

Clement Attlee in Power 1945-1951

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Abstract:

The Labour government of Clement Attlee, up to 1951, was able to introduce a major programme of reforms shaping the character of British society in the early Post-War period. Subsequently, in the 1951 election, the Labour Party found itself back in opposition while the Conservatives won more seats. The present article discusses the 1945 the election result which represented a turning point in British politics. For the first time, the Labour Party realised a landslide victory. It also deals with the Labour reforms succeeded in making a modern Welfare State, and how significant the welfare reforms of the Labour Government 1945-1951 had on the lives of the British people.

Key words: reforms – Welfare State – Clement Attlee – National Health Services – government

الملخص:

تمكنت حكومة حزب العمال بقيادة كليمنت أتلي، منذ 1945 حتى عام 1951، من تقديم برنامج رئيسي للإصلاحات التي حدد طابع المجتمع البريطاني في فترة ما بعد الحرب في وقت مبكر. و بعد انتخابات عام 1951، وجد حزب العمال نفسه مرة أخرى في المعارضة بعد فوز المحافظون. تناقش هذه المقالة انتخابات عام 1945 و التي شكلت نقطة تحول في السياسة البريطانية. ولأول مرة حقق حزب العمال انتصارا ساحقا فيها. كما يتناول إصلاحات حزب العمال الناجحة في إنشاء دولة رفاهية حديثة، ومدى أهمية الإصلاحات الاجتماعية لحكومة العمل 1945-1951 على حياة الشعب البريطاني.

الكلمات المفتاحية: الإصلاحات – دولة الرفاهية – كليمنت أتلي – الخدمات الصحية الوطنية – الحكومة

The Labour Government 1945-1951

The British people were invited to cast their votes in the last year of the Second World War. In the election held in the autumn of 1945, Labour won 393 seats against the Conservatives' 213 and the Liberals' 12.¹ This was the first time that Labour had achieved an overall majority in Parliament and came as a surprise to the Conservatives, who had been relying on a vote of confidence in Churchill's leadership.

The Labour Party's participation in the First World War, the Conservatives' failure to convince electors and the Labour manifesto "*Let Us Face the Future*" (1945) were factors that led to the Labour Party victory. By 1945, the Party emerged with an impressive team of ministers who were active during

¹ Brian Brivati and Tim Bale, *New Labour in power: precedents and prospects* (London and New York: Routledge Taylor and Francis Group, 2001), 80-85.

the War, but their work was concentrated on domestic matters, particularly in reconstruction, the issue of most concern to the electorate.

Perhaps the most popular Labourites were Ernest Bevin, Herbert Morrison, Hugh Dalton, Stafford Cripps and Clement Attlee. The first was a trade union leader, who had not even been an MP before the War. He served as a successful Minister of Labour and National Service from 1940 to 1945. The second, Herbert Morrison was Minister of Supply in 1940 and shortly became Home Secretary after he succeeded Sir John Anderson. Hugh Dalton was Minister of Economic Warfare (1940-1942) and then President of the Board of Trade (1942-1945). The last two Labour men were Stafford Cripps and Clement Attlee; the latter served as a member of the War Cabinet for the duration of the coalition and as Deputy Prime Minister (1942-1945). Few Conservatives made a name for themselves during the War, though they had to bear the failures of the inter-war period, especially mass unemployment and foreign policy. The policy of appeasement which was conducted by Neville Chamberlain, Churchill's Conservative predecessor, damaged the Conservative Party re-election.

With the War ending by 1945, the National Government sought to call an election to return to a two party-system.² As Churchill's personal popularity remained high, the Conservatives were confident of their victory and based their election campaign on this instead of focussing and paying attention to propose new programmes. Meanwhile, the Labour Party offered a new comprehensive welfare policy, reflecting a consensus that social improvements were required. The Conservatives were not willing to make the same concessions that Labour proposed, and for this reason appeared disjointed with public support.

