

What were the Main Social and Economic challenges in Britain in the Inter-War Period?

Britain faced many challenges during the inter war period. Previous to WW1 its economy was already in decline as it failed to modernise following the industrial revolution. These structural problems within industry then had the enormous costs of £50 million a day of the war piled on them. The Wall Street Crash served to further worsen the economy. Alongside the economic problems and often directly caused by them were social problems such as unemployment, poverty and poor living conditions. The inter war period will forever be remembered as a bleak time in British history as hunger was such an issue that it led to the Hunger Marches. However it shouldn't be forgotten that certain areas of Britain became unprecedentedly wealthy during this period.

A huge challenge which Britain faced during the inter war period was that of the structure of British industry. The British had been pioneers of shipbuilding and textile manufacture. However by 1913 British exports had dropped to 13% from 17% in 1885. This was mainly due to increased shipbuilding in the USA and Japan. Another old-fashioned characteristic of Britain was their continued use of coal when most other countries had turned to oil. Oil was simply more efficient. Both of these factors show how the world moved past Britain during WW1. While the British were fighting the war, other countries had turned elsewhere for their shipbuilding needs and never

returned to Britain. The movement from coal to oil was a huge blow to the economy also as Britain had large coal resources but no oil. This led to problems in the coal industry. This led to huge problems with unemployment. By August 1920 over 1.5 million men were unemployed. This figure never fell below 1 million until the outbreak of WW2. The consequences of this were felt most in Northern England and south Wales where the old industries of coal and shipbuilding were based. In 1932 unemployment in the coal industry was at 41.2%. Shipbuilding in that same year was 59.5%. One of the worst hit towns was Jarrow which had 72.9% unemployment, This was due to the closure of the Palmer ship building yard in 1935. The old-fashioned industries and loss of markets in WW1 caused huge problems for Britain during the inter war period. It was both an economic and social problem as it led to unemployment. However only this affected certain areas. Certain areas actually became more prosperous in the inter war years. But this problem did have a huge knock on effect.

Another challenge facing Britain in the inter war period was the General Strike of 1926. Due to ever decreasing profits employers introduced wage cuts in order to compensate. There was an initial strike in 1921 which lasted 3 months before workers gave in. This left much bitterness among the miners. When wages were to be further cut in June 1925 the miner leader AJ Cook called a general strike. He wanted all of the unions to join the strikers. On Red Friday 31st July 1925, he managed to persuade the Trade Unions Council (TUC) to join him. The government's solution to this was to form a Royal Commission, headed by Sir Herbert Samuel to examine the problem of wage cuts. However this commission failed to find an alternative solution to pay cuts, as well as proposing an extra half hour be added to the working week. This was unacceptable to AJ Cook. On May 1st the miners went on strike. The TUC joined them, ordering railway men,

dockers and transport workers to respond. Over 2 million responded and the General Strike began on May 3rd 1926. Due to the previous threat of strikes however the government had seen this coming. By forming the Royal Commission they were buying time in order to create a contingency plan in the event of a large-scale strike such as this. Soldiers, police and students stepped in to fill the roles of the strikers driving buses, unloading ships and distributing supplies. In this sense the strike had little effect on daily life. On May 12th the TUC agreed to call off the strike after talks with the government. The miners felt betrayed and continued to strike for 6 months. Eventually they went back to work with less pay and longer working hours. This problem shows quite how much the old fashioned industry had affected people. Due to the governments foresight the strike had little material effects on the general population. One economic effect it had was that after 1926 wage disagreements were settled quickly and not allowed to get out of hand. But overall the strike was more an effect of a larger underlying problem.

An enormous problem faced by Britain in this period was the Wall Street Crash in 1929. Just as some economic stability has returned, the crash hit, wiping out all progress of the 20s. Due to the collapse of the US economy world shrank to 1/3 of what it had been. 40% of all industrial goods had been produced by the USA so the effects of the crash quickly spread worldwide. By 1932 unemployment reached 3 million as a direct result of the crash. Britain was doubly hit by the crash. Due to the destruction of the American economy there was no longer any loans from America. In fact they were demanding all loans to be paid back. Because of this Germany now ceased to pay back the reparations of £6.6 billion, as they could no longer afford to, lacking American investment. This was a big loss of 2 large sources of money in the 1930s. Like the rest of the world Britain sank into a depression. Again areas that were worst hit were the north of

Britain. There was great poverty in these areas. Malnutrition was common and there was a high infant mortality rate. In 1936 in Jarrow this led to the Jarrow crusade in which 200 marchers marched to 300 miles from Jarrow to parliament in London in the hopes of making a change. The march however had little impact. On the other hand other areas of Britain became very prosperous in this period, adjusting quickly to the crash. Average weekly earnings were actually twice as high in 1938 as 1913 due to the motor industry, but inflation must also be taken into account. Overall the crash was only really a great challenge for certain areas which were facing economic problems already. It left utter devastation here.

