

No Mean City?

CHRISTCHURCH'S LABOUR CITY COUNCIL DURING THE DEPRESSION, 1927-35

DEPRESSION CHRISTCHURCH has enjoyed quite a good press. It has been claimed that the city was different, and different in a positive sense. In the first place Christchurch has been credited with escaping the riots which disturbed Auckland, Wellington, and Dunedin during 1932. Second, it has been strongly maintained, not least from Christchurch itself, that the city's efforts to provide relief to the unemployed exceeded those of the other main centres. Finally, it has been noted that the Christchurch City Council was controlled by the Labour Party for virtually the whole Depression period and that this made it a unique example of that party 'in office' during the deepest part of the economic crisis.

Accounts of Christchurch's Depression experience have tended to argue that these three factors — civic charity, relative public passivity, and Labour Party control of city government — were interrelated. Daniel Sullivan, Mayor of Christchurch from 1931 to 1936, MP for Avon and a leading member of the parliamentary Labour Party, was particularly active in promoting the view that his native city had saved itself from violence. On relinquishing office as Mayor he declared 'that our city has come through without the disastrous outbursts by a greatly suffering people, such as those experienced by Auckland, Wellington, and in a much more minor degree, Dunedin, is overwhelmingly due to the unparalleled generosity of our Christchurch people in subscribing money to assist those in distress and especially those who sacrificed themselves in the work of assisting me to raise and distribute the funds'.¹

Sullivan managed to pass the message on to at least one historian. In *The Quest for Security in New Zealand*, first published in 1942, W. B. Sutch claimed that 'in Christchurch organized relief was so good that there were no real riots',² and cited Sullivan as a source of his information on the city. In his *History of Canterbury* W. H. Scotter expressed the same view: 'the unemployed were better treated in Christchurch from 1928 to the end of the slump than in any other big town'.³ Although constrained to note 'small but unpleasant incident' and some 'disorder', he considered that there was no rioting. Bert Roth and Janny Hammond implicitly agreed with him in their study of the New Zealand trade

1 *Press*, 11 February 1936.

2 W.B. Sutch, *The Quest for Security in New Zealand*, Harmondsworth, 1942, p.120.

3 W. Scotter, *A History of Canterbury*, Vol.3, 1876-1950, Christchurch, 1965, p.380.

union movement, *Toil and Trouble*: "Christchurch had no riots in 1932 due, it was said, to the fact that the city had a Labour mayor and council, and its relief services were sufficient and humane".⁴ Similarly, in his booklet on *The Depression of the Thirties*, Michael Bassett stated that 'Christchurch escaped any serious rioting perhaps because in that city relief was better organised'.⁵

The same views on civic charity, relative passivity, and Labour party control are to be found in unpublished theses. Writing in the 1950s, P.J. Oakley maintained that 'a tolerant Mayor, a generous and hard-working Labour City Council, and a readiness among the people to help the unemployed made their hardships less severe in Christchurch and tempered their resentment against the world's injustice'.⁶ He considered that 'no serious trouble' occurred in the city. On this point Rosslyn Noonan's excellent thesis on the disorders of 1932 was not so sure.⁷ However, it was generally agreed that 'the position of the unemployed was relatively better in Christchurch than elsewhere' because the policies of the Labour Council were so much more enlightened than those of its 'conservative counterparts'. Noonan emphasized in particular the payment of uncut award wages to the city's relief workers.⁸ In his 1978 PhD thesis, R. Robertson stated that 'throughout most of the depression Christchurch had led the cities in their efforts to provide for the unemployed, raising numerous loans, proposing large public works programmes, and subsidising its relief workers' wages'.⁹

The Labour City Council's decision not to apply the Arbitration Court's recommendation of a 10% cut to the wages of permanent council employees has also been seen as an enlightened, humane, and non-deflationary move.¹⁰ The overall impression is one of a caring and sensible Labour council using its statutory authority to tax property and to raise loans in such a way as to keep the peace, promote economic activity, and 'restore the purchasing power' of as many of the unemployed as possible.

Before testing the truth of this established view that Christchurch was different in the Depression, it is worth mentioning another way in which the city differed from the other main centres. There seems to be very strong evidence that Christchurch suffered more severely and longer from the economic downturn than its fellow cities. In the 1936 census the Christchurch Urban Area recorded a male unemployment rate of 14.5%, as against 11.8% in Auckland, 9.5% in Wellington, and 9.3% in Dunedin.¹¹ The statistics for female employment, much less reliable, showed Christchurch slightly behind Auckland, with 1.84% as

4 B. Roth and J. Hammond, *Toil and Trouble*, Auckland, 1981, p.126.

5 M. Bassett, *The Depression of the Thirties*, Auckland, 1967, p.16.

6 P.J. Oakley, 'The Handling of Depression Problems in Christchurch, 1928-35. A Social Study', MA thesis, Canterbury University College, 1953, p.147.

7 R. Noonan, 'The Riots of 1932: a Study of Social Unrest in Auckland, Wellington and Dunedin', MA thesis, University of Auckland, 1969, p.154.

8 *ibid.*, pp.50, 147, 154.

9 R. Robertson, 'The Tyranny of Circumstances: Responses to Unemployment in New Zealand, 1929-35', PhD thesis, University of Otago, 1978, p.200.

10 Noonan, pp.28-29.

11 Calculated from table in Census and Statistics Office (CSO), *Population Census, 1936*, X, p.iv.

against 2.01%, and Dunedin and Wellington at 1.5% and 1.39% respectively. Whereas the totals of registered male unemployed in other centres fell from 1933 onwards, in Christchurch they continued to climb. In fact, unemployment in Christchurch reached its peak only late in the winter of 1936.¹²

Official statistics for the value of factory production suggest a similar pattern. Though unfortunately they relate to industrial districts (basically the old provinces) rather than cities, industry in Canterbury was heavily concentrated in Christchurch, so that the figures can still be considered indicative of the fortunes of that city. On a base of 100 for the March year of 1925–6, the figure for Canterbury dropped to a low of 65 in 1932–3, as against the national nadir of 82 a year earlier.¹³ By 1935–6 the value of New Zealand's factory production had recovered to 108, while Canterbury's was still down at 84. Some demographic evidence also suggests that Canterbury had proved less attractive economically. Comparison of the number of males in Canterbury between the ages of 21 and 29 in 1936 with the number in the 11 to 19 cohort in 1926 yields a figure of 91.1%.¹⁴ This can be set against 105.1% for Auckland and 102.4% for Wellington. The Otago figure (91.3%) was only slightly higher than that for Canterbury, but the census figures for Dunedin in 1926 were thoroughly distorted by the Exhibition there, which attracted thousands of people.¹⁵ A higher proportion of young men thus left Canterbury between 1926 and 1936 than left the other main provinces. This group, normally single and freer to travel than their female counterparts, would be more likely to move in search of employment.