To deal with the Conservative election strategy, Churchill went so far as to accuse Attlee of seeking to behave as a dictator. He attempted to create a horrific picture of the Labour Party by associating their rather mild form of socialism with totalitarian governments on the Continent:

I declare to you, from the bottom of my heart, that no Socialist system can be established without a political police... No Socialist Government conducting the entire life and industry of the country could afford to allow free, sharp, or violently

² Party system is the relationships between the political parties operating in a state. Unlike the one-party systems of the former Soviet Union and its eastern satellites, Britain, in common with other liberal democracies, offers voters a choice of party candidates in elections. Many European countries have multi-party systems (usually the result of a proportional system of representation), where more than two political parties either are competing for government or play a significant part in influencing government. Bill Jones, *Dictionary of British Politics* (United Kingdom: Manchester University Press, 2004), 206-207.

worded expressions of public discontent. They would have to fall back on some form of Gestapo, no doubt very humanely directed in the first instance.³

In the same speech he added:

Leave these Socialist dreamers to their Utopias or nightmares. Let us be content to do the heavy job that is right on top of us. And let us make sure that the cottage home to which the Warrior will return is blessed with modest but solid prosperity, well fenced and guarded against misfortune, and that Britons may remain free to plan their lives for themselves and those they love.

This speech, which was widely reported by the media, showed that Churchill was unable⁴ to adjust his talents as a war leader to the demands of political campaigning.

In fact, the greatest factor in the Labour Party's dramatic win appeared to be the policy of social reform. In one opinion poll, 41 percent of respondents considered housing to be the single most significant issue that confronted the nation.⁵ The welfare state, founded on the Beveridge report, offered a dramatic turn in British social policy, with provisions for the nationalised health care, extended education, national insurance and a new housing policy. The Labour Party, which proclaimed its 1945 manifesto '*Let Us Face The Future*', was seen as a Socialist Party and was proud of it.

Attlee and His Ministers

The Attlee government ruled from 26 July 1945 till 26 October 1951. Ernest Bevin was Foreign Secretary until shortly before his death in April 1951. Hugh Dalton became Chancellor of the Exchequer until 1947 when he had to resign, while James Chuter Ede was Home Secretary for the whole length of the Party's stay in power.

Other remarkable figures in the government included Herbert Morrison, Deputy Prime Minister and Leader of the House of Commons, who replaced Ernest Bevin as Foreign Secretary in March 1951; Sir Stafford Cripps, initially President of the Board of Trade, who replaced Dalton as Chancellor of the Exchequer in 1947. Arthur Greenwood was Lord Privy Seal and Paymaster General and future Prime Minister Harold Wilson became the youngest member of the Cabinet in the 20th century when he was made President of the Board of Trade in 1947 at the age of 31. The most famous of the few female members of the 1945 government was Ellen Wilkinson, who was Minister for Education until her

³ Brivati and Bale, *New Labour in Power*, 114.

⁴ Matt Beech, and Kevin Hickson, *The Struggle for Labour's Soul Understanding Labour's political thought since 1945* (London and New York: Routledge Taylor and Francis Group, 2004), 11.

⁵ Ibid.

death in 1947. Patrick Gordon Walker served in the government as Commonwealth Secretary in 1950. But the two key figures were Aneurin Bevan who became Minister of Health in 1945, and Hugh Gaitskell who became the first Minister of Fuel and Power in 1947 and then Chancellor of the Exchequer in succession to Cripps in 1950.

Only five key members formed the Big Five, Ernest Bevin, Herbert Morrison, Hugh Dalton, Stafford Cripps and Clement Attlee. The latter had become the Party Leader since 1935⁶ and led the Labour Party to victory. Indeed, he defeated the Conservatives who were headed by the charismatic War hero, Churchill. Once the results of the 1945 general election became known, Attlee was urged to stick out for re-election by the Parliamentary Labour Party (PLP) before accepting George VI's invitation to organise a government. It was an attempt by the Labour politicians to replace him by a bigger personality as Herbert Morrison as Party leader and later as Prime Minister.

Yet, Attlee's public profile increased during the election campaign because of Churchill's backfiring attacks. The latter immediately resigned and advised the King to send for Attlee who accepted the commission and presented Labour MPs with a *fait accompli*. Morrison was appointed Lord President of the Council to act as *de facto* Deputy Prime Minister and co-ordinator of domestic policy.

Clement Attlee, the first one of the Big Five was a reformer. He entered politics by way of social work in the East End of London. He wished to see a more caring and more equal and stable society. According to Eric Show, Attlee lacked substantial understanding of economics, he only took in the humility to recognise deficiencies and require the advice of those better qualified than him. In that, he was the contrast of Ramsay MacDonald. He was always well-informed, and everyone recognised that he was powerful and efficient.⁷ Above all, he was an excellent chairman of the Cabinet with a remarkable ability to get through an agenda and to silence over talkative colleagues. Since democracy means government by discussion, Attlee was aware that unless people knew when to stop talking, democracy could degenerate into a discussion without government.⁸

The second one was Ernest Bevin. He was also extremely imaginative and an administrator of outstanding skill. He was called the finest negotiator of his contemporaries.⁹ One reason Attlee sent Ernest Bevin to the Foreign Office was to minimise clashes with Herbert Morrison who as Leader of the House of Commons and Lord President of the Council, had overall responsibility for domestic affairs.

