

Key Question 7: How did the Labour government deal with the problems of the time?

Timeline of events

1942: Beveridge Report
April 1945: Family Allowance Act
26 July 1945: General Election – Labour won a landslide victory
1946: Housing Production Executive set up
1946: National Insurance Act
1946: Nationalisation Act
1946: National Health Service Act
January 1947: Coal industry nationalised
1947: Town and Country Planning Act
1947: Electricity industry nationalised
January 1948: British Rail established
1948: National Assistance Act
5 July 1948: National Health Service set up
1951: Labour Government introduces a charge for dental treatment and for prescriptions. Bevan resigns.

Important concept

War had had a devastating effect on Britain. The Post-War Labour government had its work cut out trying to rebuild and reconstruct Britain. It followed the recommendations laid out in the Beveridge Report, and introduced a series of measures aimed at improving the lives of the British people, such as the National Health Service and Nationalisation.

The 'Homes for All' policy

- Bombing during the Second World War was estimated to have destroyed 500,000 homes and many were left badly damaged, especially in cities like Coventry and London. Many other houses needed modernisation.
- 1946 New Towns Act – this authorised the building of new towns at places such as Stevenage and Cwmbran in order to reduce overcrowding in the cities.
- 1947 Town and Country Planning Act - this law set a target of building 300,000 new houses a year. It also defined green belt land that had to be kept rural.
- Over 800,000 new homes were built between 1946 and 1951. Four out of the five houses were council houses built by the local councils, to be rented by families.
- Some slums were demolished and many houses were improved by the addition of indoor bathrooms and hot water.
- By 1951, there was still a shortage of new houses built for sale.

Key words

Beveridge Report	Report produced by William Beveridge which aimed to tackle the many problems faced by families in Britain.
Want	The need for an adequate income for everyone in order to avoid hardship.
Disease	The need to treat illnesses which affected a large number of the population.
Ignorance	The need to provide a good education.
Squalor	Living in poor conditions, such as dirty, poorly ventilated, overcrowded housing showed there was a need for new housing.
Idleness	The need to provide work.
Social security	A system of government payments to people who are ill, poor or unemployed.
Welfare state	Government to protect the health and well-being of its citizens.
Nationalisation	Government take over of industries.

The Beveridge Report

- In 1942, William Beveridge published his report, which recommended ways that Britain could rebuild the country after the war. This report was adopted by the Labour Party.
- He declared that there were five giants that needed to be addressed on the road to reconstruction. These were want, disease, ignorance, squalor and idleness.
- To help make a better Britain and to tackle these five 'evil giants', he proposed setting up a welfare state.
- Pensions and unemployment insurance would be extended, a new health service for all set up, and more help to poor families struggling to 'make ends meet'.
- It recommended a compulsory insurance scheme whereby all workers should contribute in order to pay for the new services.
- It aimed to ensure that the British people were looked after 'from the cradle to the grave'.

Nationalisation of the key industries: coal, electricity and transport

- The Coalition Government had effectively taken control of certain industries during the Second World War. The Labour Government decided that some should be nationalised to increase efficiency and help modernise them. It would also help to lower prices, lead to more jobs and improve working conditions.
- Compensation was paid to owners of these industries. This totalled £2,700 million.
- The idea of nationalisation appealed to many workers who felt that previously, employers, such as coal owners, were more interested in profit than the interests of their workers.
- Coal and electricity industries were nationalised in 1947, railways and gas in 1948, and the iron and steel industries in 1949.
- 1 in 10 British people worked in these nationalised industries.
- Output increased in several industries, for example coal.
- Working conditions in the coal industry improved as workers benefitted from paid holidays and sickness pay.
- Railway lines now linked the more remote areas together. Private companies would have seen this as an unprofitable idea and, as a result, may have avoided it.
- More countryside areas were electrified under this new ownership.
- The Conservative Party criticised the whole process, saying central government had too much control.

Aneurin Bevan and the NHS

- The Beveridge Report recommended the need for a National Health Service (NHS). This would provide free medical services including doctor services, dental care, hospital services and maternity services.
- Bevan was put in charge of creating the NHS.
- He faced opposition from doctors and others in the medical profession who wanted to remain in private practice.
- The National Health Service became operational from the 5 July 1948. Doctors, hospitals, dentists, opticians, ambulances, midwives and health visitors were available, free to everybody.
- Rates of infectious diseases such as tuberculosis declined.
- Between 1931 and 1961, life expectancy for both men and women had increased by 10 years.
- The service saw enormous costs. In its first year the NHS cost more than £500 million. The £2 million allocated for free NHS spectacles in the first year was spent within weeks, as more than five million pairs were issued in the first year.
- In 1951, the Labour government had to introduce some dental charges due to the costs. This led to the resignation of Aneurin Bevan.

Educational opportunities following the Act of 1944

- The 1944 Education Act introduced free secondary education. Pupils took an '11-plus' IQ test that determined whether they went to grammar school, secondary modern school or technical school so the choice of school was based on ability not parents' income.
- The education of children was split into three stages – primary, secondary and further.
- Grammar school pupils were more likely to go to university. They had better resources, more skilled teachers, and were more academic than the other two schools.
- Religious worship was compulsory in every school.
- In 1947, the school-leaving age was set at 15.
- Very few technical schools actually opened.

Reaction to the reforms of the post-war Labour governments

- The cost of the welfare state had exceeded expectation. It had led to a rise in taxation for many people.
- Many thought that such government support led to idleness and dependency.
- The NHS brought free health care to all from the cradle to the grave, including those who could not afford it. But it was too costly.
- The 'Homes for All' policy led to new towns, such as Cwmbran, and many families benefitted from the prefabs.
- Education was free. However, the '11-plus' education tests were seen as unfair by many.
- Nationalisation provided improved working conditions in key industries, but some saw it as a way of protecting declining industries, and at a cost.
- 'Homes for All' did not meet its expected ambitious targets.
- Rationing of goods was still in place.
- Despite these reforms, Labour only narrowly won the 1950 election.
- The Conservative Party challenged the nationalisation of the steel industries, and the Labour party was becoming weakened by differences within.
- Another election was called in October 1951. The Conservatives won the election with Winston Churchill returning as Prime Minister.