The particularly depressed economic state of Christchurch makes it all the more surprising that it should have escaped the rioting and financed a substantial relief effort. To explain this paradox one needs to question the established view of Christchurch during the Depression.

The first part of Christchurch's Depression image, that of exceptional public peacefulness, has little substance. There was unrest leading to violence and the destruction of property in the city at various times between 1929 and 1935. During 1930 and 1931, in particular, Christchurch seems to have witnessed more violent confrontations between police and demonstrators than other cities, as an element in the local Communist Party strove to encourage disorder and to

12 To March 1935 totals of adult male unemployed for the main centres can be found in the table 'Numbers on Unemployment Registers' in CSO, *Statistical Report on Prices Wages-rates etc.* Thereafter, they are in the table 'Registered Unemployed Males — by Districts' in CSO, *Monthly Abstract of Statistics*.

13 Figures calculated from table 'Production by Provincial Districts' in CSO, *Statistical Report on the Factory Production of the Dominion of New Zealand*. (In 1932 this title changed to *Statistical Report on the Factory and Building Production of the Dominion of New Zealand*.) Tramways production figures have been deducted from the totals before 1932 in order to make them comparable with the totals for subsequent years, when statistics from tramways were not included.

14 Calculated from tables 'Age — Distribution by Provincial Districts. Males', in CSO, *Population Census, 1926*, III, p.18, and *Population Census, 1936*, IV, p.7.

15 Visitors swelled the population of the City by around 5% and included many parties of schoolchildren. Consequently the carryover of the 11–19 cohort was almost certainly underestimated for Otago and slightly overestimated in other provinces, notably in Canterbury, the most accessible to Dunedin. See table 'Population by Domicile and de facto Population: Counties, Boroughs and Town Districts' in CSO, *Population Census, 1926*, XVII, pp.15–17.

discredit the local 'social fascists' of the Labour Party.¹⁶ Such confrontations led to a number of arrests late in 1930 and several more in August 1931, following a particularly fierce clash outside the Christchurch railway station.¹⁷ Two policemen were still receiving hospital treatment several months after the latter incident. There were also mass demonstrations in 1934 and 1935,¹⁸ which succeeded in forcing the distribution of extra goods from the city's central relief depot, and led to its temporary closure.

However, as elsewhere, the most serious unrest in Christchurch occurred during the angry autumn of 1932. As in the other main centres, the police had to deal with large and threatening crowds, windows were broken, batons used, and numerous arrests made.¹⁹ Special policemen were enrolled and put into action against rioters. The fact that these events focused on a strike by tramway workers has tended to mask their essential similarity to the disorders elsewhere. As in other cities, the unrest coincided with a strike by relief workers. The occupations of those arrested, statements from organizations of the unemployed, and local newspaper reports all suggest it was the jobless rather than the 'trammies' themselves who were primarily responsible for the use of physical force during the strike. There were a number of casualties in these clashes. Most sensationally, a strike-breaker died after being punched in the face in one outbreak of disorder during the tramway strike.²⁰ The coroner ruled that the death was homicide, but an unemployed man charged with the killing was acquitted when witnesses were unable to identify him positively as the attacker.²¹ Another case of homicide also related to an industrial dispute. In 1933 a Christchurch relief worker fell to his death after being struck by a colleague who objected to being called a 'scab'. The argument was over the latter's refusal to stop work in response to a call from the local union of the unemployed.²²

It is impossible to compare degrees of disorder in various cities during the early 1930s with any precision. There seems little value in indulging in a sort of historical auction or poker game — I see your broken windows and large disorderly crowd, and raise you three injured policeman and a dead strike-breaker. There were around 36 arrests in Christchurch during the unrest of 1932, many more than in Dunedin, about the same number as in Wellington, far less than in Auckland.²³ Property damage was much less in the South Island than in the North Island disturbances. Given the number of incidents, the duration of

16 J. Watson, 'Crisis and Change: Economic Crisis and Technological Change between the World Wars, with Special Reference to Christchurch, 1926-36', PhD Thesis, University of Canterbury, 1984, p.444-6.

17 *ibid.*, pp.446-9.

18 *ibid.*, pp.499-500.

19 *ibid.*, pp.475-9; Noonan, pp.145-156; M. Graham, 'The Christchurch Tramway Strike, 1932', MA extended essay, University of Canterbury, 1978.

20 *Christchurch Times*, 31 May, 8 July 1932.

21 *Press*, 20 August 1932.

22 *Christchurch Times*, 5, 6 May 1933. This, and possibly the preceding case, would seem to contradict the oft-quoted claim that the death of Frederick Evans at Waihi in 1912 was the only fatality in a New Zealand industrial dispute.

23 Noonan, pp.189-97.

outbreaks of unrest, and the size of crowds involved, it seems clear that there was more disorder in Christchurch than in Dunedin and arguably at least as much as in Wellington. The main riot in Auckland appears to have been on a much larger scale than the disturbances elsewhere.

It is of course quite possible that without Dan Sullivan, the Labour City Council, and the comparatively well-stocked relief depots the disorder might have been greater. However, this is not the same thing as saying that the city was exceptionally peaceful.

Christchurch is also said to have been exceptional in the outstanding generosity of its citizens towards the unemployed. The emphasis here has generally been placed on private charitable effort. In Christchurch that was very centralized, with a central collecting agency for goods and a central fund supplying about six depots around the city.²⁴ The numbers of people assisted was impressive — at one time it was estimated that the incomes of possibly 10,000 people were being supplemented in this way.²⁵ The official title of the central organization from the beginning of 1933, the Metropolitan Relief Association, has led at least one observer to believe that the churches were not greatly involved in the local effort.²⁶ This is quite wrong: church organizations provided most of the personnel and the premises for the relief depots. The Salvation Army was perhaps the most active, but Presbyterian, Anglican, Methodist, and Roman Catholic churches also contributed greatly. They were effectively the mainstays of the system. The type of person administering the relief depots appears to have been much the same as in other cities — possibly a little more conservative: Christchurch had no real equivalent to Uncle Scrim. In the light of claims that the relief effort was particularly well-organized in Christchurch, it is worth noting that during 1934 and 1935 the central depot of the Association became the focus of demonstrations by many of the unemployed, who claimed that it was riddled with corruption. One interview in Tony Simpson's *Sugar-bag Years* appears to give weight to these claims.²⁷ The depot was burnt out in a suspicious fire and it was widely believed that some of those in charge of the building were attempting to cover their tracks. Others thought the discontented unemployed had done the deed.

