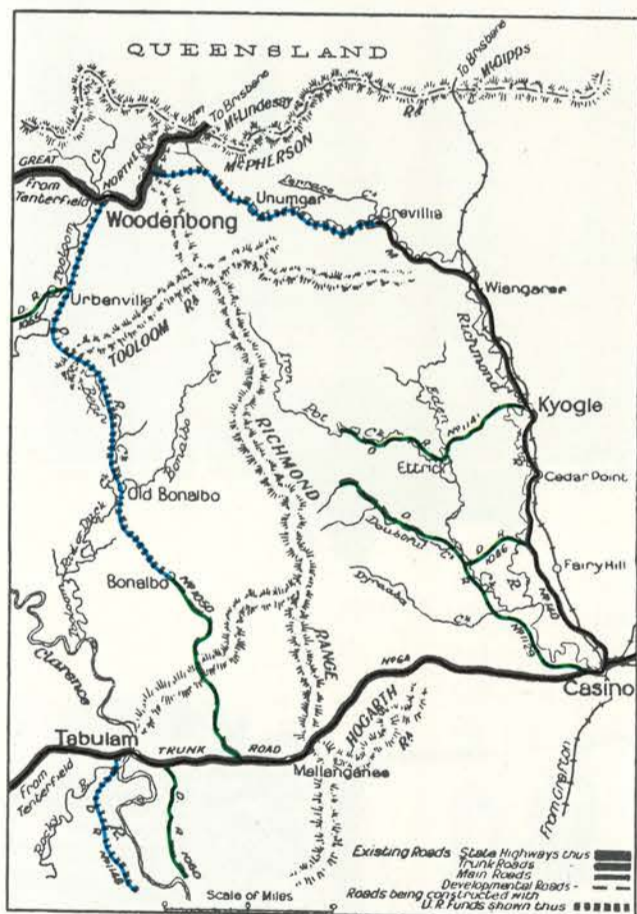
Major relief works



Unemployment relief schemes were introduced in all states during the Great Depression. They were labour-intensive and usually gave immediate benefit on completion. Roads were improved, dams were built and metropolitan sewerage systems were extended. Shown here is the building of the Harvey Dam in Western Australia (photograph c1932). BATTYE LIBRARY

Relief work continued throughout the 1930s, even though by 1936 unemployment had dropped to ten per cent. It remained at that level for the rest of the decade. In August 1939, when this picture was taken, there were still 50 000 unemployed in New South Wales, 30 000 on the dole and the remainder on relief work. Mr Townshend (second from left) had relief work on a sea wall in Sydney. He and his wife and two children tried to subsist on a little more than £2 a week. He had not had permanent employment since 1932. PIX COLLECTION

Road works in northern NSW 1932-1935



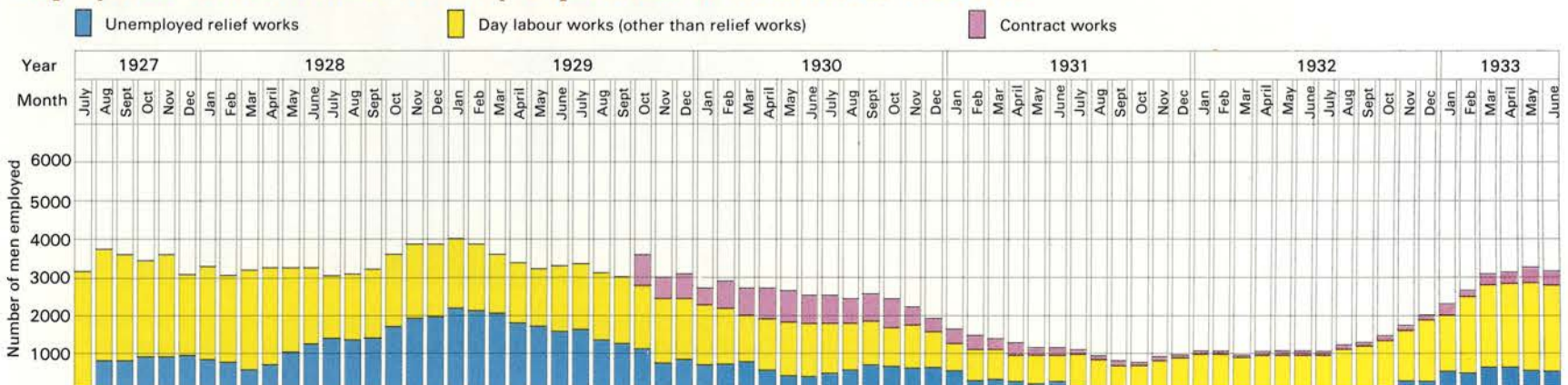
— Road being built with unemployment relief funds
— Developmental roads
— State highways and trunk roads

Road construction

The construction of roads provided work for large numbers of unemployed men in all states. The New South Wales Department of Main Roads had provided jobs for the unemployed even before the onset of the depression. From 1927 to late 1929 about half of those employed by the department were engaged on relief work. In the early 1930s as the depression worsened, and as funds became scarce, the numbers on relief work decreased, but by 1933 the jobless were again employed by the department. Many worked on roads planned to promote rural development.