⁶ Richard W. Lyman, "The British Labour Party: The Conflict Between Socialist Ideals and Practical Politics Between the Wars". *Journal of British Studies* 5.1 (1965): 140–152. Retrieved from <http://www.jstor.org/stable/175187>, 10.

⁷ Ibid.

⁸ Nigel Todd, "Labour Women: A Study of Women in the Bexley Branch of the British Labour Party (1945-50)". *Journal of Contemporary History* 8.2 (1973): 159–173. Retrieved from <http://www.jstor.org/stable/259998>, 14.

⁹ Ibid, 14.

The third one was Herbert Morrison. He was a successful Leader of the London County Council in the 1930s and an equally successful Home Secretary during the Wartime coalition.¹⁰ In addition, he was behind the Labour Party's 1945 election strategy and had practically written its manifesto.

The fourth member of the 'Big Five' was Hugh Dalton who was appointed by Attlee as Chancellor. He was educated at Eton and King's College, Cambridge and appeared as a class traitor to his Conservative enemies. He imposed redistributive taxation in order to reduce inequality. He was one of the few ministers determined to press for the nationalisation of the steel industry. The last member of the 'Big Five' was Sir Stafford Cripps who was identified with economic austerity that marked the late 1940s.

Above all, Attlee was lucky that his two main rivals for the leadership, Ernest Bevin and Herbert Morrison were bitter enemies who preferred to serve under him than under each other. So, two different trends appeared in the government, represented respectively by Herbert Morrison and Aneurin Bevan. Herbert Morrison believed that the Labour Party would only be re-elected if it won a proportion of middle-class votes while Aneurin Bevan believed that socialism meant not mere piecemeal reform but, the transformation of society. In 1948 Herbert Morrison's recipe for victory was consolidation rather than nationalisation of further industries, Labour should make sure that those already brought into public ownership were working well and for the public interest.

Aneurin Bevan did not like to consider the nationalisation of the whole of the means of production, distribution and exchange, but considered that in a mixed economy the public sector should be predominant. After the 1950 election, Morrison was removed from direct confrontation with Aneurin Bevan by becoming Foreign Secretary after Ernest Bevin's removal because of his illness. Hugh Gaitskell faced a battle occurred which he considered a fight for the soul of the Labour Party. The battle was about the Labour Party's ideology.

Hugh Gaitskell, educated at Winchester and New College, seemed unemotional and highly self-controlled. Aneurin Bevan believed that intellectuals like Hugh Gaitskell, with no real roots in the Party, did not understand ordinary working masses. He feared that under such figures as the new Chancellor, socialism would degenerate into administrative efficiency.¹¹ On the other hand, Gaitskell insisted that Labour had to be a coalition of different interests and should not be devoted to a class which will lose its traditional character and becoming more diverse. He believed that the Party should be modernised and he

¹⁰ Beech, and Hickson, *The Struggle for Labour's Soul Understanding*, 210.

¹¹ Robert Eccleshall and Graham Walker, *Biographical Dictionary of British Prime Ministers* (London and New York: Routledge, 2002), 314.

was later to urge that Clause IV be dropped from the Party's constitution.¹² If Aneurin Bevan was a 'fundamentalist' and Morrison was a 'consolidationist', Gaitskell tended to be a revisionist.¹³ Aneurin Bevan and Gaitskell embodied the fundamentalist and reformist or socialist and social democratic trends in the Labour Party.

The government's reform programme achieved much of the welfare state. Twenty per cent of the industry was nationalised, but this very success made it harder for the two wings of the Party to cohere on the basis of an agreed programme. The Labour Party had to make up its mind about its socialism.

The Economy under the Labour Government 1945-1951

The period witnessed a move from macro-economic¹⁴ policies to economic survival under Hugh Dalton as Chancellor of the Exchequer (1945-47) who was successively succeeded by Stafford Cripps (1947-50) and later Hugh Gaitskell (1950-1).¹⁵ The last two were more influenced by neo-Keynesianism with the school of macro-economic thought¹⁶ than by any visions of centralised economic planning. This type of policy was different from what was obviously carried out by a Conservative government.