It is very difficult to compare the charitable relief effort in Christchurch with that of other cities because it was metropolitan — taking in most of the urban area — and because it was so centralized. All the other cities had their coal and blanket funds and their relief depots, but total figures for the value of assistance given are hard to come by. One example of comparability related to a series of carnivals held to raise money to support private charitable assistance for the destitute in 1933. These took in roughly the same amount in Auckland, Wellington, and Christchurch.²⁸ On the whole the relief effort may have been somewhat superior

24 Watson, pp.490-3.

25 Sutch, p.120.

26 R. Robertson, 'The Tyranny of Circumstances', PhD thesis, University of Otago, 1978, p.106.

27 T. Simpson, *The Sugar-bag Years*, Wellington, 1974, p.74.

28 *Evening Post*, 17 August 1933.

n the southern city, but it was certainly not a case of the good citizens of Christchurch doing everything, and the rest very little.

More important, the value of the goods transferred to the poor of Christchurch (not just the unemployed) by the Metropolitan Relief Association in 1933 amounted to something like £15–20,000.²⁹ This represented only about a tenth of the amount provided in wages for relief work.³⁰ Such wages were the main form of assistance to the urban unemployed and were wholly funded by the Unemployment Board from early in 1931. However, under the No. 5 Scheme, as under the previous, less generous Public Works Department and Unemployment Board schemes, it was up to the local bodies to organize work and provide materials and supervision. This entailed some cost, normally around 20–25% of the total. This was generally met out of rates or through loans — loans for relief works could be raised without a poll of ratepayers. Where a local body declined to put up enough work for all the unemployed in its area they were forced to travel further afield. This might require daily travel to more distant relief work, if the unemployed man was lucky. If not, he might be forced to go out to stay in a government relief work camp or to endure the isolation and poor conditions which tended to go with farm labouring under the No. 4 Scheme, through which the Unemployment Board paid farmers to employ relief workers. The other option was to apply for charitable aid from the hospital board and await one's turn for relief work. Applying for charitable aid was widely regarded as a degrading process, to be avoided if at all possible. After mid-1933 unemployed men without relief work were able to go on to what was called sustenance pay (the ancestor of our present unemployment benefit), but this was paid at a rate far lower than that paid to relief workers. So how generous was the Christchurch City Council, the main local body, in making sure that the unemployed got relief work and therefore relief wages within their home town?

This question leads to a discussion of the third way in which Christchurch has been said to be different — that it was controlled by a Labour City Council for most of the Depression. The city of the Plains elected a Labour mayor, the Rev. J. K. Archer, in 1925 and the party had swept to power on the Council in 1927. Labour supporters kept control of the city until the middle of 1935, with the exception of about a year from April 1930 to April 1931. The fact that Christchurch had a Labour mayor and city council almost certainly helped in the maintenance of order, because working people generally identified with the Labour Party and could feel that at least some of the authorities were on their side.

29 Watson, p.294.

30 The territorial local bodies in the Christchurch Urban Area received about £144,000 from the Unemployment Board in 1933–34. Calculated from tables 'Boroughs — Receipts (not Revenue) and Total Receipts' and 'Counties — Receipts' in CSO, *The Local Authorities Handbook of New Zealand, 1935*. pp.64, 100. Virtually all these funds would have been expended in wages. To this total must be added the large amounts paid to the Summit Road Trust and the Waimakariri River Trust, who between them employed more relief workers than the territorial authorities. The Drainage, Tramway, Domains, and Hospital Boards also provide relief work under the No. 5 Scheme.

This effect was magnified by the fact that the Mayor from 1931 to 1935 was Dan Sullivan. Sullivan enjoyed a large measure of support amongst poorer working-class people in Christchurch, but also got on very well with wealthy citizens who could assist the relief effort. Even when he was obliged to hand over responsibility for allocating the main part of the relief fund, he made sure that he always maintained control of sufficient funds to meet crises or to help out individuals amongst the unemployed who might prove leaders of disorder.

The funds Sullivan was using in these operations were comparatively small and were largely the product of private charitable donations. How generous was the Labour City Council itself in providing funds for relief work? The answer is remarkably ungenerous — in fact, considerably less generous than their conservative counterparts in the other main cities. When it had come to power in 1927 the Labour Council had pledged to increase expenditure on relief works, and it had done so. Nevertheless, it spent only £65,000 in this way in its first two years, compared with Auckland's £91,000 and Wellington's £125,000.³¹ Auckland was thus expending approximately £1.04p. per inhabitant, Wellington £1.27p., and Christchurch 78p.³² Between 1931 and 1935 the Christchurch City Council gave work to a far lower proportion of its unemployed than the other major city councils. Consequently it drew far less in funds from the Unemployment Board than they did. Christchurch City obtained £288,000 from that source over the period, compared with Auckland's £379,000, Dunedin's £402,000, and Wellington's £816,000.³³ This represented roughly £3.12p. per inhabitant in Christchurch, as against £3.70p. in Auckland, £6.21p. in Dunedin, and £7.05p. in Wellington.³⁴

Nor did the Labour City Council look favourably on the raising of loans in order to take on the unemployed as casual workers. On the contrary, the total amount of loan-money spent on construction work in the city between 1931 and 1935 was under £200,000, representing around £2.09p. per inhabitant.³⁵ This was less than the comparable expenditure in any other main centre, being well under half the amount spent by Dunedin (£4.77p.) and substantially less than that spent by Auckland (£2.82p.) or Wellington (£2.49p.). Christchurch's net indebted-

31 *Press*, 27 February 1930.

