Labour’s Attempt to ‘Build a New Jerusalem’

‘The nation needs a tremendous overhaul’

**Housing Acts and Programme**

Labour built 1.5 million new homes – mostly council houses (4/5) – and 250,000 pre-fabs. The 1946 New Towns Act built new towns around London for those that were bombed out or in slums e.g. Stevenage 1946. The Town and Countryside Act established areas of greenbelt land to limit urban sprawl. Bevan increased the space allocated to each family to 900 sq feet with toilets upstairs and down.

Limitation –Labour did not build as many houses as it hoped because it was dealing with postwar economic recovery; only in 1948 did they start building 200,000 a year. At the same time, private house building for the middle classes were held back. Squatting became popular after the war when there was a housing shortage and the government turned a blind eye to 50,000 people occupying military properties in 1946.

**1948 National Assistance Act**

This finally ended the Poor Law by transferring responsibility for the destitute to central government. The National Assistance Board provided benefits to those who had slipped through the net and could not fend for themselves. Local authorities also had to provide accommodation for the homeless.

Limitation – The National Assistance Board did apply a kind of means test to applicants although it was more generous.

**Historical Interpretation**

Hennessey regards Attlee as one of Britain’s best prime ministers.

Right wingers thought that the policies were inefficient and expensive, restricting economic growth until the saviour of Thatcher in 1979. They see nationalisation as extreme Socialism.

Left wingers claim Attlee was too cautious – he failed to abolish private education and medicine.

Some historians claim that the success of the postwar Attlee administration was not the extent of the welfare benefits provided, but the maintenance of full employment.

‘One of the greatest reforming administrations of the 20th century’ – Murphy – it had overseen the return to a peacetime economy without mass unemployment or dislocation of industry like DLG 1918-1922.

‘The greatest achievement of Attlee’s government was undoubtedly the NHS’ - Murphy

‘Nationalisation was essential to sustain the morale and impetus of the 1945 Labour government’ – Murphy

‘Nationalisation was not so much a revolution but a prolonging of the ancient regime’ - Murphy

**Implementation of 1944 Education Act**

Labour implemented the Conservative Act adopting the tripartite model of schooling. This allowed many bright working class students to go to the best grammar schools, but also sentenced the majority of youth to failure at the age of 11. Technical schools and secondary moderns were neglected, whilst private schools still made educational excellence about money.

**NHS**

A 1946 Act of Parliament paved the way for the NHS, but it came into being in 1948. It was the work of Nye Bevan who was a socialist who had rebelled against the wartime government; his appointment is therefore somewhat shocking. Before this, doctors were self-employed and relied on patient’s fees, or that of the insurance company. Hospitals also ran on fees or charity. Doctors did not want the state to dictate their work and Bevan faced fierce opposition from doctors. The BMA was against doctors becoming state employees as this would weaken the profession. Doctors wanted to keep their private practices. Some claimed that it looked a lot like National Socialism. Bevan compromised on this matter as he could not make such a change without BMA support. Consultants were allowed to work both privately and for the NHS and hospitals having a number of ‘pay beds’. Bevan had to ensure the medical profession had a central role in the NHS. The result was a less socialist NHS than Bevan had envisaged. Of the doctors he said, I ‘stuffed their mouths with gold’.

Success? There was an improvement in the health of the nation, however this had also been part of a long term improvement in falling infant mortality and TB. Outside factors such as housing, diet and full employment also indirectly improved the health of people. There was no unified system of NHS administration – 19 regional hospital boards supervised hospitals. Although the funding came from central government, there was disparity in health care across the country. There was a shortage in trained staff – 100,000 dentists was not enough to care for 47 million people. Hospitals were often old and ill-equipped to cope with the new demand. Although health centres were built, they were slow on the uptake, not starting until 1952. Spending on the NHS doubled between 1948 and 1951 (£134 million in 1948 to £356 million) and when Britain got involved in the Korean War, the Chancellor, Hugh Gaitskell was forced to introduce prescription charges. This went against the principles of the NHS and Bevan resigned in protest.