The War had cost Britain about a quarter of its total wealth, a threefold increase in the national debt and the decline of exports by two-thirds.¹⁷ Therefore, the priority had to be a short-term reconstruction accomplished by any means available, including overseas investments and loan assistance.

Britain was heavily reliant on the provision of Lend-Lease assistance from the USA.¹⁸ The end of the War with Japan in August 1945 was followed by the equally abrupt termination of Lend-Lease. A massive crisis loomed and a British delegation under Keynes set off for Washington to negotiate a loan. Agreement was finally reached in December 1945 on a loan of \$3,750,000 from the USA and \$1,250,000

¹² Geoffrey Ostergaard, "The Transformation Of The British Labour Party". The Indian Journal of Political Science 24.3 (1963): 217–238. Retrieved from <http://www.jstor.org/stable/41853974>, 10.

¹³ Revisionism is the name given to the ideas of those in the Labour Party who disagreed with members who wished to extend the programme of Clement Attlee's 1945 Labour government into the 1950s and beyond. Those who conducted the rethink were intellectuals for the most part and included Hugh Gaitskell, Anthony Crosland, Denis Healey and Roy Jenkins. Jones, *Dictionary of British Politics*, 246.

¹⁴ Macroeconomics is a branch of economics dealing with the performance, structure, behavior, and decision-making of an economy as a whole rather than individual markets. Ibid, 224.

¹⁵ Alan Fox, "The British Labour Party After the Elections". The Australian Quarterly 32.1 (1960): 13–20. <http://doi.org/10.2307/20633588>, 02.

¹⁶ Ibid.

¹⁷ Mary Hawkesworth and Maurice Kogan, *Encyclopedia of Government And Politics* (London and New York : Routledge Taylor and Francis Group, 2002), 160.

¹⁸ The Lend-Lease policy was a program under which the United States supplied Free France, the United Kingdom, the Republic of China, and later the USSR and other Allied nations with food, oil, and materiel between 1941 and August 1945. This included warships and warplanes, along with other weaponry. It was signed into law on March 11, 1941 and ended in September 1945. In general the aid was free, although some hardware (such as ships) were returned after the war. In return, the U.S. was given leases on army and naval bases in Allied territory during the war. Canada operated a similar smaller program under a different name. [https:// www. Britannica.com/ Lend-Lease](https://www.Britannica.com/Lend-Lease).

from Canada.¹⁹ However, this was reversed during the harsh winter of 1947 which witnessed several crises. One was the run on Sterling, which forced the suspension of the earlier policy of putting the pound on convertibility with the dollar.²⁰ There were also a fuel shortage, a trade deficit of £500 million and a fall in the reserves by £1,000 million.²¹ The loan allowed the government to push ahead with social and economic reforms so as to maintain domestic living standards. When convertibility was introduced in July 1947, the pound collapsed and the result was a sterling crisis and the suspension of convertibility after just five weeks.

Attlee appointed Stafford Cripps as Minister of Economic Affairs and set up a new committee of the Big Five plus Addison, leader in the Lords, to deal with major issues.²² Stafford Cripps was appointed to the Board of Trade by the 31-year-old Harold Wilson. Then, in November, Hugh Dalton told budget secrets to a journalist and resigned. He returned to the Cabinet the following year in a minor post. The Treasury passed to Stafford Cripps who combined Economic Affairs with the Exchequer.²³ Ultimately, Cripps replaced Hugh Dalton as Chancellor. Judged on its own terms, his tenure at the Treasury was probably the finest period of his varied career. His ascetic lifestyle fitted well with the nation's need to tighten its belt.²⁴ Even so, the crucial assistance again came in 1948 from the United States, in the shape of Marshall Plan (1948),²⁵ which aimed to revive Western Europe and see off the Communist threat. Britain received around \$2,700,000 until the end of 1950, by time the situation had improved.²⁶

However, a policy of austerity and rationing, normally associated with Cripps, proved essential. Therefore, The Government's first priority was economic survival which meant survival of existing economic arrangements. The government encouraged the export of capital to replace the overseas investments that had been used in financing the War effort.²⁷ All three of the Labour chancellors continued to use the time-honoured medium of the budget to exert financial control, an emphasis that was to be retained by the Conservatives after 1951.

