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Interest groups and policy-making:
the welfare state, 1942-1964

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This study explores the views of the peak level industrial and labour organisations towards government social policy after the publication of the Beveridge Report in 1942. The reform of state welfare in the 1940s meant that employers and trade unions became more involved in the administration than in the provision of social services. The process entailed a greater role for the Trades Union Congress, the British Employers' Confederation and the Federation of British Industries in the formulation of state social policy. This is a hitherto neglected aspect of their relations with government. Labour and business historians have paid little attention to trade union and industrial views on social policy after the second world war while historians of the welfare state have neglected the participation of these particular interest groups in the formation of welfare policy.

This thesis explores the attitudes of these groups towards the post-1945 welfare state from 1942 until 1964. It does so in the context of two widely-discussed approaches to government policy making that hold the potential to explain the influences behind policy after the war: namely corporatism and consensus.

These concepts are herein applied to a range of areas of welfare – social security, pensions, the National Health Service and state education – in which the TUC, BEC and FBI demonstrated a level of interest. While being of some relevance in relation to particular areas of policy and and specific points in time, these approaches have a limited function in explaining government consultation of primarily industrial interests on social policy matters. Corporate bias may help to explain why consultation took place but offers little understanding in those instances where it did not. A search for a wider welfare consensus reaching outside the political party arena is similarly flawed as the theory seeks to generalise and impose uniform patterns of policy-making where none existed. If the consensualists continue to adhere to the notion that the involvement of economic interests in policy making was a product of consensus politics, it must now seek to examine the impact of these interests on the policy-making process. In the same vein, corporate theorists might look to other policy areas outwith the industrial and economic sphere in order to explore the wider application of their findings.
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**Abbreviations**

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<tr>
<td>ABCC</td>
<td>Association of British Chambers of Commerce</td>
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<td>BEC</td>
<td>British Employers' Confederation</td>
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<td>CACE(E)</td>
<td>Central Advisory Council for Education (England)</td>
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<td>CEA</td>
<td>Council for Educational Advance</td>
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<td>CHSC</td>
<td>Central Health Services Council</td>
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<td>FBI</td>
<td>Federation of British Industries</td>
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<td>HMCs</td>
<td>Hospital Management Committees</td>
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<td>NAB</td>
<td>National Assistance Board</td>
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<td>NACEIC</td>
<td>National Advisory Council for Education in Industry and Commerce</td>
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<td>NIAC</td>
<td>National Insurance Advisory Committee</td>
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<td>NCEO</td>
<td>National Confederation of Employers' Organisations</td>
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<td>NHI</td>
<td>National Health Insurance</td>
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<td>NIAC</td>
<td>National Insurance Advisory Committee</td>
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<td>NUM</td>
<td>National Union of Manufacturers</td>
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<td>RHBs</td>
<td>Regional Hospital Boards</td>
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<td>TUC</td>
<td>Trades Union Congress</td>
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Chapter One: Introduction

This is a study of the social policies of the peak level representative groups of the trade union movement and organised industry in Britain between 1942 and 1964 and their relationship with government in this sphere of policy-making. The Trades Union Congress (TUC), founded in 1868, was the central organisation for trade unions, while industrial representation was divided fourfold. The Federation of British Industries (FBI), established in 1916, was, according to Stephen Blank, the foremost industrial body. Its capacity to represent industry, however, was shared with the National Union of Manufacturers (NUM), the National Confederation of Employers’ Organisations (NCEO) which was set up by the employers’ federations in 1919, and later changed its name to the British Employers’ Confederation (BEC) in 1939, and the Association of British Chambers of Commerce (ABCC) which was, in fact, the first of these organisations, having been formed in 1860. In terms of activity in the social policy arena, the BEC was most important, having responsibility for monitoring provision in social security, pensions and certain aspects of education, and the FBI was also interested in education policy. Otherwise, there is no indication that the NUM paid any attention to social policy, while the Chambers of Commerce’s involvement was irregular.

Co-operation between government, industry and the trade union movement, together with the impetus offered to social policy, are widely regarded as important features of the years 1939-1945. The connection between the two has received little

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1 S Blank, Industry and government, p. 6.
detailed attention even though substantial welfare reform looked likely to impinge
upon the objectives of occupational and trade union welfare schemes: labour
discipline and the retention of workers/members. During the war trade union
membership grew substantially as did government recognition of the labour
movement. Ernest Bevin, the General Secretary of the Transport and General
Workers Union was appointed Minster of Labour when Churchill invited the Labour
Party to form a Coalition government, and the Trades Union Congress was consulted
on a par with the Federation of British Industries and the British Employers’
Confederation after 1941. In 1945, collaboration with, and consultation of, these
interest groups was viewed positively, and certain government policies, such as the
employment policy outlined in the 1944 White Paper, presumed that co-operation
would continue in order to ensure their effectiveness.

A substantial number of monographs have examined the evolution of both state-
interest group relations and the postwar welfare state, but there are no detailed studies
of the relationship between these two phenomena. As Noel Whiteside notes, ‘[s]ocial

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5 There are several comprehensive studies of the postwar welfare state including R Lowe, The welfare state in Britain since 1945; H Glennerster, British social policy since 1945; M Sullivan, The development of the British welfare state; M Hill, The welfare state in Britain, J Brown, The British welfare state; P Gregg, The welfare state; N Timmins, The five giants. State relations with industry and trade unions are explored in the following: P Barberis & T May, Government, industry and political economy; D Barnes & E Reid, Governments and trade unions; S Beer, Modern British politics; S Blank, Industry and government; N Harris, Competition and the corporate society K Middlemas, Politics in industrial society and Power, competition and the state: vol. I; B Pimlott & C Cook, eds., Trade unions in British politics; R Taylor, The trade union question in British politics.
policy and industrial relations are rarely studied together'. This link has been established in fact in the concept of the 'postwar settlement', though only implicitly. In this reading of postwar British history, it is generally believed that both Labour and Conservative governments accepted responsibility for maintaining high levels of employment and a range of welfare services in return for wage restraint. Thus, Bryan Turner argues that welfare reform was 'a consequence of bargains developed between labour and capital under the auspices of extended state intervention in wartime conditions'. For Lewis Minkin, in his study of the Labour Party and the unions, '[t]he unions' ... imprint lay on many key features of the post-war settlement. It was there in the initiative which led to the Beveridge enquiry and there also in Bevin's push for the preservation of full employment.'

What is lacking in these accounts is a detailed exposition of employers' and trade unions' contribution to social policy formulation. There is a tendency to allocate passive roles to both the trade union movement and capital in the making of the welfare state after 1945; it is presumed that the mere strength and size of the TUC, or its bargaining power in wages policy, influenced the direction of social policy. It is argued here that without greater knowledge of the TUC's objectives in relation to welfare, and the role of its industrial counterparts, it is not possible to judge the significance of the 'postwar settlement' from the perspective of these participants.

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6 N Whiteside, 'The politics of the "social" and the "industrial" wage', p. 122.
10 L Minkin, *The contentious alliance*, p. 77.
The TUC’s activities, and those of employers in the area of social welfare, have attracted quite a lot of attention with respect to the period before 1939. As general unions became more dominant in the TUC, growing support superseded the trade union movement’s initial ambivalence towards state social security schemes. At first, a compulsory scheme of contributory social security was unpopular because it required the unionised and better-paid workers to subsidise those in less secure employment. In addition, unions were concerned that state provision would undermine their relationship with their members, and did not welcome state intervention in the functioning of the labour market. Yet in 1925 the trade unions did not resist the extension of the insurance principle to pensions in the 1925 Old Age and Widows and Orphans Contributory Pensions Act: ‘[t]hey had effectively accepted that the provision of a minimum income in old age was the business of the state.’ Moreover, contributory insurance schemes also offered ‘benefit as of right’ with which governments could not tamper. Cronin suggests that the change in attitude also stemmed from the effects of high unemployment and the emergence of long-term unemployment on the unions’ capacity to provide for their members in these circumstances.

12 J Cronin, Politics of state expansion, pp. 5-6; P Thane, ‘The working class and “state” welfare in Britain’, pp. 883-84.
13 J Cronin, Politics of state expansion, p. 39; H Heclo, Modern social politics, pp. 84-87; N Whiteside, ‘Welfare legislation and the unions during the first world war’, p. 867.
14 J Cronin, Politics of state expansion, pp. 5-6; N Whiteside, ‘Welfare legislation and the unions during the first world war’, p. 858.
15 L Hannah, Inventing retirement, p. 31.
16 A M Rees, TH Marshall’s social policy, p. 120.
17 J Cronin, Politics of state expansion, p. 113.
As state intervention in the form of social policy expanded, unions' attitudes became more conciliatory and, consequently, more opposed to those of employers. Research on employers' attitudes has generally found them to be informed by perceived implications of state welfare for company welfare schemes, its cost, and views on the appropriate role of the state. Employers used occupational welfare for the purpose of maintaining good industrial relations and discipline in the workplace. Accordingly, Melling believes that they became increasingly resistant to state reforms in the twentieth century, although others stress some variation in attitudes. Turner has found that before world war one, 'some businessmen supported state welfare schemes to stave off social unrest; others promoted their own private welfare schemes as part of an industrial relations strategy directed against trade unions; others rejected any form of welfare activity, public or private'.