32 Based on figures in CSO, *Census, 1926*, I, p.12.

33 Calculated from table 'Boroughs — Receipts (Not Revenue) and Total Receipts', in CSO, *The Local Authorities Handbook of New Zealand, 1933-36*.

34 Calculated from CSO, *Census, 1936*, I, p.5.

35 Calculated from tables 'Boroughs — Payments on Construction and Maintenance', 'Water-supply Districts, etc.— Receipts and Payments', and 'Miscellaneous Local Districts— Receipts and Payments'. CSO, *Local Authorities Handbook, 1933-36*; and CSO, *Census, 1936*, I, p.6. Payments by urban drainage boards in Auckland, Christchurch, and Dunedin, and by urban transport boards in Auckland and Christchurch have been added to the payments made directly by the city councils. This is because the territorial local authorities fulfilled these responsibilities where such boards did not exist. Unfortunately, such an approach means that the totals for Auckland, Dunedin, and especially Christchurch are somewhat higher than they should be because both drainage and transport districts extended beyond the city council boundaries. The reverse approach, deducting the specialist services from city council statistics, is rendered less desirable by the fact that drainage and water supply are lumped together in the latter.

edness rose by only 5.9% between 1927 and 1935, compared with 7.6% in Auckland, 12.5% in Wellington, and 17.0% in Dunedin.³⁶

At the same time Christchurch's Labour-controlled Council was building up the city's financial reserves. Such a policy was not unusual amongst local bodies during the Depression. Of the four main centres, only Auckland reduced its cash reserves between 1927 and 1935.³⁷ The Wellington and Dunedin City Councils increased their reserve funds by 18% and 50% respectively. Nevertheless, they were outshone by Christchurch in the drive to tie up income in reserves. The city's accumulated funds more than doubled under Labour. A large portion of this reserve was held by the Council's Municipal Electricity Department out of its trading profits. The primary motive for this accumulation was to give the Council the option of building its own power station on the Waimakariri. At the end of the 1934-35 financial year the MED was holding £60,000 more on fixed deposit than in 1931.³⁸ By refusing to 'fritter' away these funds on employment for the jobless or for stimulating local purchasing power, the representatives of Christchurch's working class had brought the mirage of a municipal hydro-electric power-station much closer, as close as it would ever get.

Was Christchurch city perhaps so deeply in debt and so heavily rated in 1927 that there were just no room for the spendthrift policies of the other cities? On the contrary, the rate per £1000 of rateable property in Christchurch in 1927 was substantially lower than that in Auckland, Wellington, or Dunedin.³⁹ The debt situation was still more favourable to the Labour city. Even with the liabilities of separate drainage and tramway boards included, Christchurch's debt amounted to only £2.7 million compared with totals of £6.0 million, £4.1 million and £3.3 million in Auckland, Wellington and Dunedin respectively.⁴⁰

Most significantly, Christchurch's Labour City Council appears to have done better than its conservative counterparts in cutting the rates. Unfortunately, revaluations render comparisons over the full period of the Labour Council difficult. However, it is possible to say that the rate per £1000 of rateable value dropped more in Christchurch between 1929 and 1934, over the worst part of the slump, than in the other main centres. During the whole term of the Labour Council, 1927-1935, rates levied per inhabitant of the city fell by around 2%, while in Wellington they rose by 8%, in Auckland by 13%, and in Dunedin by 18%.

A major consequence of the policy of restricting expenditure in order to reduce rates, to avoid borrowing, and to build up reserves was that Christchurch

36 Calculated from tables 'Boroughs — Liabilities and Annual Loan Charge', 'Water-supply Districts, etc. — Liabilities and Annual Loan Charge' and 'Miscellaneous Local Districts — Liabilities and Annual Loan Charge', in CSO, *Local Authorities Handbook*, 1928, 1936. Statistics for tramway and drainage boards have been incorporated in these totals.

37 'Boroughs — Assets', CSO, *Local Authority Handbook*, 1928, 1936.

38 Christchurch City Council, *Balance Sheet and Statements*, 1931, 1935.

39 The totals were Auckland £12.26p., Wellington £11.92p., Christchurch £10.26p., and Dunedin £11.95p. CSO, *Local Authorities Handbook*, 1928, p.214-17.

40 Calculated from tables, 'Boroughs — Liabilities and Annual Loan Charge' and 'Water-supply Districts, etc. — Liabilities and Annual Loan Charge', in CSO, *Local Authorities Handbook*, 1928, pp.196-8, 339.

city could not find relief work for a substantial proportion of its unemployed residents. By 1932 the Council was employing a lower percentage of the relief workers in its urban area than that employed by the city councils in the other main centres.⁴² For most of the early 1930s a large number of men — sometimes over 1000 — were employed in constructing the Summit Road (on the crest of the Port Hills) by the private Summit Road Trust. Hundreds of others were obliged to work out along the Waimakariri River, miles to the north of the city, under the authority of the Waimakariri River Trust. In each case this meant a cycle journey and/or a walk of some miles every working day. On the Summit Road, the provision of tools and supervision verged on the non-existent at times. Some men regarded this as a bonus, others as a demoralizing waste of time.

Yet the effects of the City Council's parsimony could be worse. At times in 1933, up to 700 Christchurch men were getting no work at all and were being placed on sustenance pay or charitable aid.⁴³ At the same time over a £1000 a week was being returned to the Unemployment Board as money allocated for wages for which work had not been provided. The City Council was not entirely responsible for this shortfall, but in pointing that out it did not offer to take up the slack by putting on more relief workers.⁴⁴ A letter from the Christchurch Town Clerk to the Mayor of Dunedin had earlier made it clear that 'there is not sufficient work for all the men not only because of the small allocations but because there is not sufficient money available by the Council for materials, insurance and the making up of the wages to 14/- a day'.⁴⁵

Much has been made of the City Council's subsidy on relief workers' pay. This brought the Unemployment Board's labour allowance of 9s. a day for single men and 12s. a day for married men up to the award rates, as they had seen before 1931. However, the cost of the subsidy proved to be much less than its opponents feared because the Council proceeded to shed virtually all its single relief workers.⁴⁶ Although this saved money while publicly maintaining the principle of no wage cuts, it was hard on those unmarried men amongst the unemployed, not all of them young, who were consequently forced to go into camps in the country or to work for outlying local bodies. If the wage subsidy had been expended on supervision, tools, and materials, many more relief workers might have found jobs within the city for no extra cost. The Council reduced the cost of the subsidy in other ways as well. For example, it employed increasing numbers of workers under the gardeners' award, which was 14s. a day, rather

41 Calculated from 'Boroughs — Receipt (Revenue)', in CSO, *Local Authorities Handbook*, 1928, 1936. Net rates were divided by population totals for cities (including Maori) in CSO, *Census*, 1926, I, p.12, and *Census*, 1936, I, p.5.

