



Reasons for the Depression in Wales

Britain was the first industrial nation, and had prospered from the lack of competition from other countries and the ability to sell their products across the British Empire. However, this changed drastically after 1900.

The main reasons for this were:

- obsolete methods
- new markets
- unemployment
- import duties
- competition from abroad

The Wall Street Crash 1929

When the US stock market crashed in October 1929, this further exacerbated the problems facing Britain's economy and as a result, Wales's economy. The value of British exports fell dramatically, resulting in its industrial areas plummeting into poverty.

In Wales, the Wall St Crash exacerbated the problems already faced by industries like coal and iron. Following this, Wales become one of the world's most depressed countries with over 42% of men, who were eligible to work, unemployed in 1932. Tinplate, iron and steel were all badly hit however, coalmining remained the worst hit industry. The agricultural industry in Wales was also affected.

Impact of the Depression on the people of Wales

The Dole and the Means Test

To get by, the unemployed relied on unemployment benefits known as the 'dole'. Unemployed workers could claim this for six months under the unemployment insurance scheme.

In an attempt to cut costs, the government introduced the Means Test in 1931. This meant that a person had to have their means tested before they could receive the dole.

Public Assistance Committees were set up to investigate a family's finances thoroughly before benefits could be given.

Families were expected to sell their possessions and use any savings before they were entitled to the dole. It also caused friction within families; for example, if an older child had a part-time job or an elderly relative lived in the house and was receiving a pension, this would affect the amount of dole a family could receive.

The usual rate for the dole per week was 15 shillings (75p) for man and wife and about 5 shillings (25p) for each child. To make matters worse, in 1931 the dole was cut by 10%.

The Rhondda Hunger Marchers

There were also marches from Rhondda in South Wales. In the autumn of 1927, the first of the hunger marches from Rhondda took place. They marched against the lack of support for unemployed miners and their families and the new Unemployment Bill.

On 18 September 1927, a demonstration which became known as Red Sunday was organised in the Rhondda Valley. A march to London was organised for November of the same year.

When November came, much of the support for the march had been lost, but 270 men set out for London regardless. They gained support from trade councils in every town that they passed through, but the Government, Trades Union Congress (TUC) and newspapers generated hostility towards the marches.

In October 1932, there was a large-scale march to London by 2,500 workers from across the UK. The protestors demanded the abolition of the Means Test and the 10% cut to their benefits. These marches were viewed with suspicion by the government who deployed police and spies to keep an eye on the marchers. Some police used force to remove petitions and stop the marchers getting to London.

Emigration from Wales

For much of the nineteenth century, and up until the beginning of the Great War in 1914, Wales had attracted thousands of immigrants. However, the post-war depression of the 1920s and the Great Depression of the 1930s reduced the flow of immigrants to a trickle. Within a few short years pre-war immigration had turned into post-war migration on a massive scale.

It has been estimated that 440,000 people left Wales between 1921–1938. The majority, some 85%, left the South Wales valleys of Glamorgan and Monmouthshire. To take one example, by 1933 a quarter of the population of Pembroke Dock, some 3,500 people, had migrated, leaving a town in which (by 1937) 55% were listed as unemployed.

Response to the Depression in Wales

The Special Areas Act

The Special Areas Act of 1934 appointed government officials to oversee four 'special' areas – north-east and north-west England, Clydeside, South Wales and Northern Ireland. A grant of £2 million was available to companies who would relocate to these areas and create jobs.

- In 1936, a further act offered incentives such as rent, rates and tax reductions.
- The Treforest Industrial Estate opened in 1936, but by 1939 only 2,500 workers were employed there.
- A new steelworks opened in Ebbw Vale in 1938.
- By 1938, over £8 million had been spent, but only an estimated 14,900 new jobs had been created.

Increasing leisure opportunities

In order to escape the effects of the Depression, popular entertainment, such as the radio, cinema and sport, offered an escape and helped to raise morale.

- The BBC offered news programmes, live theatre, music and comedy.
- The most popular form of entertainment was the cinema. Admission prices were low, and they were often places of great comfort and warmth.
- By the end of the decade there were around 4,780 cinemas in Britain.
- In Wales, rugby, football and boxing were very popular. The working class, in particular, saw in boxing a way to escape from their daily lives of poverty and unemployment. Tommy Farr, from the Rhondda, became a sporting hero by nearly defeating the American Joe Louis in 1937.