From 1932 to 1935, 300 kilometres of road were built as relief measures in the Clarence and Richmond valleys providing work for 1150 men. The district benefited considerably. For example, the cost of freight from Woodenbong to Kyogle was reduced from 80s per ton to 30s, the cartage of a pig from 4s to 1s and the passenger fare from 20s to 7s.

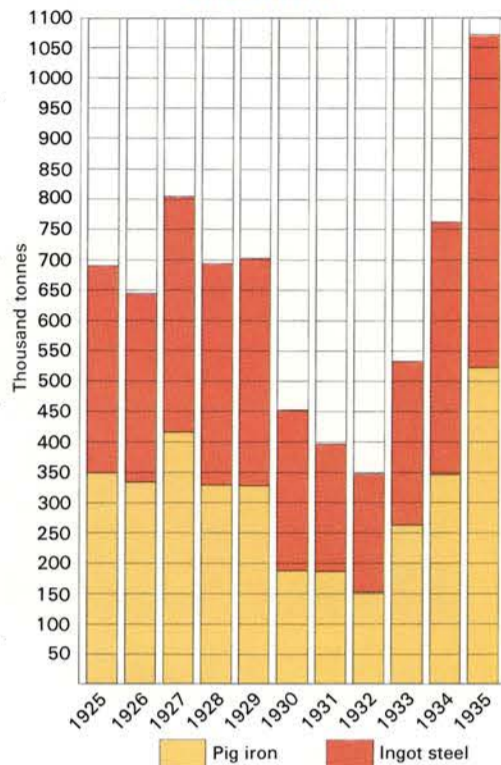
Employment on NSW road works by Department of Main Roads 1927-1933



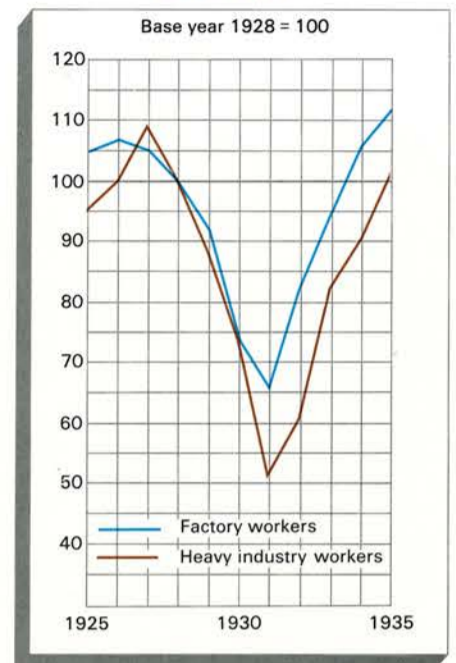
The Hunter valley

IN THE 1920S, Newcastle was the major non-metropolitan manufacturing centre in Australia and the Hunter valley was the leading coalmining district. The region shared in postwar optimism and expected to grow with the development of manufacturing. The production of iron and steel at the Broken Hill Proprietary Ltd steelworks dominated manufacturing and by the mid-1920s many factories associated with the metal industry and engineering had been established. Employment increased significantly; by 1928, the base year for the factory employment graph, there were 12 000 factory workers in Newcastle, of whom 8 300 were in heavy industry. After 1928 there was a dramatic loss of jobs; nearly half of those employed in factories were put out of work. At BHP alone, employment fell from more than 4 200 to fewer than 2 000. The long-term impact of falling demand and the loss of export markets closed many pits. By 1929 coal production was less than half the total it had been in the early 1920s and by 1930 fewer than 9 000 miners were employed. Families suffered immense hardships. With unemployment and short working weeks, poverty was evident throughout the region and thousands of men became dependent on relief work for wages.

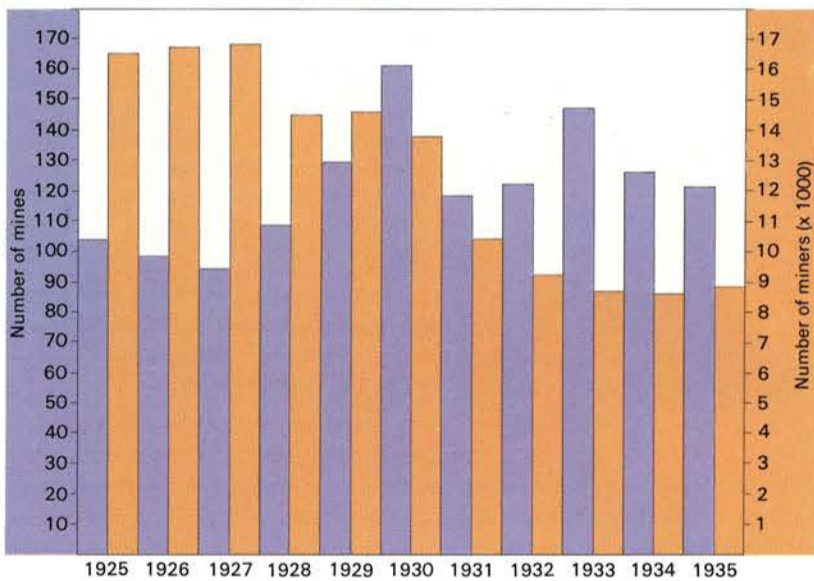
Total production of iron and steel 1925-1935