42 *Sun*, 18 February 1932.

43 *Christchurch Times*, 22 February 1933.

44 *ibid.*, 14 March 1933.

45 Christchurch City Council Outwards Correspondence, 11 February 1932.

46 This policy was outlined in a telegram to the Mayor of Dunedin. Christchurch City Council Outwards Correspondence, 25 September 1931. See also *Sun*, 11, 12 August 1931, *Christchurch Times*, 19 August 1931.

47 *Star*, 28 July 1931.

than at the 15s. 4d. a day of the labourers' award.⁴⁷ More significantly, the wages subsidy was not applied to projects undertaken jointly with other local authorities. These included the construction of the McCormack's Bay Causeway, the largest relief scheme operated by the City Council between 1932 and 1935. The Council actually paid over 90% of the costs not met by the Unemployment Board, but it supplied no wages subsidy because other councils paid the balance.⁴⁸ The same principle was applied to jobs where City Council relief workers were put to work on private land under the 'over the fence' variant of the No. 5 Scheme.⁴⁹

The maintenance of pre-1931 wage rates for permanent council employees cost much more than the relief wage subsidy, and its fairness was even more questionable. Because of the subsequent fall in the cost of living and the widespread use of short-term working in private enterprises, the practice turned council employees into a very privileged group. As in Labour-controlled municipalities in Australia, it made local body employment very eagerly sought after and led to numerous charges of corruption.⁵⁰ Nor do the Council employees seem to have been enthusiastic about sharing their good fortune with their less fortunate fellows. They openly mocked a proposal from Sullivan that each should pledge a shilling a week to the work of the city's relief depots.⁵¹ They agreed to a purely voluntary collection of threepence a week instead. Yet a shilling was only about an eighth of the boon granted to them by the Mayor and his party at the ratepayers' expense. Perhaps they felt their substantial contributions to local Labour Party funds were enough of a burden.⁵² On the other hand, one might be tempted to regard such payments as investments in their continuing personal prosperity.

Far from being coy about their financial conservatism during the Depression, the Labour leadership in the city gloried in it throughout the period in which they controlled the city. In the 1927 municipal election campaign the party promised to consider the question of a cut in the rates, while putting forward policies which clearly entailed higher expenditure. Initially the new Council appeared to be set on carrying out the latter promises rather than reducing the rates. During its first year in office (1927–28) Labour more than doubled the expenditure of loan-money on new construction. On a per head of population basis such expenditure reached a level above that of the Dunedin City Council and not far below that of

48 *Sun*, 12 April 1935.

49 Christchurch City Council Minutes, 16 November 1931.

50 See, for example, remarks by J.K. Archer on 'wire-pulling', *Sun*, 19 October 1934. For a contemporary Australian view, see W. Lowenstein, *Weevils in the Flour*, Melbourne, 1978, p.311.

51 *Sun*, 10 June 1933.

52 City Council employees provided £1677, or 31%, of the local Labour Representation Committee's funds between 1931 and 1934. Unions containing large numbers of council workers also made significant contributions, and some of the workers may have contributed extra as individuals. Figures calculated from North Canterbury Labour Representation Committee Receipt Book, 1929–36, University of Canterbury Library.

53 Auckland remained far more spendthrift. Figures calculated from 'Boroughs — Payments on Construction and Maintenance', in CSO, *Local Authority Handbook*, 1928, 1929; and *Census*, 1926, I, p.12.

Wellington.⁵³ Most of the increase was due to higher expenditure on roading work, designed in part to occupy the unemployed, and to rises in the wages of council employees a year before their award expired. On the other hand, Dan Sullivan was working hard as Chairman of the Finance Committee to achieve a surplus in the Council's revenue account. He managed this with the help of an Unemployment Loan approved under the previous Council, before the effect of higher wages levels could be fully felt. According to one calculation the surplus was £14,000, more than twice that of the Citizens' Council in 1926–27.⁵⁴ Sullivan made much of this achievement, but the 180 'casuals' laid off some months before the end of the financial year 'due to lack of funds' might have looked askance at such figures.⁵⁵ The Council agreed to raise a substantial roading loan in 1928, but the drive to economize on ordinary expenditure continued. Some years later Sullivan referred to the fact that H. T. Armstrong MP, Chairman of the Council's Works Committee from 1927 to 1929, had objected to his attitude during discussions on the estimates: 'Mr Armstrong wanted more money than we could let him have for his department and I had a hard task paring him down. At last his patience broke, and with a lowering frown, he positively yelled at me that there was no miser like an Irish miser and I could have his resignation if I like.'⁵⁶ The application of a little of the Sullivan charm appears to have overcome this 'breeze'. However, Armstrong did not publicly disown his son, Arthur (Tommy) when the latter stood as an Independent Socialist against the official Labour ticket in 1929,⁵⁷ partly on the grounds that the Council had neglected the unemployed.⁵⁸ Armstrong junior succeeded in winning a seat on the Council, assisted by the complex system of preferential voting which Labour had introduced.

Labour lost its majority in the election and found itself dependent on the support, or at least acquiescence, of Tommy Armstrong and another Independent, Dr Henry Thacker, a former Mayor and erstwhile Liberal MP for Christchurch East. Thacker was persuaded to give his general support to Labour by the simple stratagem of electing him to the dignity of Deputy Mayor. Unfortunately he also proposed that the Council employ more relief workers immediately, and delighted in the opportunity to side with deputations of the unemployed against Labour's financial conservatism.⁵⁹ Tommy Armstrong's views on the need for increased relief work were well known, so Labour's leadership found itself having to spend more on the unemployed in order to placate its allies. Consequently, the net amount expended in this way more than doubled in the 1929–30 year.

The debate in which it was decided to spend much of this money cast considerable light on the conservative attitudes of some leading Labour council-

54 *Sun*, 2 May 1928.

55 *Press*, 9 February 1928.

56 *Press*, 11 February 1936. Armstrong, like Sullivan, had been born in New Zealand of Irish parentage.