However, the life changing difference the NHS brought to people across Britain was revolutionary. 8.5 million dental patients were treated and 5.25 million pairs of glasses were supplied. There were major improvements in public health and swift public acceptance of the NHS – 95% of the public enrolled with the NHS, as did 88% of doctors and 95% of dentists. Doctors soon came to be the biggest supporters and defenders of the NHS and it was admired throughout Western Europe by 1951. It successfully combined a democratic capitalist society with comprehensive, universal free health care.

**1946 National Insurance Act**

This applied NI to all employees and was comprehensive providing sickness and unemployment benefit, but also maternity and death grants, allowances for widows, children and orphans and an old age pension. The old age pension for a single person rose to 26 shillings a week from 10 shillings.

Judgement – The level of benefits remained low and did not rise with inflation; indeed poverty was not eradicated by the welfare state. Although family allowance was only 5 shillings a week, it was a great help to working class mothers. Rowntree’s third survey in 1950 showed less than 2% of people living in primary poverty – he noted the importance of full employment in this fall. Rowntree’s survey showed a significant improvement in living standards for poorer families and real benefits from this government.

**1946 Industrial Injuries Act**

This covered the whole of the workforce providing compensation for illness and injuries from work. It included disability benefit and death benefit for those dependent. Tribunals were set up to assess cases.

Limitation – It was still difficult to prove workplace incidents/injuries

**Universal System of Welfare – Why?**

This was necessary because 40,000 of workers still remained outside of the national insurance scheme (they had to fall back onto the 1834 Poor Law) and the families of insured workers could not get access to a doctor. The Emergency Medical Service had been set up to deal with injuries on the home front, but there was no guarantee this would continue to peacetime. There were no child allowances or maternity benefits.

Labour was ideologically committed to free education, a free health service and abolishing the Poor Law and means test. Attlee was committed to making welfare provision universal and free to all. The Liberals reforms had been expanded since 1914, but Britain was still an incomplete welfare state before 1939.

After winning the war, Britain had to ‘win the peace’ creating a fairer society and preventing a relapse to the ‘hungry thirties’. There was public support for the Beveridge Report from 1942 and ‘cradle to grave’ provision. Rowntree argued, in his third survey, that poverty would have been 8 times worse without the postwar welfare reforms.

**Nationalisation**

This fulfilled Clause IV of the Labour Party constitution and ensured that focus could be directing to increasing exports to solve the financial crisis, whilst maintaining full employment. The wartime experience had convinced the public of the advantages of state planning and ownership – all key industries had been nationalised during the war.

There was little opposition to the nationalisation of coal, aviation, the railways and the Bank of England. However, the Conservatives did not want road transport and steel privatised – after 1951 they privatised these industries again.

1945-51 Labour privatised 20% of industries and controlled 10% of the workforce.

Successes: Electricity and gas were expanded under nationalisation, as were aviation and cable and wireless. Coal mining did do better under nationalisation, increasing coal output from 180 million tonnes in 1945 to 220 million tonnes in 1952. Most of the nationalisation was left in place, even by Conservatives until the 1980s.

Failures: Nationalisation was expensive - £2,700 million. Industries like coal mining and the railways were run down and had to be continuously subsidised. The administration was not greatly changed – coal miners had the same bosses as before. Indeed, pay and conditions for workers did not improve much and some industries were even in competition with each other e.g. coal and gas.

Arguments for Radical Change: Most industries were not privatised until the 1980s and Britain had moved towards becoming a collectivist society. The economy was now mixed between private ownership and state ownership and now run in favour of social need, rather than private gain. Labour maintained full employment throughout their time in office (apart from a brief spell in the crisis of 1947); greater state control of industry contributed to this.

Arguments for Limited Change: The industries that were nationalised had a long history of state involvement beforehand anyway – it was based on the ‘public corporations’ of the 1930s. There was no socialist control by the workers, they were run by civil servants. Additionally, private owners were compensated for their losses – it was not the start of a socialist revolution. The industries nationalised were unprofitable and nationalisation slowed after 1947.