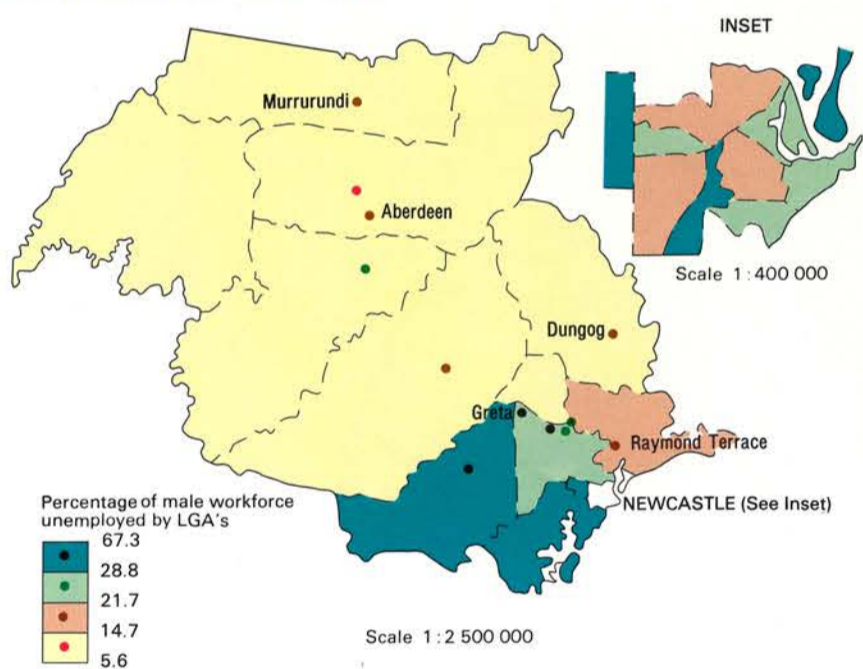
Male factory employment 1925-1935



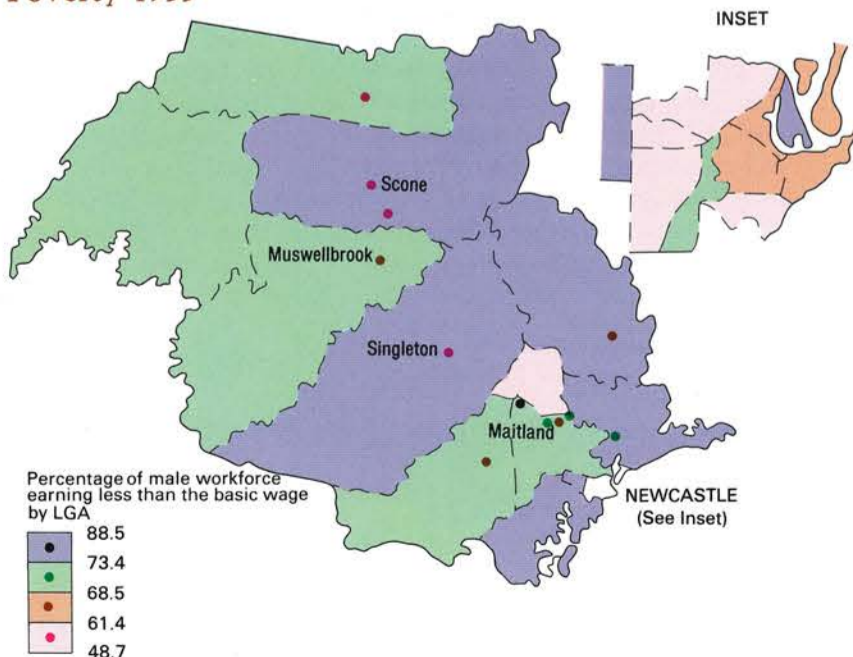
Coal mines and miners 1925-1935



Male unemployment 1933



Poverty 1933



The Great Depression had a profound effect on the mining industry in the Hunter valley. Production of coal declined, a number of mines closed, and many miners were thrown out of work. Coal towns throughout the valley suffered serious setbacks; some, such as Greta, never fully recovered.

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