57 *Press*, 2 May 1929.

58 *ibid.*, 18 May 1929.

59 *Lyttelton Times*, 29 June 1929.

lors. For some years both parties on the Council had maintained that unemployment was a 'national problem' and should be handled by the state.⁶⁰ At the end of 1928 the United Party came to power with promises to solve unemployment through government action, most notably by building railways. Sullivan, in his capacity as MP, and James McCombs, Labour MP for Lyttelton, approached Ward as soon as the motion of no confidence in the Coates government was passed, and requested that work on the extension of the South Island Main Trunk Railway to Picton be put in hand immediately.⁶¹ Recognizing that it would be a while before a significant number of the unemployed could be absorbed by such a complex project, they also requested interim assistance for Christchurch. Sir Joseph's delayed reaction was to offer £25,000 to each of the main centres, to be spent on the labour component of relief work on a pound-for-pound basis.⁶² The generosity of this very typical Wardian gesture was more apparent than real, in that it involved a net reduction in the rate of government subsidy. Nevertheless, it gave the main urban local authorities the opportunity to continue their role in the relief of unemployment until the government could get further large public works under way.

During the Council debate on Ward's offer Sullivan pointed out that a substantial sum would have to be raised locally if the city was to take full advantage of the grant.⁶³ He suggested that as much as possible of the subsidy should be attracted by public subscription rather than by burdening the Council with another loan. He implied that some of the £25,000 should be foregone if donations were insufficient. Councillor Elizabeth McCombs maintained that little had changed, and that the Council should tell the government that it did not consider unemployment a responsibility of local bodies. Mayor Archer was, however, very anxious that the opportunity should not be lost entirely, and it was finally agreed that negotiations with the government should continue. In the meantime, the Council took on approximately 200 'extras', to be paid out of revenue and existing loans.⁶⁴ The Heathcote County Council, a local body in suburban Christchurch with a twentieth of the city's population, was employing 130 such workers at the same time.⁶⁵

Nevertheless, the city was already overspending on work for the unemployed, and councillors began to take up positions on how money for further relief work could be raised. Inevitably eyes turned to the MED's reserve funds. The continued rapid growth of electricity sales had allowed the department to accumulate over £100,000 on fixed deposit.⁶⁶ During Labour's first term, comparatively small amounts of MED money had been transferred to other purposes, including unemployment relief. Both the Citizens' Association and Councillor Elizabeth McCombs, who chaired the Electricity Committee, had

60 *Press*, 6 July 1926.

61 *Christchurch Times*, 5 December 1929.

62 *Lyttelton Times*, 9 May 1929.

63 *Press*, 18 May 1929.

64 *Press*, 31 May 1929; *Lyttelton Times*, 25 June 1929.

65 *Press*, 18 May 1929.

66 *ibid.*, 23 July 1929.

strongly opposed these transfers.⁶⁷ With the support of some other members of the Labour caucus she continued to maintain that the MED should be run as a separate undertaking, operating in the interests of electricity consumers rather than those of all citizens. As most ordinary households were not substantial users of electricity, relying only on lighting and perhaps an electric iron, this tended to favour the interests of better-off citizens.⁶⁸ In July 1929 the Finance Committee, under the chairmanship of Sullivan, recommended that £15,000 be transferred from the MED for unemployment relief rather than placing any further burden on the ratepayers.⁶⁹ Councillor McCombs advocated a public loan instead. Neither Labour leader shunned using the plight of the unemployed as a lever against the government. Sullivan observed that 'the money had to come from somewhere, and if it did not come from the Electricity Department, it would have to come from the ratepayers. If the electricity consumers found nothing, and the ratepayers found nothing, the money would have to come from the Consolidated Fund.'⁷⁰ Nevertheless, he suggested that some of the funds should be borrowed temporarily from the MED. Some of the strongest support for the unemployed came from Archer. Referring to the MED's reserve, he declared angrily that it was 'immoral to have all this money while people are starving'. He would spend 'every last penny of it' on the unemployed. Thacker and Armstrong, the Independents, also supported a much larger transfer than Sullivan was advocating. Councillor McCombs moved the discussion into committee.

The outcome of these deliberations was that Sullivan largely got his way.⁷¹ The Council decided to borrow only £12,500 from the MED for unemployment relief, and nothing extra was to come from rates. There was some consolation for most ratepayers, but little for the unemployed, when the Electricity Committee announced a few weeks later that its charge to domestic consumers would be reduced to the lowest level in New Zealand.⁷²

On the other hand, the total amount that ratepayers had to find for the Council's budget increased by almost 18%, and this appears to have contributed to two defeats in by-elections to replace Labour councillors who died in 1930. Now Labour could no longer count on a council majority, even with Thacker's support. Sullivan announced that the party was relinquishing all its chairmanships and 'going into opposition'.⁷³ For the next year the Citizens' Association controlled the city and they initially cut back on expenditure on relief works. However, under the leadership of Ernest Andrews and John Beanland, two councillors who had been involved for some years in the local Unemployment Committee, Christchurch was as forthcoming as it ever was to be in providing relief work under the Unemployment Board's No.5 Scheme.⁷⁴ Sullivan criti-

67 Christchurch City Council Minutes, 1 August 1927.

68 Watson, pp.242-6.

69 *Press*, 23 July 1929.

70 *Lyttelton Times*, 23 July 1929.

71 *Press*, 6 August 1929.

72 *Christchurch Times*, 2 September 1929.

73 *Press*, 5 April 1930.