After the first world war, and the establishment of centralised business organisations, the Federation of British Industries and the National Confederation of Employers' Organisations, differences of opinion were apparent at this peak level. The FBI favoured the provision of a range of benefits that should be organised by employers and workers. This approach was adopted by successful companies who could afford to make such provision and did so partly to undermine trade unions and to maintain stability in their labour force. By contrast, the Engineering Employers' Organisations, differences of opinion were apparent at this peak level.

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Federation, a leading member of the NCEO, argued that the state should provide welfare at a basic level. The NCEO itself was opposed to an expansion of industrial schemes owing to their cost.\textsuperscript{23} State provision was not necessarily their preferred option: Rodgers refers to a deputation to the government which ‘made a series of sweeping attacks on the administration of the social services and demanded that a strict limit be imposed upon social expenditure’.\textsuperscript{24} Fitzgerald also highlights industry’s dissatisfaction with state welfare systems during the interwar period: they offered patchy coverage and offered little assistance to industrial relations.\textsuperscript{25} Complaints were also made about the increase of government intervention and the impact of unemployment and health insurance on taxation.\textsuperscript{26}

In contrast to the reasonably substantial body of research on the prewar period, there has been no systematic study of either trade union or business attitudes towards the welfare state either during the war or after 1945. Their activities during the war have received most attention but existing interpretations of these are unsatisfactory in some respects. The TUC’s self-professed role in the establishment of the Beveridge Committee in 1941 has been widely acknowledged.\textsuperscript{27} Others have played down the TUC’s interest in social reform before the war.\textsuperscript{28} For instance, Wooldridge believes that unions’ ‘preoccupation with industrial conflicts distracted them from long-term consideration of reform of the state, and union barons spent more time squabbling

\textsuperscript{24} T Rodgers, ‘Employers’ organisations, unemployment and social politics’ pp. 331-32.  
\textsuperscript{25} R Fitzgerald, \textit{British labour management and industrial welfare}, pp. 235-36.  
\textsuperscript{26} J Cronin, \textit{Politics of state expansion}, p. 6; R Fitzgerald, \textit{British labour management and industrial welfare}, p. 212.  
\textsuperscript{28} D Barnes & E Reid, \textit{Governments and trade unions}, p. 11; B Pimlott & C Cook, \textit{Trade unions in British politics}, p. 163.
among themselves than they did thinking about social benefits'. His impression may reflect a focus on individual unions since the appropriate departments and committees in the TUC developed social policies, which is where lengthy consideration of social benefits may be found. Nevertheless, others have examined the work of the TUC itself and do still overlook its activities in this sphere. Although labour historians have identified the expansion of the TUC's interests outwith the traditional confines of trade union legal issues and industrial relations over the course of the twentieth century to new areas such as social policy, they are usually mentioned briefly if at all. The only detailed studies that exist for the postwar period deal solely with the subject of social security. Peter Baldwin's *The politics of social solidarity* looks at the TUC's attitudes towards development in social security in the 1940s and 1950s, and Hugh Heclo traces the development of pensions policy in the 1950s, an account is based on published sources only. The findings of these studies will be discussed in the relevant chapters.

Industrial responses to the welfare state have been similarly neglected; Melling and Hay's criticisms that this subject has been neglected for the first part of the twentieth century are yet more applicable to the years after 1945 and the modern welfare state. Only responses to the Beveridge Report have been briefly considered, and Sir Norman Kipping, a former director-general, describes FBI education policy in his

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29 A Wooldridge, 'In place of fear', p. 91.
33 P Baldwin, *The politics of social solidarity* and H Heclo, *Modern social politics*.
memoirs. Whereas trade union history has tended to underestimate the contribution of organised labour towards social reconstruction, those examining the role of business organisations have tended to emphasise the most supportive and pro-reform views that can be detected. For instance, Pat Thane points to the activities of the FBI and the paternalistic proposals of a group of 120 industrialists who produced a pamphlet on social policy, *A National Policy for Industry*, in 1942, shortly before the publication of the Beveridge Report. Paul Addison is aware of the BEC’s hostility towards social reform but considers the contribution of the same 120 industrialists to be of more significance. In a similar vein, Keith Middlemas suggested that the BEC’s dislike of the Beveridge Report had been modified under the influence of these industrialists.

It is argued in this thesis that the tendency to highlight the activities of the 120 industrialists and the FBI is misleading since the BEC’s more negative outlook was of equal, if not greater, significance. As Middlemas later acknowledges in *Power, Competition and the State*, there is no evidence to suggest that the BEC relaxed its views on the prospect of social security reform at any time during the war; clearly divisions within industry on social reforms were sustained. For instance the National Policy for Industry group proposed a school leaving age of sixteen which both the BEC and the FBI continued to oppose in the 1950s and 1960s. The BEC’s hostile reaction to the Beveridge Report is important because the employers’ confederation, not the FBI, was responsible for monitoring government policy in

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35 N Kipping, *Summing up*.
39 K Middlemas, *Power, competition and the state* vol. 1, p. 60.
40 Ibid.
relation to social security and pensions. After the war, the interest of these 120 industrialists in social policy had disappeared and the BEC was left to represent industry on most social issues. The FBI's involvement extended only to specific aspects of state education; therefore, it is to the British Employers' Confederation that we must look for much evidence of state-industry relations in the sphere of state welfare.

The more positive impressions of industry's response to wartime social reconstruction are sustained in postwar studies. These tend to believe that capital accepted the expansion of state welfare after 1945. Rogow and Shore suggest this was the case although further expansion would not have been tolerated.\textsuperscript{41} Andrew Cox claims that industry accepted social reconstruction on the basis that the state would not undertake economic reforms.\textsuperscript{42} There is a lack of evidence to support such assertions; industry did not launch any campaign against social reform but, given the level of public support for social reform, this would have been politically disastrous. Hence, further research on the activities of the BEC and FBI in relation to welfare is required to depict more accurately the relationship between industrial interest groups and the postwar welfare state.

As indicated earlier, this subject is neglected in studies that seek to explain developments in state-interest group relations in the postwar period. One major theoretical approach to understanding these developments is corporatism. Accepted definitions of corporatism are elusive and often vague but all seek to describe the

\textsuperscript{41} A Cox, 'The failure of corporatist state forms', p. 206; AA Rogow & P Shore, The Labour government and British industry, p. 176.

\textsuperscript{42} A Cox, 'The failure of corporatist state forms', p. 206.
process by which outside interests were integrated into the state for the purposes of formulating and implementing government policy. Both Wyn Grant and Andrew Cox have rejected the application of theories of corporatism to postwar Britain because the peak level interest groups of industry and labour rejected the prospect of integration into the state and were unable to guarantee the consent of their members.

A more enduring thesis has been that of 'corporate bias' presented by Keith Middlemas. He argues that the peak level representatives of capital and labour - the TUC, BEC and FBI - became increasingly involved in state policy-making to the extent that corporate bias became a distinguishing feature of the British state, particularly from the 1920s to the 1960s. In this process, these organisations were elevated to the status of 'governing institutions'. Middlemas has selected the term corporate bias to convey the involuntary nature of its development, and the fact that the system was unstable owing to these groups' lack of control over their members.

With regard to the postwar period, Middlemas subscribes to the notion of a political contract whereby the state would guarantee high levels of employment in return for wage restraint, high productivity, high levels of investment and adequate levels of exports. Herein, the national interest superseded sectional interests as these groups participated in government policy-making to these ends.

Corporate bias, like competing corporatist theories in their various guises, exhibits a tendency to either examine the role of producer groups in industrial and economic

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43 See W Grant, ed., The political economy of corporatism; A Cawson, ed., Organised interests and the state; A Cox and N O'Sullivan, eds., The corporate state; P C Schmitter & G Lembruch, Trends towards corporatist intermediation for various interpretations of corporatist theory.
45 K Middlemas, Politics in industrial society; Power, competition and the state: vols. I and II.
policy, or to assess developments in social policy without considering the contribution of producer interests.\textsuperscript{47} No accounts of corporatism in Britain have studied the relationship between the state and industrial interest groups in the context of the welfare state. Middlemas' argument is based upon economic and industrial policy, leaving us to presume that social policy was formulated in the same fashion, or that it was of little interest to either capital or labour. As this thesis intends to disprove the latter, it will consider the appropriateness of Middlemas' model in depicting state-interest group relations in the sphere of social policy and examine the evidence for the existence of corporate bias in relation to its implications for social policy.

The exclusion of these groups from corporatist interpretations of the development of state welfare may follow from the practice of labelling them as producer interests while the welfare state is located in the sphere of consumption or distribution.\textsuperscript{48} Hence, O'Sullivan criticises Middlemas' theory of corporate bias on the basis that '\[t\]he overriding significance it attaches to the power of producer groups could at best only account for selective welfare benefits and not for the universal ones which the welfare state in fact provides.'\textsuperscript{49} O'Sullivan's argument reflects the tendency to disregard the activities of producer groups in relation to welfare, particularly the TUC. This thesis will demonstrate not only the range of TUC activities in relation to the welfare state but its consistent commitment to universalism and opposition to


\textsuperscript{48} S Beer, \textit{Modern British politics} and A Cawson, \textit{Corporatism and welfare} both discuss the welfare state in a corporatist context but not the role of employers or the TUC.