Yet, another sterling crisis during the spring of 1949 occurred when the balance of payments position began to take a turn for the worse. With Cripps being absent and ill, three young ministers, all

¹⁹ Ostergaard, "The Transformation Of The British Labour Party", 12.

²⁰ Ibid.

²¹ Mark Phythian, *The Labour Party, War and International Relations 1945–2006* (London and New York: Routledge Taylor and Francis Group, 2007), 26.

²² Ibid, 27.

²³ Ibid.

²⁴ Lyman, "The British Labour Party: The Conflict Between Socialist Ideals and Practical Politics Between the Wars", 09.

²⁵ Ibid.

²⁶ John Dumbrell, *A Special Relationship Anglo-American Relations in the Cold War to Iraq* (London and New York: Palgrave Macmillan, 2006), 231.

²⁷ Ibid.

economists, Hugh Gaitskell, Harold Wilson and Douglas Jay, were forced to recommend devaluation. Cripps and the Cabinet agreed. Thus, on the 18th September 1949 the pound was devalued from \$4.03 to \$2.80.²⁸ Unlike in 1931, the government did not panic, remained united. The government was able to push ahead with its policies for industry and social reform in such a potentially delicate situation.

As a result of the economic crisis in the United States and a run on sterling, Cripps responded by a 30 percent decrease in the value of the pound. Exports increased rapidly, to the extent that by 1951 they were half as heavy again as they had been in 1938. Cripps tried to consolidate this by means of public spending cuts on areas such as housing and food subsidies. Then, during Gaitskell's Chancellorship, Britain was once again confronted to a deficit in the balance of payments, caused by heavy imports from the Continent and speculation over the pound.²⁹

The main deficiency was industrial, particularly the absence of industrial investment. The British industry appeared antiquated in many respects before and during the War, especially in terms of machinery and the training and education of the workforce. During the War, the Cabinet Reconstruction Committee had argued that the modernisation of the motor industry needed to be carried out within a period of eight to ten years. However, after 1945 this type of recommendation was not accorded as a priority in Britain as on the Continent.

The programme of nationalisation was based on Clause IV of the Labour Party constitution of 1918, advocated the common possession of the means of production, distribution and exchange. The 1945 manifesto had promised an extensive round of nationalisation: the Bank of England, fuel and power, inland transport and iron and steel would all be taken over by the State with fair compensation paid to the owners, and be run efficiently in the interests of consumers, coupled with proper status and conditions for the workers employed in them.³⁰

The Bank of England and civil aviation were nationalised in 1946; coal, rail, road haulage and cable and wireless in 1947; and electricity and gas in 1948. Most of these measures were relatively uncontroversial although there was strong Conservative opposition in the House of Commons over road haulage and gas. However, the nationalisation of iron and steel was based particularly on political and ideological objectives. The issue divided the Cabinet, with Morrison and others favouring full public

²⁸ Dumbrell, *A Special Relationship Anglo-American Relations in the Cold War to Iraq*, 231.

²⁹ Iain Dale and Dennis Kavanagh, *Labour Party General Election Manifestos 1900–1997* (London and New York: Routledge Taylor and Francis Group, 2002), 86.

³⁰ Ibid, 54.

ownership and some like Dalton, favouring postponement. Finally, the legislation nationalising the industry was passed.³¹

The industries were to be run by boards appointed by the minister but free from ministerial interference in day-to-day affairs. But the claim that each nationalised board should operate its industry on business lines meant a general lack of coordination between the industries. Even worse, the latter varied in the administrative arrangements, some being rather less centralized than others and most adopting different regional coverages.³²

Furthermore, there was no attempt to redistribute the balance of power within the industries. No attempt was made at trade union representation on the boards, let alone the workers' control. Despite the facts that many of the industries were heavily unionised, in the case of coal, one union spoke for the entire workforce and that some people on the Left were demanding it.³³ The government did not take such proposals seriously.

On a Party political level, joint consultative committees during the War had proved effective with wholehearted workforce and union participation. Some experiments in workers' control were tried at regional level with the aim of extending them if they proved successful or abandoning or modifying them if they did not. Instead, the public corporation model carried all before it was seen as having led to poor industrial relations and, after a very brief honeymoon period, to low levels of workers' commitment to the principle of nationalisation.