74 Watson, pp.408-9.

cized the level of council assistance to the unemployed during 1930, but there was no concerted move by Labour councillors to advocate specific increases. On the contrary, the emphasis remained on the protection of the MED's reserves and the ratepayer's purse. Sullivan proudly called attention to the fact that it was he and not the Citizens' Association that had been responsible for the achievement of another budget surplus during the 1929–30 financial year.⁷⁵ He claimed that this had been 'brought about in consequence of savings in expenditure effected last year'. One of the savings he outlined entailed delaying the start of relief works. This time the profit amounted to over £17,000, roughly equivalent to the Council's net expenditure on unemployment relief. Yet instead of suggesting that the funds thus accumulated should be used to alleviate the rapidly growing problem of unemployment, he regretted that the change in council leadership meant that 'ratepayers were not going to receive the full benefit of the savings'. Councillor Elizabeth McCombs suggested that the Council float a small public loan of £8500 for unemployment relief rather than divert any of the MED's record surplus of £42,000 to that purpose.⁷⁶

In the municipal election of 1931, Labour rejected the 10% wage cut that the Citizens' Council had imposed in line with the Arbitration Court's recent ruling, and assured electors that a substantial cut in rates could be achieved even with restored wage levels.⁷⁷ Sullivan was elected Mayor, but Labour found itself with seven councillors to their opponents' seven. The balance was held by Tommy Armstrong and another Independent. Labour could now control the Council by virtue of Sullivan's casting vote, if it was prepared to get Armstrong's support. However, the price of that support was greater spending on unemployment relief, as Armstrong had based most of his campaign on the claim that the Labour leadership were 'ready to cry and shed tears with the unemployed when deputations wait on them, but when they are asked to do something decent they are found wanting'.⁷⁸ Rather than pay that price Labour chose to co-operate with the leaders of the Citizens' Association on the Council.

The period between the middle of 1931 and the beginning of 1935 witnessed an extraordinary degree of agreement and co-operation between the two parties on the Council. 'The Coalition', as Dr Thacker was later to term it,⁷⁹ rested on a sharing of administrative responsibilities, a shelving of the issue of wage cuts, a strong endeavour to reduce the rates, and a determination to keep the peace in the city. Citizens' councillors were elected to four chairmanships, including those of the Works and Reserves Committees, the bodies principally charged with unemployment relief work. Labour overturned the 10% wage cuts with Armstrong's assistance, but the latter ensured that council officers on high salaries were excluded from the restoration. On the other hand, Citizens'

75 *Lyttelton Times*, 22 July 1930.

76 *ibid.*, 16, 24 June 1930.

77 *Press*, 21 April, 1 May 1931. Sullivan suggested that the reduction in rates might be 10%. *Star*, 29 April 1931.

78 *Christchurch Times*, 29 April 1931.

79 *Press*, 23 May 1933. Also statement by Beanland, *Sun*, 17 April 1934.

councillors generally joined the Labour leadership in rejecting Armstrong's repeated attempts to cut council workers back to a 40-hour week and devote the savings to relief work. Under the chairmanship of Councillor James McCombs MP, the Finance Committee managed to cut the estimates by around £20,000 and thereby reduce the general rate by about 10%. This unofficial arrangement between the leadership of the Citizens' Association on the Council and the Labour Party relied to a great extent on Sullivan himself. No one else in the city possessed his combination of attributes: he had mana amongst working people and the ability to co-operate with non-Labour sections of society, contacts with politicians and civil servants in Wellington, genuine sympathy for the distressed, and the capacity to cope with an enormous and depressing workload.

Perhaps the greatest evidence of the importance of his role was given during the 1933 municipal election campaign, when the Citizens' Association's leading councillors declined to stand against Sullivan and only a somewhat eccentric Independent, Lancelot Walker, opposed him. Walker favoured some grandiose schemes and Sullivan appeared safely conservative in comparison. Furthermore, James McCombs opened Labour's campaign by announcing another 'surplus', this time of £13,000.⁸⁰ However, while the party retained the mayoralty with ease, it took only six seats on the Council, as against seven won by the Citizens' Association. Thacker joined Evans and Armstrong on the Council as Independents. Labour had faced challenges from three parties on the left — Socialists (Armstrong's group), Independent Labour, and the Communists. All criticized the lack of assistance for the unemployed in Christchurch. Armstrong was the only non-Labour left-wing councillor elected, but his total of first preferences was only exceeded by two of Labour's candidates, Archer and Elizabeth McCombs.⁸¹ The general leakage of votes to the other left-wing hopefuls may have cost the party one or two more seats on the Council.

'The Coalition' continued to administer Christchurch very conservatively between 1933 and 1935. Armstrong repeatedly brought forward motions for cuts in council pay in order to employ more relief workers, and he clashed a number of times with the Labour leadership.⁸² On separate occasions Sullivan and Archer were reduced to ringing the mayoral bell for silence while Armstrong shouted on regardless.⁸³ Early in 1935 the public gallery had to be cleared of Armstrong's supporters by the police.⁸⁴ A month later Archer called two policemen into the council chamber to escort the rebellious councillor outside.⁸⁵ The scene was set for a particularly bitter municipal election.

Opening his party's campaign in 1935, Dan Sullivan claimed that 'in Christchurch alone amongst the large centres we have reduced the rates'.⁸⁶

80 *Sun*, 20 April 1933.

81 *Christchurch Times*, 11 May 1933.

82 *Christchurch Times*, 31 January, 20, 21 February 1933; *Press*, 10 October 1933; *Sun*, 24 April, 18 July, 11 September 1934.

83 *Sun*, 19 December 1933; *Christchurch Times*, 24 April 1934.

84 *Sun*, 26 February 1935.

85 *Sun*, 26 March 1935.

86 *Sun*, 3 April 1935.

Labour stated with pride and confidence that 'it is unlikely that any fresh loan monies will be required for a considerable time' and held out the heady prospect of a debt-free city within 20 years.⁸⁷ The possibility of further reductions in rates was canvassed, but the party hesitated to match the Citizens' definite promise to cut the rates by 10%. This almost certainly cost Labour a good deal of support, and its effect was magnified by a vigorous and well-organized campaign on the part of the Citizens' Association. The campaign was directed by Sidney Holland, soon to succeed his father as MP for Christchurch North and go on to higher places. On Labour's other wing, the same trio of radical parties as in 1933 took away thousands of votes. Armstrong, now standing as an Independent Labourite, received over 11,000 votes, but did not retain his seat on the Council. It appears to have been the end of the preferential voting system that counted against him, rather than any shrinkage in his support. The seven anti-Labour left-wing candidates may well have taken sufficient votes from Labour to deny the party up to four candidates, thereby costing it the election.⁸⁸ The erosion of Labour's support from two sides produced a dramatic result. In an exceptionally heavy turnout of voters the Citizens' mayoral candidate, Dr H.T.D. Acland, reduced Sullivan's majority to less than 400, and the Association's slate took 12 of the 16 seats on the Council. A few months before its most crushing national victory, the Labour Party was routed in its great municipal stronghold.