\textsuperscript{49} N O'Sullivan, 'The political theory of corporatism', p. 10.
selectivity in state welfare. Furthermore, the TUC’s role in representing users of the welfare state, particularly NHS patients, will be considered.

A second approach to explaining the relationship between the state and industrial interests and the creation of the modern welfare state in wartime and post-1945 can be found in the idea of the postwar consensus. The origins of consensus are generally found in the war years and the Coalition government’s policies for reconstruction and it endured until some point between 1964 and 1979. Proponents of the consensus thesis have suggested that similarities and continuities between the policies of the Coalition government and postwar Labour and Conservative governments imply the existence of a shared approach to policy-making across a range of policy areas.

These policies include the establishment of a mixed economy, employment policy, foreign policy, trade union recognition and the introduction of a wide range of welfare measures. Addison, in ‘The road from 1945’, selects a similar range of policies: the mixed economy, full employment, the welfare state and expansion of state education, increased consultation of interest groups by government, and the advancement of the industrial worker.

The policy content of consensus has prompted an extensive debate, which will be outlined below. More fundamentally, the very definition of the concept has eluded agreement. Kavanagh and Morris are amongst its main supporters and present the

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51 This theory has been propounded by; D Dutton, British politics since 1945 (1991); D Kavanagh & P Morris, Consensus politics; D Kavanagh, ‘The postwar consensus’, A Seldon, ‘Consensus: a debate too long’; D Marquand, ‘The decline of the postwar consensus’; E Midwinter, The development of the welfare state.
52 D Kavanagh & P Morris, Consensus politics, p. 3.
case for consensus in terms of 'a set of parameters that bounded the set of policy options regarded by senior politicians and civil servants as administratively practicable, economically affordable and politically acceptable' where party differences were subdued. This approach allows for disagreement between parties and ideological differences. Neither is it necessary for governments to share the same objectives in the formulation of their policies. This has been the basis of Ben Pimlott's attack on the idea of the postwar consensus; he has described it as a 'myth' on the grounds that similar policies did not reflect a free choice of action, informed by the same motives and aspirations. Stephen Brooke and Kevin Jefferys have focused on intra- and inter-party conflict to convey the lack of consensus in the political sphere.

Paul Addison and David Dutton have sought to counter these criticisms by arguing that total agreement was not a precondition for a consensus. Nonetheless, the confusion surrounding its usage has led Addison, one of its earliest progenitors, to forsake the term in preference for the idea of a 'postwar settlement' as he readily concedes that disagreements did exist between the membership of the Labour and the Conservative parties. Cross-party differences, however, are disregarded by Anthony Seldon whose response to the debate has been to narrow the definition of consensus. In 'Consensus: a debate too long' he speaks of 'a broad parameter of agreement on many key areas of policy between the leaderships of both main parties when they are

54 D Kavanagh & P Morris, Consensus politics, p. 13.
55 B Pimlott, 'The myth of consensus', p. 130.
56 S Brooke, Labour's war, p. 110; K Jefferys, 'British politics and social policy during the second world war', p. 128.
58 P Addison, 'The road from 1945', pp. 5-6.
This approach may be more tangible but considerably reduces the scope of the consensus thesis in explaining economic and social developments in postwar Britain, and consequently his interpretation has not convinced the sceptics.

Still, both sides of the debate continue to centre on the activities of the British political parties, whether in government or otherwise. The notion of a welfare consensus follows this pattern. Its origins are sought in the war years, which are seen to have lent greater legitimacy to state intervention in the economy and society, thus setting a precedent for governing in peacetime. At first the government undertook emergency measures such as the evacuation programme, the Emergency Medical Service, and free school meals. Fraser has argued that the experience of war generated a greater degree of social solidarity: ‘[b]ombs, unlike unemployment knew no social distinctions, and so rich and poor were affected alike in the need for shelter and protection.’ This mood precipitated the period of planning for postwar social reconstruction that followed. Jose Harris and Kevin Jefferys have questioned the role of the war in stimulating government interest in social reconstruction. Harris suggests the conclusions drawn from Titmuss’ work on the emergency social services cannot be applied to government attitudes towards postwar reform. Both she and Jefferys believe that the war effort itself remained paramount. Hence the release of the Beveridge Report was perceived as a regretful incident from the perspective of Churchill and the Conservative Party. Nonetheless, the government did proceed to

60 For instance, N Rollings, ‘Butskellism, the postwar consensus and the managed economy’, p. 114; H Jones, ‘A bloodless counter-revolution’.
62 R Titmuss, Essays on ‘the welfare state’, p. 83.
63 D Fraser, The evolution of the British welfare state, p. 208. A Calder, The people’s war, p. 545 also subscribes to this interpretation of the social impact of war.
produce a series of White Papers on social reconstruction and actually legislated for educational reform.

The case for the postwar consensus continues along the same theme of seeking similarities between the Coalition’s policies and those of the 1945-51 Labour governments, and later Labour and Conservative administrations. The pro-consensus school has detected a strong element of continuity between the wartime White Papers and the Labour government’s programme. Evidence is found in the implementation of the National Insurance Act of 1946, which contained a substantial element of the Beveridge plan and Labour’s wholesale adoption of the 1944 Education Act wholesale. Consensus is also suggested by the resemblance between both parties’ manifestos in 1945. There have been claims that a Conservative government in 1945 would have taken a similar approach to social policy: Addison believes that the Tories would have introduced the national insurance scheme and universal health services.

Studies of the 1951-64 Conservative governments are held to offer further support for the consensus theory. In spite of early concerns, and Labour Party propaganda, that the Tories would dismantle the welfare state, radical changes were avoided. According to Anthony Seldon, ‘[t]he welfare state was accepted, and in some areas was extended. Initial plans for instituting cuts and other economies were dropped. There was no doctrinal attack on welfare, nor was there any social policy offered by

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66 Ibid., p. 20.
the Conservatives that could be said to have been distinctly Conservative.\textsuperscript{69} The Conservative government did increase health service charges but Labour had introduced them in the first instance.\textsuperscript{70} In addition, social expenditure rose under the Conservatives: further evidence of a consensus, according to Beer.\textsuperscript{71} In 1958, the resignation of the Chancellor of the Exchequer, Peter Thorneycroft, and his Treasury team, following the Cabinet's refusal to sanction cuts in the social services, is seen to represent 'the formal political acceptance of the welfare state by the Conservative government'.\textsuperscript{72}

The mass of evidence, of which only key points have been identified here, has been highly contested. Naturally, respondents have focused upon the political sphere as dictated by the current parameters of the debate. As indicated earlier, the consensus has often been challenged on the basis of party differences. Thus Stephen Brooke argues that continuity between the Coalition's proposals and the Labour Party's programme has been overstated. He agrees that both parties accepted the need for welfare reform but claims that the Attlee governments did not consider the White Papers 'blueprints for easy appropriation, but as platforms on which to build more radical reforms'.\textsuperscript{73} Hennessy believes it is likely that Labour's policies 'went further and faster than anything a Churchill Cabinet would have undertaken after 1945'.\textsuperscript{74} Jürgen Heß echoes this point, contending that social reform would have been accorded less priority under the Tories.\textsuperscript{75}

\textsuperscript{69} A Seldon, 'The rise and fall of the postwar consensus', p. 47.
\textsuperscript{70} C Pierson, 'Social policy', p. 148.
\textsuperscript{71} S Beer, The British political system, p. 176.
\textsuperscript{72} R Lowe, 'Milestone or millstone', p. 465.
\textsuperscript{73} S Brooke, Labour's war, p. 110.
\textsuperscript{74} P Hennessy, 'The Attlee governments', p. 33.
\textsuperscript{75} J Heß, 'The social policy of the Attlee government', p. 300.
Disagreement also surrounds the record of the post-1951 Conservative governments on a number of levels. First, it is claimed that the Conservative governments did not attach as much priority to social policy. This is suggested by regular changes in social policy ministers and their exclusion, with the exception of the Minister of Housing, from the Cabinet during this period. Secondly, the Conservatives were believed to have accepted Labour's policies as the maximum degree of reform: '[t]he expectation was that economic growth and not social policy would now provide for social needs.' Social expenditure may have risen but only in the midst of much discord within the Conservative Party. Neither was it permitted to rise faster than the level of economic growth. Owing to full employment, economic growth in the 1950s, and falling defence expenditure, the Conservatives were able to maintain the welfare state without compromising other commitments such as lower taxation. Moreover, while the Conservatives did not reduce current expenditure, the 1956 Guillebaud Report found that long-term investment in the NHS had been neglected. The third approach reflects the continued focus on party differences: during the 1950s the Labour Party made a commitment to the introduction of comprehensive schools, renounced NFIS charges, and began to consider the prospect of earnings-related pensions in advance of the Conservatives.