Labour's Social Reforms 1945-1951

The government introduced a variety of reforms between 1945 and 1951. The welfare state was based on eight main measures. The first two of these were the National Health Service Act (1946)³⁴ and the National Insurance Act (1946).³⁵ The first one provided for universal free medical treatment from general practitioners and dentists. Hospitals were nationalised and administered by local management committees and regional boards. The second one provided sickness and unemployment benefit for all adults, together with pensions on retirement, at 65 for men and 60 for women. These were paid by contributions from workers, employers and the state. The National Assistance Act (1948) provided a safety net for anyone not fully handled by National Insurance and also introduced services for the elderly or handicapped.

³¹ Dale and Kavanagh, *Labour Party General Election Manifestos 1900–1997*, 55.

³² Ibid.

³³ Ibid.

³⁴ *The Hutchinson Illustrated Encyclopaedia*, 673.

³⁵ Dick Leonard, *A Century of Premiers Salisbury to Blair* (London and New York: Palgrave Macmillan, 2005), 187.

The 1944 Education Act introduced the 11-plus examination for selection of grammar school pupils. Both the New Towns Act (1946) and the Town and Country Planning Act (1947) allowed the government to designate and to find areas as new and modern towns. The last two were the Family Allowances Act (1945) and the National Insurance Industrial Injuries Act (1946).³⁶ The latter provided a system whereby, in return for regular contributions, the worker would be entitled to compensation for injury or to disability pensions.

The minister responsible for the health sector was Aneurin Bevan. He had considerable administrative ability and drive. Although a national health service was already on the political agenda, there was still a great deal of dispute as to its exact nature and scope.

In late 1945 the Cabinet agreed to a draft bill to nationalise hospitals which would be administered by regional boards, getting them out of the control of local authorities and voluntary bodies. However, there were substantial concessions to the medical profession, including the preservation of capitation fees, instead of the introduction of salaries for doctors, and the maintenance of private practice and pay-beds in NHS hospitals. The bill passed its second reading in May 1946. The doctors remained unhappy and there followed almost two years of wrangling with the British Medical Association, which only ended in April 1948 when Aneurin Bevan announced that there was no question of a move towards a salaried medical profession. The service, free at the point of employment, now came formally into operation.³⁷

Many of the proposals had been derived from the Beveridge Report and the Labour Party's programme during the Wartime coalition. Two further developments emphasized the scope of Labour's changes. One was the emphasis on arrangements being comprehensive and universal in the case of the NHS, free. Second, the state played a more central role in administering all the schemes. Nationalisation was a means of achieving the medical side of the welfare state. It was intended by Aneurin Bevan that GPs should also come under state supervision, although this eventually had to be abandoned because of the opposition of the BMA. The application of the insurance schemes was directed by the administration and not by insurance companies, while the cost of the NHS was borne by general taxation, a new departure in financing the welfare state.³⁸

The Labour government overcame opposition and won the support of the people. This in itself was a major achievement. The revolt in 1948 by the BMA threatened the very foundations of the new welfare

³⁶ Dick, *A Century of Premiers Salisbury to Blair*, 187.

³⁷ Ibid., 186.

³⁸ Geoffrey Goodman, *From Bevan to Blair Fifty Years' Reporting from the Political Frontline* (London: Pluto Press, 2003), 82.

state. The NHS was opposed by 40,814 members and supported by only 4,734.³⁹ Aneurin Bevan conducted sensitive negotiations with the BMA, denying that he intended to turn doctors into civil servants. The BMA eventually agreed to a compromise whereby doctors would receive a salary from the NHS, but could also take private patients. Meanwhile, the British public remained firmly attached to the welfare state more than to nationalisation.

The selection of Aneurin Bevan for the Ministry of Health in 1945 was certainly Attlee's most daring appointment. It was also one of his most successful. Aneurin Bevan proved a highly competent and constructive minister. The inauguration of the National Health Service in 1948, arguably Labour's greatest achievement, owed a great deal to him.

The War exerted pressure so as to build up to do something about social security. Here, another Welshman, James Griffiths, Minister of National Insurance, piloted the National Insurance Act through Parliament in 1946. Under this Act, people at work paid a flat-rate national insurance contribution, in return for which they and the wives of male contributors were eligible for flat-rate pensions, sickness benefit, unemployment benefit and funeral benefit. This was followed in 1948 by the National Assistance Act, which gave financial help to those with no other source of income.⁴⁰

Rates of benefit were not set at a realistic rate of subsistence.⁴¹ However, Labour was under pressure, not least from working-class voters, to ensure that money was not wasted; and the insurance principle was generally accepted as fair.⁴² Finally, Labour's continuing concentration on the world of work meant that minds focused most on unemployment benefits. Here the argument was that in a situation of full employment and labour shortages, there was no real problem if benefits were pitched rather on the low side.