Why was the Christchurch Labour Party so conservative financially? Part of the answer may well lie with the nature of Labour's representatives on the Council. Five of the Labour councillors elected in 1927 were associated with businesses and one was a clergyman. More fundamentally, there was clearly a concern, not least on Sullivan's part, that the Council should demonstrate that the Labour Party could handle public finances 'responsibly'. Defending Labour's record shortly before the 1929 municipal election, Sullivan proudly maintained that he and his fellow socialists had won the approval of the capitalist interests: 'most significantly of all, perhaps, is the fact that, despite all the dismal predictions made by our enemies when we took office, the investing public have shown complete confidence in Labour's financial administration, have taken up our debentures, and given us all the money necessary, and at rates of interest lower than those authorised by the [Local] Government Loans Board.'⁸⁹ During the argument over whether electricity profits should be diverted to unemployment relief, one of Elizabeth McCombs' strongest supporters was Councillor Percy Sharpe, a wealthy retired soft-drink manufacturer. He claimed that 'the Labour Party has never done anything except on sound business lines'.⁹⁰

87 *Sun*, 25 March 1935.

88 This would have been the effect if their 26,000 votes were spread between the Labour candidates in similar proportions to those actually cast for them. Such a calculation also relies, however, on the assumption that the votes cast for the rebels would have been polled anyway, and polled for the Labour ticket. The turbulence preceding the election may have brought out additional voters. Certainly the electoral roll and the numbers voting were strikingly high, and that increase may not have been entirely due to the Citizens' Association's vigorous canvassing.

89 *Lyttelton Times*, 14 March 1929.

90 *ibid.*, 25 June 1929.

However, the fundamental reason for Labour's conservatism lay in the fact that so many working-class New Zealanders owned their own homes, and this was nowhere more so than in Christchurch. In 1926 only 29% of the city's dwellings were rented, compared with 34% in Dunedin and 44% in both Wellington and Auckland.⁹¹ Consequently, most ratepayers were working people. By reducing the rates and eliminating borrowing, the Labour Council was catering for what was probably the largest section of its constituency, and certainly the most politically active — working people who owned their own homes. During the 1927 municipal election campaign Labour's propaganda argued that 'every increase in rates hurts the workers. The Citizens' Association majority have been responsible for every increase in rates. Labour, if given a majority, will examine the whole position and reduce rates, if possible'.⁹² At the meeting which opened Labour's campaign, there was loud applause when Archer referred to a scheme of home loans organized through State Advances and declared, that 'Dan Sullivan has done more for housing than all the rest of the councillors put together'.⁹³ After the party had won its sweeping victory, Sullivan warned that 'the great majority of the ratepayers are workers and they would have to find any increase in rates'.⁹⁴ He therefore ruled out any 'loose or extravagant' spending to employ all the unemployed. During the debate in 1929 over whether electricity profits or ratepayers funds should pay for relief works, Elizabeth McCombs protested that the majority of users of electricity were small property owners and that any proposal to divert money from the MED was therefore 'a class measure'.⁹⁵ Sullivan replied in kind that 'the overwhelming majority of ratepayers are working people with mortgages on their properties, and it would be as unfair to rate them for unemployment as to rate the users of electricity'. Archer was the only local Labour leader to suggest that there should be a special rate levy to fund employment relief, but he stressed that this was 'a personal policy' and believed that 'Christchurch wouldn't have it'.⁹⁶ His suggestion of a special levy on rates may well have contributed to his replacement by Sullivan as Labour's mayor candidate in 1931. Labour could not afford a leader who had publicly espoused increased rates if it was to regain control over the City Council. After the election Councillor James McCombs heralded a 10% cut in the rates by declaring that 'the working people, in common with the larger ratepayers, were expecting a reduction in rates this year'.⁹⁷

It would be wrong to see the attitudes of Christchurch Labour leaders such as Sullivan and the McCombs as simply the product of a personal conservatism. Rather it was their grasp of the nature of the local working-class electorate that made them emphasize a conservative approach to expenditure. After all, they were the most experienced and successful Christchurch politicians in the local

91 Calculated from figures in CSO, *Census, 1926*, XIII, pp.19–20.

92 *Lyttelton Times*, 16 April 1927.

93 *ibid.*, 13 April 1927.

94 *ibid.*, 31 May 1927.

95 *Press*, 23 July 1929.

96 *ibid.*, 20 September 1929.

97 *Christchurch Times*, 14 July 1931.

Labour caucus, and Sullivan in particular enjoyed immense popular support in his home town for most of his political career. All of them had grown up in the city, in contrast with Archer, the one local Labour leader who was prepared publicly to favour the unemployed over the ratepayer or electricity consumer.

Labour in Christchurch could lose heavily in the municipal election and yet win increased majorities at the general election later in the year: the paradox can be explained to a very large extent by reference to the taxation system. In 1935 better-off working people were well aware that spending by local government tended to mean higher rates, and they generally paid rates. Spending by central government might mean higher taxes, particularly income taxes, but they themselves were seldom payers of income tax. It was possible to believe that governments could do great things socially by further taxing the wealthy. By 1949 the ordinary better-off worker was paying significant income tax to support government policies. Now he was much more likely to be receptive to promises to cut taxes by cutting back on those policies. This was one of the things that National Party implied it would do in its election campaign of that year. It was more than symbolic that Sid Holland was the organizer of the Christchurch Citizens' Association victory of 1935, just as he was to be the architect of the New Zealand National Party's triumph in 1949. Holland had grown up in a prosperous skilled working-class household in Christchurch and he was far from insensitive to the values of that stratum of New Zealand society.

Christchurch was different from its fellow major centres during the Depression in the degree to which it suffered economically from the slump. It was not markedly more peaceful than those other cities; the disorder it experienced was worse than at least one of them. Its private charitable relief effort was better organized, and probably on a larger scale than elsewhere. However, in terms of providing work for its unemployed citizens, Christchurch's Labour-dominated City Council was remarkably less forthcoming than the major non-Labour city councils. The Labour Council's conservatism was based on a generally realistic assessment of the interests of working-class homeowners. That was the group whose political support was vital to Labour, both locally and, as Miles Fairburn has indicated, nationally.⁹⁸ For that reason the financial conservatism of its Labour administration was the most significant way in which Christchurch was different during the Depression.

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⁹⁸ M. Fairburn, 'Why did the New Zealand Labour Party Fail to Win Office until 1935?', *Political Science* XXXVII, 2 (1985), pp.101-24.