76 M Hill, The welfare state in Britain, p. 50.
77 P Alcock, Poverty and state support, p. 59.
79 A Gamble, Conservative nation, p. 64.
80 M Hill, The welfare state in Britain, p. 50; R Lowe, 'Milestone or millstone', pp. 463-91.
81 Guillebaud Report, pp. 34-5. This is also noted by H Jones, 'New tricks for an old dog?', p. 39.
82 N Deakin, The politics of welfare, p. 51.
In view of this preoccupation with the political sphere, the more recent notion of a "negative consensus" offers some relief. This suggests that policy-making was a product more of constraints on governments than of a mutually acceptable shared approach to solving postwar problems. Constraints included adverse economic circumstances for the Attlee governments, electoral considerations for the Conservatives, the impact of demographic changes on state welfare, the civil service, and the strength of the trade union movement.

It is the latter factor that is of significance for this study. We have already mentioned the TUC's wartime role, which is seen to have obliged governments to subscribe to welfare reform or prevented them from doing otherwise in the context of the postwar settlement. Noel Whiteside, in a study of the "social wage", argues that governments were unable to cut benefits for fear that they would precipitate higher wage demands and industrial action. Once more, it is merely the presence of a strong trade union movement, or external policy considerations, that are considered to have affected social policy. Neither Harriet Jones nor Whiteside look in any detail at the TUC's social policy to ascertain its expectations of the government in this sphere. Furthermore, these interpretations all focus exclusively on the trade union movement, ignoring the role of employers or other interests that may have participated in government policy-making.

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85 J Cronin, Politics of state expansion, p. 194; A Gamble, Conservative nation, p. 63; H Jones, 'New tricks for an old dog?', p. 34.
86 N Whiteside, 'The politics of the "social" and the "industrial" wage', p. 131.
Still, the link between the trade union movement and social policy has at least been established. This represents an advance on earlier and more traditional interpretations of consensus, which both recognise the role of the trade union movement in policy-making and seek to establish a policy consensus in relation to the welfare state but do not link the two. This highlights a major weakness of the consensus thesis in its tendency to separate analysis of the constituent areas. For Kavanagh and Morris, a consensus existed with regard to the style of government which featured 'consultation between government and the major economic actors ... notably ... trade unions', later described as 'agents of the political consensus', and the policies pursued by all postwar governments from 1948 to the mid-1970s. The implications of this style of government for policy-making are subsequently ignored in the analysis of welfare policy, since its adherents insist that only policies pursued by government require consideration. Accordingly, no attention is paid to the impact of trade union consultation on social policy. Having identified the wider forces of policy-making, the consensus thesis then fails to address its effects in the context of its own argument.

Recent critics of the consensus thesis suggest that the focus on government activities and the policies that they implemented 'has concealed more than it has revealed'. Corporatists and pro-consensualists alike have identified the importance of consultation of interest groups after the war, particularly in relation to economic and industrial policy. Social policy offers an opportunity to examine their relationship with government, and to assess the application of corporate bias outside

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87 D Kavanagh & P Morris, Consensus politics, pp. 3-4 and 52-3.
88 Ibid., p. 4.
89 M Kandiah, 'Conservative leaders', p. 74.
90 S Beer, Modern British politics; A Cox & N O'Sullivan, The corporate state; W Grant, Business and politics in Britain (1993); K Middlemas, Politics in industrial society and Power, competition and the state vol. I.
the more traditional policy areas where these groups' interest is easily understood. In doing so, the impact of these groups on welfare policy can be explored. This will help to redress the existing emphasis on the role of the government in the history of the welfare state where interest groups are neglected unless it is impossible to ignore them, as in the case of the BMA during the struggle to establish the National Health Service or the family allowances movement. The social policies of trade unions and industry have attracted little interest, yet the records of these organisations offer a valuable insight into contemporary responses to the welfare state and its conceptualisation. In turn an insight into their role and their attitudes towards postwar social policy will assist in determining the existence of a broader consensus, outside Whitehall, in Britain between 1942 and 1964. This will take into account perceptions of the maintenance, or even growth, of the welfare state, and its fundamental principles and objectives.

The changing role of peak level labour and industrial organisations in relation to welfare - from direct provision and monitoring the limited scope of state services to negotiating the boundaries of the welfare state - can be investigated by consulting the records of these organisations. The archives of the Labour Party and government papers are also of assistance. These records reveal the content of the internal discussions held by these groups, their correspondence, their submissions to government and independent enquiries, and their meetings with Ministers and officials. They allow us to ascertain their opinion of state welfare, the motives behind their policies and objectives, the contribution that they made to policy formulation

91 H Eckstein, Pressure group politics; R Klein, The new politics of the national health service; J Macnicol, The movement for family allowances; C Webster, The national health service vols. I and II.
and the level of influence held by them over its direction. TUC interest can be detected in all aspects of state welfare during the process of wartime reconstruction and in the postwar years. The two leading industrial organisations, the BEC and FBI, dealt with labour issues and economic matters respectively. Therefore, the employers' confederation was responsible for social security, pensions, and some aspects of education while the FBI discussed only secondary education in grammar schools, higher technological education, and policies concerning the universities.

The division of responsibilities between the BEC and FBI suggests, quite rightly, that a neat and rational picture is unlikely to emerge from this research, given that these organisations did not discuss social policy in such a manner. Different areas of the welfare state were discussed in isolation from each other within these groups. The level of interest and concern could vary with respect to different areas of policy, and over time. The TUC declared a fervent interest in all welfare policies but the BEC and FBI's approach was much more haphazard and inconsistent. Neither of them took any direct interest in the NHS for instance. The policies of all three were also shaped by a variety of influences, which changed over time. These influences included the policies of the governing party, the economic situation, the implications of social policies for their other interests, the level of opportunities for them to participate in government policy, and their perceptions of what social policy should seek to achieve. Neither were their relations with government in this sphere necessarily similar to each other as their interpretations of appropriate behaviour differed. Also, willingness to participate in government policy-making was subject to variation, on the part of industry at least.
The focus of this study, addressing only the peak level of activity and relations with central government, is not always ideal. In health and education, much policy was implemented at the local level where trade unions and industrialists were also involved. Nonetheless, the élite nature of this research is not entirely inappropriate. Social policies were generally formulated by the central organisations of these groups, and were informed by their members' views as advised in correspondence, responses to questionnaires and surveys, and at annual conferences. Within the peak level bodies, committees and departments existed to determine their position of various social policy matters. The TUC had social insurance and education departments and committees. The BEC too had a social insurance and an education and industrial training committee but no supporting departments owing to the relatively small size of its central bureaucracy and lack of funds.92 The FBI's Education Committee discussed relevant educational matters. Furthermore the government would usually consult the peak level groups on policy changes rather than individual members: this aspect of the relationship requires an élite focus.

The formulation of many welfare policies within these organisations predated the second world war, but the establishment of the Beveridge Committee and plans for the reform of state education and the health services required more explicit policy stances and a response to government action. The TUC reacted most eagerly to the opportunity that the war presented to persuade the government to accept its prescriptions for reform. Accordingly, it composed comprehensive policy statements,

92 Modern Records Centre (henceforth MRC), MSS.200/B/3/2/C4 pt. 109, Ref. N.C. 8303, Confederation finance memorandum by director, 29 Feb. 1944.
which contained proposals for reconstruction in line with the principles of the trade
union movement. After the war, the TUC monitored all aspects of government social
policy with a view to securing expansion and improvement. Industrial views are less
easy to discern because of the different organisations involved. Generally, neither the
FBI nor the BEC approached government directly to discuss policy issues. They
tended to rely on government requests for consultation, and opportunities to express
their views as members of government committees, or when presenting evidence to
such enquiries. Through a variety of methods, therefore, these interest groups made
some contribution to social policy-making both during and after the war. The
significance of that contribution and the influence they had on government policy will
be discussed the following chapters, which explore developments in social security,
pensions, health and education policy. Housing policy is not considered, as a brief
examination of these organisations' activities in this area detected little interest.