Instability in government was another challenge faced by Britain in this period. The government and prime minister were continually changing in this period. With 1929 came the Labour government, headed by Ramsay MacDonald. MacDonald was inexperienced in economic matters and was hugely unfortunate to have come into power right as the crash hit. They were faced with the ever-growing problem of unemployment. Due to this they collected less money in income tax while having to pay out huge amounts in the dole. They also had to deal with a run on the pound which almost bankrupted Britain. The Labor government decided to reduce spending and borrow abroad. Taxes were raised and unemployment benefits reduced by 10%. It was estimated that these savings would amount to £7.6 million. This served to make life in Britain all the more miserable and proved to be the fall of the labour government from power. Certain sections of the party and trade unions felt it placed too heavy a burden on the working class and MacDonald had to resign on August 24th 1931. An all party National Government was then formed including MacDonald and his predecessor Stanley Baldwin. As a result MacDonald was expelled from his party which opposed the National Government. In Oct 1931 there was a

landslide victory for the NG in the elections. MacDonald remained PM although Stanley Baldwin had the real power. Chamberlain became Chancellor of the Exchequer. Overall this constant chopping and changing would serve to get little done in the way of improving conditions in Britain. MacDonald, had he been more experienced, might have chosen to devalue the pound rather than borrow heavily, which may have lightened the burden on the working class. The government did little to help conditions until Chamberlain began his economic reforms and even these had limited success.

One huge challenge face by Britain in this period was the everyday life of the working class. Due to unemployment many people lived in enormous poverty. However many changes were made in the area of social welfare, housing and education to try and ease the load. Some of these had little effect and didn't last long. One of the big changes was in the increase of unemployment benefit. In the Unemployment Insurance Act 1920 benefits were increased from 5 to 7 shillings a week and stretched to include those who had an income of under £250 a year. In 1921 it was further changed to be available for more time. Workers also did not have to contribute towards the fund for this. This was the beginning of the 'dole' in England. After the Unemployment Act of 1934 benefits could be collected by anyone over the age of 14. There were also a number of acts brought in to improve housing. The Addison Housing Act 1919 provided cash which built over 213,000 new houses. The Wheatley Act 1924 gave money to build council houses. The Greenwood Housing act 1930 gave money to clear slums. The Fisher Education act 1918 made education up to the age of 14 compulsory. This was intended to give working class children better educations. The change in social welfare were hugely beneficial to the working class. It did also have to effect of being a big area of spending for the government. Spending on

social services went from £22 million in 1913 to £204 million in 1935. As well as this funding for various housing acts was cut in 1931-1934 in an effort to save money. Also by 1939 only a small portion of working class children were finishing secondary school. Overall conditions improved but the changes made failed to pull people out of poverty.

Finally, to be completely accurate it must be said that all of Britain was not in a shambles in the inter war period. In fact the South of England, around London became quite wealthy due to the motor industry. Into 1920 to 1938 the number of jobs in this sector grew from 227,000 to 516,000. Between 1932 and 1937 national income rose by 20%. In the meantime the cost of living fell by a third between 1920 and 1939. As well as this smaller families of 2 or 3 children became more common so families had more money to purchase the now mass produced cars, radios and gramophones. This money was invested back in to the local economy, so the South became all the more comfortable. Cheap mortgages became common. Large numbers of people in these areas could afford expensive pass times such as weekly trips to the cinema or going on a holiday every year. In this way it can be seen that while there were huge problems facing Britain in this period it was very much an economically and socially divided country and many of these problems only really affected the north.

In conclusion I don't think that the government was particularly successful in dealing with many of the issues faced in this period. A lot of the issues were really rooted in a lack of modern industry in the North and they failed to address this problem. They brought in many new social policies but these had only limited success. It's little wonder that they didn't have much success considering the mess the government was in at the time. One area however where the government did have success was in the handling of the General Strike of 1926.