With reference to education, the 1944 Education Act provided free secondary education to the age of 15. This was based on examination at 11 leading to a tripartite division between education in grammar, secondary modern and technical schools. The LEAs were also to provide for meals, milk and medical services. By 1951, the Party policy was moving away from selection and towards comprehensivization.

The Labour's social changes involved the growth of administrative costs which in 1951 necessitated the imposition of prescription charges. This decision provoked an internal dispute of the whole administration as Aneurin Bevan, Harold Wilson and John Freeman resigned from the Cabinet.

³⁹ Goodman, *From Bevan to Blair Fifty Years' Reporting from the Political Frontline*,

⁴⁰ Ibid, 82.

⁴¹ Ibid.

⁴² Christopher Foster, *British Government in Crisis or The Third English Revolution* (USA: Hart Publishing C/O, 2005), 48.

There were also missed opportunities - not least in education. It is true that Labour's hands were tied by the 1944 Education Act. However, they lost the chance to influence the future of education or considered the possibility of comprehensive schools, in which the majority of ministers really believed. They also failed to come to terms with independent schools, leaving a legacy of growing hostility towards them. Finally, ministers showed little knowledge of educational theory: they accepted in its completely the Norwood Report of 1943⁴³ upon which the 1944 Act was based. Indeed, it was probably disillusionment with secondary modern schools and concern about the 11 plus which alienated substantial numbers of the lower middle class who had been persuaded to vote Labour in 1945.

By the end of the War, housing became seriously an important issue. Enemy action, lack of repairs during Wartime and the virtual cessation of new building or five years had all taken their toll. There was a massive shortage of housing units while many existing houses had become slums. Many local authorities entered peacetime with high hopes of rapid progress but these hopes were soon dashed. In Hull, for example, it was estimated that there was a shortfall of 32,000 dwellings and the corporation aimed to build 5,000 in the first post-war year. However, shortages of materials and labour, and confusion at the centre did not allow the city from building more than 1766 permanent and 2457 temporary dwellings by 1950.⁴⁴

A major programme of Aneurin Bevan's Ministry of Health to replace the housing shortfall caused by the War improved living conditions. The environment was enhanced by two measures, the New Towns Act (1946) and the Town and Country Planning Act (1947). By the first the government assumed responsibility for planning for new areas of urbanisation, thereby avoiding the squalor associated with older conurbations. The results were fourteen new towns established between 1945 and 1951, including Stevenage, Hemel Hempstead and Harlow.⁴⁵ A year later, the Town and Country Planning Act required from the local authorities to create development plans for rural areas and maintain the local heritage where appropriate. But, Labour's record in housing was perceived as less successful.⁴⁶

By the end of 1947 fewer than 200,000 permanent dwellings had been completed since 1944. Although just over 200,000 were completed in each of the succeeding four years, these figures were not approaching the annual average figure of 361,000 dwellings for 1934-38.⁴⁷ By 1951, there was a shortfall of over a million housing units. In so far as 79 per cent of the new housing was owned by local

⁴³ Foster, *British Government in Crisis or The Third English Revolution*, 48.

⁴⁴ Goodman, *From Bevan to Blair Fifty Years' Reporting from the Political Frontline*, 79.

⁴⁵ Ibid.

⁴⁶ Tim Brown, *Stakeholder Housing A Third Way* (London: Pluto Press, 1999), 236.

⁴⁷ Ibid.

authorities, though the Party was clearly adding further to its clientage up and down the country.⁴⁸

Labour's record on social policy was generally sound with clear success in the creation of the National Health Service. But Labour had at least set out the parameters of a system of state welfare more extensive than anything previously known in Britain. This system, though it can be criticized, improved the life-chances of most of the population. The War and its aftermath almost doubled the number of civil servants and the state had taken on new roles in wide areas of the nation's life. Yet Labour in power did not really address any of the constitutional implications of these developments. At the same time, Labour perhaps became too satisfied about its achievement and was to fail in later years adequately to reflect on where improvements were still needed.⁴⁹

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⁴⁸ Goodman, *From Bevan to Blair Fifty Years' Reporting from the Political Frontline*, 82.

⁴⁹ Ibid.