The following chapter examines the evolution of social security from the
establishment of the Beveridge Committee in 1941 through to plans for earnings-
related unemployment and sickness benefit formulated by the Conservative
government in 1963 and 1964. The TUC adopted the Beveridge Report as an ideal
model of state social security from which it was loath to depart. It was not quite so
dearly held by the BEC, which was forced to temper its views. As successive
governments gradually abandoned the Beveridge plan, the attitudes of these
organisations towards social security, and the motivations that underpinned them, are
explored in the context of the postwar period. The third chapter continues by looking
specifically at the case of pensions policy. Both social and labour policy
considerations were raised in this sphere owing to the relationship between the
presence of older workers and wage levels and employment opportunities. This
presented the TUC with a dilemma in its views on pensions, which it was slow to
address. Consultation by Conservative governments and the establishment of the
Phillips Committee on Pensions also provided the BEC with opportunities to air its
views. Chapter four moves away from the income maintenance sphere to explore the
TUC’s activities in relation to health policy. The focus on the TUC reflects the virtual
absence of industrialists in this sphere, owing to a lack of direct interest in the NHS.
In this sector, the TUC emerges most clearly as representative of consumers rather
than having been concerned merely with sectional issues. Education is the subject of
the final substantive chapter. This is the only policy sector in which the TUC, BEC
and FBI all made a contribution towards the formulation of policy, during the war and
thereafter. The chapter considers policy developments at the levels of secondary
schooling, further and technical education, and higher education. The reasons behind
a much more active interest on the part of industrialists will be considered. Finally,
the concluding chapter assesses the whole range of these groups’ involvement across
different aspects of welfare policy in order to assess the nature of relationship
between government and interest groups in the context of the welfare state. It can
then determine whether or not corporate bias was a feature of state-interest group
relations in this sphere of policy, and if so the degree of its importance. Given the
extent of their involvement, and the opportunities provided for these groups to express
their opinions on the development of the welfare state, it is then possible to identify
the existence, or otherwise, of a broader consensus over welfare policy that
encapsulated important economic interests during this period.
Chapter Two: Social Security

The publication of the Beveridge Report in December 1942 set in train social security reforms that culminated in the implementation of the 1946 National Insurance Act and the 1947 National Assistance Act on 5 July 1948. Under the terms of the 1946 legislation, a single contributory national insurance scheme was established in which participation was compulsory for the majority of workers. For those who were excluded, or who found insurance benefits to be insufficient, the National Assistance Board provided means-tested help. After 1948 there were no major developments in social security policy until the introduction of earnings-related pensions under the 1959 National Insurance Act. Before 1939 employers and trade unions were important sources of welfare provision. The wartime reforms were accompanied by much greater state intervention in the sphere of social security that resulted in a lesser role for these groups. Little is known, however, about their responses to these changes.

This chapter will look at the central organisations of these interests, the TUC and the BEC, in order to examine their activities in this area of policy after 1942. It will be argued that these activities have significant implications for the theories of both consensus and corporate bias. Consultation with industry and the trade union movement was undertaken by the state during the war and maintained thereafter to a greater extent than in the aftermath of the first world war. It has been suggested that different governments’ willingness to consult these groups is a feature of the ‘postwar consensus’, as is the maintenance of the welfare state. This chapter considers the extent and importance of this consultation in relation to social security, the first area
of social policy that tends to be overlooked as being of interest to organised labour and capital. Having established the level of these groups' interest in this aspect of social policy, and their activities in relation to social security, it will then be possible to examine the existence of a 'welfare consensus' outside the province of the political parties.

Reforming state welfare: the reconstruction of social security, 1942-1948

*British social security before Beveridge*

The flaws in interwar social security policy have been well-documented, in particular its patchy and *ad hoc* nature.¹ In the words of Derek Fraser, '[c]ommon social conditions did not produce common social security benefits as classification and technical qualifications had usurped need as the determining factor.'² In 1941, social security was administered by seven separate government departments and financed from different sources.³ For instance, pensions were funded by general taxation local rates provided public assistance. Benefit levels also varied: rates of workmen's compensation for industrial injury were earnings-related, while unemployment benefit was a flat-rate subsistence payment.

TUC criticism of the social services was longstanding. Pensions, unemployment insurance and national health insurance all gave cause for concern. In particular the TUC was unhappy with nature of provision under unemployment and health

¹ For example, see B Abel-Smith, 'The Beveridge report', p. 13.
insurance, and the relationship between these two schemes. The upper income limit of £250 per annum for unemployment insurance was said to deter non-manual workers from accepting wage increases that would take them above this ceiling. Health benefits were lower than those for unemployment, resulting in a fall in benefit when workers became ill.\(^4\) In February 1941, a General Council deputation met with the Minister of Health, Ernest Brown, to express its concerns about national health insurance. These included the lack of cover for dependants and discrepancies in the provision offered by the different Approved Societies. The TUC officials asked Brown to devise a new state scheme for social security, which could be implemented after the war.\(^5\)

Divisions in industrial representation before 1965 manifested themselves in similarly divided views on social policy in the interwar years. The FBI favoured a paternalistic approach whereby employers would provide social security benefits and social services for their workers. It was generally supported in this by successful companies who could afford to make provision, and did so to undermine trade unions and maintain stability in their labour forces.\(^6\) The NCEO (BEC after 1939) adopted a somewhat different stance that reflected its belief that welfare was the responsibility of the state but only at a very basic level of provision. Consequently, the NCEO was not interested in pursuing improvements in state social services and consistently opposed increases in social expenditure.\(^7\)

\(^4\) Annual Trades Union Congress Report 1937, pp. 341-42.
\(^5\) MRC, MSS.292/155.31/4, Health insurance reform - history of case, 1941.
\(^7\) T Rodgers, 'Employers' organisations, unemployment and social politics', pp. 331-2.
Thus the TUC and the FBI and BEC held quite different attitudes with regard to state social security. The TUC was unhappy with current provision because it was confined to manual workers and the low-paid, and was ridden with anomalies. It sought reform and improvements, firmly believing this to be the responsibility of the state. This view had developed gradually during the 1920s and 1930s following the inability of trade union schemes to cope with high unemployment. Meanwhile, industry was ambivalent about the role of the state in social security provision but had little to offer in terms of solutions for interwar problems. While the FBI wanted employers to be responsible for social policy in order to derive benefits in terms of industrial relations, smaller firms, affiliated through their employer organisation to the BEC, argued that such provision should be organised by the state but only at a minimal level.

The Interdepartmental Committee on Social Insurance and Allied Services

Wartime plans for the reform of social security have their roots in the report of the Interdepartmental Committee on Social Insurance and Allied Services (the Beveridge Committee). On 22 May 1941, Ernest Brown, the Minister of Health, announced in the House of Commons that the government was to undertake a survey of the social services. Subsequently, Churchill established a Central Committee on Reconstruction chaired by Arthur Greenwood, deputy leader of the Labour Party. Greenwood then appointed the Beveridge Committee in June 1941, which is widely recognised as the most important legacy of his committee. Its membership comprised eleven civil servants, selected from departments concerned with social insurance. The terms of reference were: 'to undertake with special reference to the inter-relation of the
schemes, a survey of the existing national schemes of social insurance and allied
services, including workmen’s compensation, and to make recommendations. The
government expected the Beveridge committee to do no more than carry out an
administrative review; however, Beveridge would make the most of his appointment
as chairman to produce a report that had a more far-reaching impact.

Friendly relations existed between the TUC and the Beveridge Committee. The
TUC claimed that its deputation to Brown in 1941 had been instrumental in the
committee’s establishment. Beveridge also believed that the TUC’s complaints
about unemployment and health insurance had been influential. Several scholars,
who have cited the TUC’s role in the setting up of the Interdepartmental Committee,
have acknowledged the link. According to Ross Martin, the author of a study of the
TUC, ‘[i]t might well be argued that the TUC’s little-noticed achievement in relation
to the formation of the Beveridge Committee, is actually one of its most momentous
successes - perhaps even its greatest.’ The amicable relationship between the TUC
and Beveridge himself has also been noted while the TUC’s evidence bore substantial
similarities to the general content of the Beveridge Report.

Agreement extended to the basic principles of state provision of social security: a
flat-rate scheme with respect to both contributions and benefits, universalism and

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8 Beveridge Report, para. 1.
9 MRC, MSS.292/150.5/1, TUC social insurance department circular to trades councils and affiliated
unions, 30 July 1942.
10 W Beveridge, Power and influence, p. 296.
11 B Abel-Smith, ‘The Beveridge Report’, p. 13; P Barberis & T May, Government, industry and
political economy, p. 100; S Brooke, Labour’s war, p 146; A Calder, The people’s war, p. 525; A
Marwick, Britain in the century of total war (1968), p. 289 and The home front, p. 128; T May, Trade
unions and pressure group politics, p. 14; L Minkin, The contentious alliance, p. 43 and ‘Radicalism
and reconstruction, p. 187; E Wilson, Women and the welfare state, p. 143.
12 R Martin, TUC: the growth of a pressure group, p. 10n.
13 H Heclo, Modern social politics in Britain and Sweden, p. 147.
subsistence. This supports the widely expressed view that the Beveridge Committee represented the origins of a consensus on social policy during the second world war. 14 The TUC took an appreciable interest in social policy but it is clear that the significance of its close links with Beveridge should not be overstated. The Beveridge Report was very much a one-man exercise, and Beveridge was sidelined after the publication of his report. The government, especially its Conservative members, did not perceive the Beveridge Committee to be of any great importance when it was appointed.

Industry’s attitudes towards social policy during the war offer less support for the consensus thesis. As in the interwar period, industrial views were less coherent than those of the TUC and reflected conflicts both between and within the different organisations. The most positive views were expressed by a group of 120 industrialists who comprised a liberal wing of the FBI. 15 In 1942 these industrialists endorsed a document entitled A national policy for industry, which outlined support for a welfare system that included corporate housing, subsidies to prevent unemployment and occupational supplements to state pensions. 16 Less positive views continued to be expressed by the BEC although there were internal differences of opinion. The Shipping Federation and the Liverpool Steam Ship Owners’ Association, dismayed at the BEC’s procrastination, submitted evidence to the Beveridge Committee independently. They endorsed the reform of the social services in the shape of a single scheme for unemployment and health insurance, workmen’s

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15 Their views did not reflect official FBI policy.

16 C Madge, Industry after the war; K Middlemas, Politics in industrial society, p. 287.
compensation, widows’ and orphans’ benefits, and pensions. These would be funded by equal tripartite contributions from the Exchequer, employers and workers.\textsuperscript{17} This appears to be have been the exception rather than the rule: the Employers’ Association of the Port of Liverpool and the Federation of Master Cotton Spinners’ Associations both refused to submit observations on Beveridge’s list of questions. The former claimed that it was ‘actively and entirely engaged on work of far more urgent and immediate importance’.\textsuperscript{18} The Cotton Spinners and the Railway Companies were concerned that social security reform would create higher costs for industry.\textsuperscript{19} The Wool (and Allied) Textile Employers’ Council wanted to postpone discussion on the matter until the end of the war was closer.\textsuperscript{20}

These more negative views were predominant in the BEC’s evidence to the Beveridge Committee. The Confederation purported to endorse the principle of a compulsory national insurance scheme, but the thrust of its statement emphasised the impracticability of implementing postwar social reforms in anticipation of an adverse economic situation. Thus, it suggested that the Beveridge Committee be replaced by a Commission, which would assess existing social policy and make recommendations for reform after the war that would be in keeping with the postwar economic and financial climate.\textsuperscript{21}

\textsuperscript{17} MRC, MSS.200/B/3/2/C216 pt. 3, Post-War Social Services: Evidence to Inter-Departmental Committee, Submitted by the Shipping Federation and the Liverpool Steam Ship Owners’ Association, 23 March 1942.
\textsuperscript{18} Ibid., W Awestun Jones, Secretary of Employers’ Association of The Port of Liverpool to HM Piper, Social Service Survey - Government Committee, 19 Feb. 1942.
\textsuperscript{19} Ibid., W M Wiggins, President of Master Cotton Spinners’ Associations Ltd to Sir John Forbes Watson, Social Service Survey - Government Committee, 23 Feb. 1942; Memorandum: Observations of Railway Companies on Principal Questions Raised with The British Employers’ Confederation by Interdepartmental Committee on Social Insurance and Allied Services, 24 Feb. 1942.
\textsuperscript{20} Ibid., Preliminary Memorandum by The Wool (and Allied) Textile Employers’ Council, undated (c. Feb. 1942).
\textsuperscript{21} Ibid., N.C. 7405, Draft Report to Beveridge Committee: Post-War Reconstruction - Social Services, undated (April 1942).
In accordance with its prewar views, the BEC was unwilling to sanction greater state intervention in welfare. Although it accepted compulsory national insurance, such a scheme should play only a minimum role in social security provision. Non-state organisations should continue to offer supplementary provision, making subsistence-level state benefits unnecessary. The Confederation resisted state benefits at subsistence level on the grounds that they would undermine ‘thrift, independence and individual responsibility’. Flat-rate contributions and benefits were approved by the employers for reasons of administrative convenience. They were also compatible with the objective of minimising the state’s role, an issue on which the BEC and Beveridge were in accord. By contrast the TUC’s adherence to flat-rate principles was based more on its ideology of equality, which it believed could be achieved through uniform benefits. Furthermore, the TUC was unwilling to accept the replication of wage inequalities in social security that would result from earnings-related benefits. The burden that flat-rate contributions imposed on the lowest-paid workers and the consequences for the financing of social security were not considered at this time. Baldwin suggests that the TUC did not anticipate problems here because it expected minimum wages to be higher after the war.

The BEC was the only central industrial organisation to provide the Beveridge Committee with evidence. This reflected its responsibility for matters relating to social policy. Its evidence was largely negative in tone although its desire for a minimum state role was perfectly in keeping with Beveridge’s own views. Their

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22 Ibid.
24 P Baldwin, Politics of social solidarity, pp. 122 and 127.
respective interpretations of minimal state intervention were quite different however: the BEC did not support the central principles of universalism or subsistence to which both Beveridge and the TUC were firmly wedded. Its unwillingness to countenance plans for postwar social reform was clearly out of step with popular opinion and the views of the trade union movement. This suggests that the perceived consensus on the need to plan for the postwar world was not quite so prevalent as is often believed.

The Beveridge Report

The Beveridge Report was published on 1 December 1942. It outlined a plan that would coordinate and consolidate the existing social security schemes. Its chief objective was to abolish poverty via compulsory participation in a comprehensive social insurance scheme, which would provide an income, adequate for subsistence, in times of need. The scheme would be financed by flat rate, tripartite contributions from employers, workers and the state. Beveridge devised six principles on which the social insurance scheme would be based: flat rate of subsistence benefit; flat rate of contribution; unification of administrative responsibility; adequacy of benefit; comprehensiveness and classification. \(^{25}\) For the scheme to be successful there were three preconditions or 'assumptions'. These were universal provision of family allowances, the establishment of a national health service and the maintenance of high levels of employment. Finally, a safety net, in the form of national assistance, would provide for those outside the national insurance scheme. This would be a residual means-tested benefit for which demand was expected to fall as the scope of insurance expanded.

\(^{25}\) Beveridge Report, paras. 303-309.
The Beveridge Report has been variously described as the founding document of the welfare state and a plan for rationalising existing provision, containing little that was radical or revolutionary.\(^{26}\) However, there is no doubting its contemporary popularity among the British public at large; it is claimed that approximately 750,000 copies were sold and a British Institute of Public Opinion (BIPO) poll showed that 95 per cent of people were aware of the Beveridge Report two weeks after its release.\(^{27}\)

Political responses to the Beveridge Report were somewhat more complex. The Labour Party responded enthusiastically while Conservative members of the government were rather less impressed. Like the BEC, Churchill’s main concern was that the report should not be implemented before the war ended.\(^{28}\) A more positive Conservative reaction came from the Tory Reform Committee although this progressive wing was very much a minority at this time. The more critical views in the government were sustained during the parliamentary debate on the Beveridge Report that took place in February 1943. The debate created the impression that the government was lukewarm in its attitude towards the Beveridge Report. Ultimately, however, public support for the Beveridge Report was such that Churchill was forced to be outwardly positive. In a radio broadcast in March 1943, he announced details of a four-year plan for post-war reconstruction. Afterwards, the drafting of a White Paper on the reform of social security got underway.


\(^{28}\) P Alcock, *Poverty and state support*, p. 52.
Given the role of interest groups such as the TUC and the BEC in other areas of policy and their involvement in social policy via the Beveridge Committee, it is plausible to seek a wider notion of a welfare consensus outside the arenas of party politics and public opinion. There has been a tendency among some historians to underestimate the trade union movement’s interest in the Beveridge Committee and social policy.\textsuperscript{29} This is a reflection of a focus on individual unions rather than the TUC, which was where trade union social policy was formulated. Others have noted the trade union movement’s positive response to Beveridge. A number of explanations for this have been put forward: Heclo suggests that high interwar unemployment, a dislike of the means test and amicable links between Beveridge and trade unionists were factors in the unions’ favourable reaction.\textsuperscript{30} Van Leeuwen also cites the influence of interwar mass unemployment.\textsuperscript{31} Brooke argues that wartime purchasing restrictions reduced the importance of wages resulting in a corresponding increase in interest in social policy.\textsuperscript{32}

The TUC’s Joint Social Insurance and Workmen’s Compensation and Factories Committee discussed the Beveridge Report in some detail. The committee drew a favourable comparison between the TUC’s evidence to Beveridge and the content of the report, recommending that the General Council accept the report although the details required further examination.\textsuperscript{33} The emphasis was on obtaining improvements in, and the extension of, its provisions. With the exception of the incorporation of

\textsuperscript{29} D Barnes & E Reid, \textit{Governments and trade unions}, p. 11; M Bruce, \textit{The coming of the welfare state}, p. 276; B Pimlott & C Cook, eds., \textit{Trade unions in British politics}, p. 163.

\textsuperscript{30} H Heclo, \textit{Modern social politics}, p. 147.

\textsuperscript{31} MHD van Leeuwen, ‘Trade unions and the provision of welfare in the Netherlands’, p. 787.

\textsuperscript{32} S Brooke, \textit{Labour’s war}, p. 152.

\textsuperscript{33} MRC, MSS.292/161.1/3, Joint Social Insurance and Workmen’s Compensation and Factories Committee (Jt. SIC.WC & FC) 1, 9 Dec. 1942; MSS.292/150.5/4, General Council resolution, 16 Dec. 1942.
workmen’s compensation into social insurance, any dissatisfaction on the part of the TUC stemmed from a desire to advance upon Beveridge’s proposals rather than from an aversion to them. From the earliest stages, the TUC was active in lobbying for the implementation of the Beveridge Report.

The Beveridge plan formed the basis for TUC social security policy over the course of the next twenty years. The key tenets of TUC policy included the principles of universalism, uniformity, flat-rate contributions and benefits and subsistence levels, those that underpinned the Beveridge model. The drawbacks of a flat-rate system were to become apparent in the early 1950s but there was little resistance in 1942 when flat-rate principles satisfied different interests for different reasons. The principle of subsistence benefits did provoke controversy. The Beveridge Report advocated that benefits should be sufficient both in amount and duration. The TUC was a keen proponent and pursued the concept of subsistence benefits and pensions throughout this period. It praised the report for establishing ‘subsistence on a proper administrative basis under which every citizen will be provided with subsistence as a right by virtue of his contributions and without means test or investigations’. The TUC rejected the government’s argument that subsistence benefits were impractical because they would be required to fluctuate in line with inflation. It believed that the government should control inflation in peacetime as they were doing during the war.

With regard to industrial views, we have already observed that the most positive and enlightened views emanating from industry have been highlighted while the

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34 MRC, MSS.292/150.5/4, Jt. SIC.WC & FC 4, 14 Jan. 1943.
35 Ibid.
BEC's more conservative outlook has been overlooked or downplayed.  

The Beveridge Report received a less amicable response from the BEC than from the TUC. The fiercest criticism came from its director, Sir John Forbes Watson, although the Confederation's official reaction was toned down in response to the popular mood. Watson complained that 'an atmosphere has been created in which anyone who dares to criticise the proposals from any angle is looked upon, not only as being antagonistic to the Government and thereby jeopardising the national unity, but as an inhumane person who wishes to perpetuate want in this country'. Watson and the BEC were now opposed to compulsory participation in a social insurance scheme. The retreat was based on their belief that Beveridge had not satisfactorily established the widespread existence of want. Watson also objected strongly to the cost of implementing Beveridge, which would require an undesirable level of redistribution of incomes and higher taxes. He concluded that the report was 'an instrument which holds within itself the possibility of political exploitation to an extreme point where, through increases in Direct Taxation, the whole community can be reduced to a uniform level of income and where the reward for initiative and enterprise would disappear.'

The BEC's published statement on the Beveridge Report was more subdued. Still, the only positive comment was in praise of the survey of existing provision. The Confederation resisted the principle of universalism because the scheme would then provide for those who were 'not in want'. Its chief concern was the cost of the

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39 Ibid.
Beveridge plan; it argued that the introduction of Beveridge's proposals could not be considered until Britain had established the order of her post-war priorities and her capacity for meeting them. The BEC also shed doubt on the feasibility of maintaining Beveridge's recommended level of employment amid 'international and other factors beyond our control which may largely determine the employment position of an exporting and importing country such as ours'. Indeed, employers believed that the cost of the Beveridge Report and its impact on industry would be a cause of unemployment. Thus, rather than implementing the Beveridge Report, the government should instigate an inquiry to investigate the existence of want and ways and means of eliminating it.

Another organisation, representative of business interests, the Association of British Chambers of Commerce, expressed its views on Beveridge. While the ABCC favoured the simplification of social security provision and endorsed the general themes contained in the Beveridge Report, it too warned against making plans before the end of the war. Unlike most other contemporary commentators, the Chambers of Commerce held reservations over flat-rate principles.

Strong public support encouraged a more positive political response to the Beveridge Report, which eventually included the Conservative Party albeit with some reluctance. Similar enthusiasm was displayed by the TUC. The apparent consensus over Beveridge is, therefore, only undermined by the continued pessimism expressed

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41 Ibid.
by the BEC. Although the BEC did temper its response in keeping with public opinion, it was basically opposed to the implementation of the Beveridge plan and to the fundamental themes of universalism and subsistence that found so much favour among the public and in the labour movement. While more positive views from other representatives of industry complicate the picture somewhat, these found little expression after 1942. The conservative BEC emerged as the main spokesgroup in relation to social security policy although it often only volunteered opinions when governments made direct approaches to it.

In fact, the BEC did not prove to be particularly effective in influencing government social policy. Its reactionary nature and unwillingness to participate in the policy-making process militates against Middlemas’ thesis of ‘corporate bias’. The BEC did not seek to shape plans for social reconstruction during the war. Conversely, while the TUC actively sought to participate in social policy-making via deputations to members of the government, it had little obvious success at first. Access to government, in this case to Sir William Jowitt who was responsible for social reconstruction as Minister without Portfolio, was unproblematic but produced little in the way of results. Efforts to elicit the government’s intentions towards Beveridge tended to be ineffectual as Jowitt refused to provide the TUC with details of government policy. Meanwhile, officials were reticent about consultation with the TUC and the government’s Reconstruction Priorities Committee expressed a desire for caution when informing the TUC of government policy.

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43 PRO, PIN 8/91, Sir William Jowitt to Sir Walter Citrine, General Secretary of TUC, 2 April 1943; Note on TUC deputation to Sir William Jowitt on 8 April 1943; MRC, MSS.292/150.5/4, TUC General Council deputation to Sir William Jowitt, 8 April 1943.

44 Ibid., TT Hutson, Office of the Minister without Portfolio to E G Bearn at the Ministry of Health, 6 Aug. 1943.
Legislating social security: 1944-1946

The Coalition government released a White Paper, *Social Insurance*, in September 1944. It embodied many of Beveridge's proposals but rejected the principle of subsistence and unlimited duration for benefits and there was no prospect of implementation during the war.\(^45\) The TUC's response to social security reforms proposed after the Beveridge Report has attracted little attention from scholars. Brooke suggests that the Labour Party and the TUC were ambivalent towards the White Paper.\(^46\) Indeed, the TUC was generally satisfied with the White Paper but irate at the omission of the subsistence principle, time limits on benefits and the level of family allowances.\(^47\) Employers paid little attention to the White Paper; there is no record of any discussion on the matter by the BEC.

Responsibility for the implementation of the Beveridge Report and the 1944 White Paper passed to the Labour Party upon its election in July 1945 and the new government is associated with a range of social policy measures which formed the basis of the postwar welfare state. These included the 1946 National Insurance Act and the 1947 National Assistance Act. Another wartime trend, the practice of consulting the trade union movement and industry in policy-making, was also ostensibly maintained. This is the period in which the 'postwar settlement' is believed to have been forged.\(^48\) It is argued that the cooperation of the unions in the

\(^{45}\) R Lowe, 'The second world war, consensus and the foundations of the welfare state', p. 169.

\(^{46}\) S Brooke, *Labour’s war*, p. 147.


war effort and their increased strength resulted in concessions to labour in the form of a government commitment to maintaining a high level of employment and a range of state-sponsored social services.\textsuperscript{49} In turn, the unions would adopt new responsibilities for cooperating in industrial and economic policy, particularly in terms of wage restraint to assist the government in carrying out its policies.\textsuperscript{50}

Scholars have questioned the strength of the links between the Labour Party and the TUC.\textsuperscript{51} There were early grievances in the TUC with regard to consultation, and these were evident in social policy-making following TUC complaints that it had not been involved in the drafting of the 1945 National Insurance Bill.\textsuperscript{52} TUC representatives met with Jim Griffiths, the Minister of National Insurance only once before the publication of the Bill although it may be presumed that the Labour Party would have been familiar with TUC policy already. The deputation pressed Griffiths to implement the subsistence principle, following its rejection by the Coalition government, and to remove the time limits on benefits.\textsuperscript{53}

Whether the Labour government subscribed to the subsistence principle continues to be a subject of debate. Both Hill and Heß believe the Labour government did intend to provide subsistence benefits even if it was not necessarily successful in doing so.\textsuperscript{54} Others have questioned this view and have cited the out-of-date price

\textsuperscript{49} G Dorfman, \textit{Wage politics in Britain}, p. 51; L Minkin, \textit{The contentious alliance}, p. 77.
\textsuperscript{51} R Martin, \textit{TUC}, pp. 290 and 296.
\textsuperscript{53} MRC, MSS.292/161.1/4, Jt. SIC.WC & FC deputation to the Minister of National Insurance, 15 Nov. 1945.
\textsuperscript{54} J Heß, 'The social policy of the Attlee government', p. 304; M Hill, \textit{The welfare state in Britain}, p. 30.
index used to set benefit levels and estimates of rent employed.\textsuperscript{55} Lowe also points out that the time limits on benefits also contravened the principle of adequacy.\textsuperscript{56} A memorandum written by Griffiths reveals his determination to avoid committing the government to the subsistence principle, which he thought was an unfeasible basis for benefit levels.\textsuperscript{57} He promised the TUC that benefits would be increased beyond the levels proposed in the White Paper but not necessarily in accordance with the subsistence principle on grounds of practicality.\textsuperscript{58} However, initial benefit levels did correspond with Beveridge's concept of subsistence even though there was no commitment to strictly maintain the correlation between benefit levels and increases in the cost of living. TUC representatives met with Griffiths to discuss the National Insurance Bill in February 1946. The Minister told the deputation that the benefit levels in the Bill were based on Beveridge's recommendations plus an allowance for the subsequent increase in the cost of living. The government was not prepared to tie benefit rates to prices though it would try to keep the cost of living at its current level. In addition, quinquennial reviews would provide the opportunity to adjust benefits in line with inflation.\textsuperscript{59} These meetings between Griffiths and the General Council led the TUC to believe that the Labour government did in fact give effect to the subsistence principle, which continued to be a feature of TUC policy.

The BEC's response to the National Insurance Bill is unknown owing to the absence of records documenting the discussions of a sub-committee which was set up

\begin{itemize}
  \item \textsuperscript{56} R Lowe, 'A prophet dishonoured in his own country?', p. 120.
  \item \textsuperscript{57} PRO, PIN 18/6, Social Services Committee, national insurance pensions and benefit rates, draft memorandum by the Ministry of National Insurance, 6 Nov. 1945, p. 1.
  \item \textsuperscript{58} PRO, PIN 19/21, Deputation from the General Council of TUC, 15 Nov. 1945, p. 3.
  \item \textsuperscript{59} MRC, MSS.292/161.1/4, St. SIC.WC & FC 5/1, deputation to Minister of National Insurance on National Insurance Bill on 12 Feb. 1946, 14 Feb. 1946.
\end{itemize}
to discuss potential amendments to the Bill. 60 One member organisation, the Cotton Spinners’ and Manufacturers’ Association, wrote to the BEC to complain about the payment of full national insurance contributions on behalf of part-time workers, a grievance that would be pursued throughout this period. The Cotton Spinners were concerned that generous state benefits would encourage absenteeism. 61 In response to the National Insurance Act, 1946, the BEC focused on the implications for occupational sick pay schemes and its impact on the economy. 62 The BEC blamed economic difficulties on the labour shortage and the cost of imports: essential imports required high export levels to pay for them, which raised the issue of wages as a factor in production costs. The Confederation cited recent wage rises, family allowances and increased state social spending as the source of inflationary pressure. The BEC was also worried about the level of taxation, claiming that Britain was ‘the most heavily taxed ... [country] in the world’. 63 In 1947 these concerns led the British Employers’ Confederation to conclude that ‘that the Government should make it clear that its National Insurance and Industrial Injuries Acts will not be brought into operation next year’. 64

Throughout this formative period of the modern welfare state, the TUC continued to monitor the development of social policy but its positive relations with the Beveridge Committee were not maintained when the responsibility for social security reform shifted to the government. Access to the relevant members of government was

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60 MRC, MSS.200/B/3/2/C4 pt. 114, N.C. 9156, FJC Honey (Assistant Secretary) to members of the National Insurance Bill Sub-Committee, 23 Feb. 1946.
64 Ibid.
granted but was looked upon with little enthusiasm in government circles. The situation improved little upon the election of the Labour Party, which provided little additional opportunity for the TUC to play a role in policy making. Nonetheless the TUC had unlimited access to the government and was kept informed of policy developments. The TUC’s general endorsement of the pattern of social reform supports the consensus thesis at a general level but disagreement over details remained. The BEC did not actively seek a role in policy making, nor to influence government policy. This should not imply that the BEC accepted events as they unfolded. The popular mood forced the Confederation to stifle its criticism but until the implementation of the 1946 National Insurance Act the BEC continued to oppose social security reforms along the lines of the Beveridge plan.

The development of social security, 1948-64

As discussed in the introduction, certain scholars locate the origins of a welfare consensus in the activities of the Coalition government during the second world war. Others look to the continuity between the policies of the Coalition and the 1945-51 Labour governments or between the Attlee administration and the Conservative opposition. The policies of the postwar Labour government and subsequent Conservative administrations, particularly that led by Churchill between 1951 and 1955, have also been examined for this purpose. Some critics of the consensus thesis have argued that there are explanations for apparent continuities in policies

65 Page 14.
66 P Addison, ‘The road from 1945’, p. 15; D Dutton, British politics since 1945; R Lowe, ‘Second world war, consensus and the foundations of the welfare state’, p. 158.
other than the existence of a cross-party consensus. For instance, policy may have been governed by constraints, which prevented radical change. The trade union movement has been cited as one such constraint. One of the problems with this approach is that it fails to consider the role of employers who may have countered trade union influence.

Labour governments

On 5 July 1948 the Labour government implemented its 1946 National Insurance and National Health Service Acts and the 1947 National Assistance Act. The social security legislation was largely based on the Beveridge Report, causing historians to establish an element of continuity between the social security policies of the wartime Coalition and the postwar Labour governments. On the whole the TUC approved of, and supported, this legislation. By contrast the BEC had, in 1947, voiced its opinion that the acts should not be implemented amid adverse economic circumstances. Once the legislation was in place, the Confederation turned its attention to the activities of the National Insurance Advisory Committee (NIAC) which had been established to make and review social security regulations. It largely eschewed direct involvement in other aspects of social security policy other than when it was approached by the government for advice.

The Labour government's social security policy quickly provoked dissatisfaction among both employers and the trade union movement alike. In 1949, Forbes Watson

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69 H Jones, ‘New tricks for an old dog?’, p. 43.
of the BEC complained to the National Joint Advisory Committee (NJAC) about the negative effects of social spending on capital investment and tax levels.\textsuperscript{70} The unions took an opposing stance: social expenditure was not high enough. The Labour government's benefit levels corresponded to those recommended by Beveridge, thus creating the impression that the principle of subsistence had been implemented. But the inconsistency of flat-rate subsistence benefits soon became apparent, exacerbated by the anomalous relationship between national insurance and national assistance. National insurance benefits included a flat-rate element for rent that was inevitably inadequate in some regions while national assistance provided a full allowance for rent, which resulted in national assistance payments being higher than those under the national insurance scheme. Consequently national insurance beneficiaries with no other source of income were able to supplement their benefit or pension with national assistance. Instead of diminishing as the scope of insurance expanded, national assistance grew considerably over the years that followed. This trend was intensified by the tendency for insurance benefits to fall behind movements in the cost of living from the outset. The subsistence principle, always tenuous, soon became eroded when benefit levels were not improved until 1951.

Initially these developments incited complaints from the unions at annual trade union congresses, which were stifled or deflected by members of the General Council who defended the government's record.\textsuperscript{71} The 1951 National Insurance Bill put an end to its deference: the Bill made proposals for confining pension increases to older pensioners only, invoking a breach with the principle of uniformity. Strong

\textsuperscript{70} MRC, MSS.292/108.2/2, Ministry of Labour and National Service National Joint Advisory Council (NJAC) 27th minutes, 27 April 1949.
dissatisfaction with anomalies between national health insurance and unemployment insurance in the interwar period had led the General Council, if not the wider trade union movement, to consider uniformity of benefits to be a central tenet of social security policy. Further dissatisfaction was incited by the failure to reinstate the subsistence principle together with improvements in national assistance, which created a 'poverty trap': increases in national insurance caused a reduction in national assistance leading to no or very little increase in total income. The inadequacy of the benefit increases was especially unsatisfactory since the government had also taken advantage of the surplus in the national insurance fund to reduce the Exchequer’s share of the national insurance contribution, and had abolished the block grant to the fund. The TUC’s dismay at these developments was compounded by the Labour government’s failure to consult it during the drafting of the Bill. 72

At the end of the Attlee government’s period in office, the BEC was still critical of the levels of social expenditure and there was also evidence of dissatisfaction amongst the trade union movement at large as expressed at congress. The unions’ complaints came to be voiced among the highest echelons of the movement in 1951. The BEC had never shown any support for Labour’s social security policy while the TUC’s was disintegrating towards the end of the Labour administration. The TUC’s complaints concerned not only the nature of the development of social security policy but the government’s failure to consult it. The BEC had no direct contact with the Labour government with regard to this area of policy outside of the NIAC. There is, therefore, little evidence to support Keith Middlemas’ thesis of ‘corporate bias’ during this period. These groups, by virtue of their importance in other areas of policy, were

72 MRC, MSS.292/161/9, Social Insurance and Industrial Welfare Committee (SIIWC) 14, 11 June
granted unlimited access to government in this sphere, an opportunity that the BEC regularly chose not to exploit, but in any case were not involved in the making of policy per se.

Conservative governments

Both the theories of corporate bias and consensus are argued to have extended into the subsequent period of Conservative rule, from 1951 to 1964. The Churchill government (1951-55) in particular has been fertile ground for both supporters and detractors of the consensus thesis. It is during these years that trade union opinion, for some, became a constraint on government policy-making, a factor in preventing Conservative government from undertaking radical changes in social policy. Middlemas also maintains that the practice of corporate bias was sustained. The good relations between the Churchill government and the TUC have been widely noted although the relationship is often perceived to have deteriorated thereafter. It has been suggested that government-industry relations took a downturn immediately following the Tory victory in 1951 although for the purposes of social security policy the BEC was treated on equal terms with the TUC.

The practice of consultation was in fact maintained by Conservative governments, and to a greater degree than under their Labour predecessors. For those seeking

1952.

73 V L Allen, Trade unions and the government, p. 34; D Barnes & E Reid, Governments and trade unions, p. 19; P Dorey, The Conservative Party and the trade unions, p. 39; G Dorfman, Wage politics in Britain, p. 81; R Martin, TUC: growth of a pressure group, pp. 300-2; L Minkin, The contentious alliance, p. 81; H Pelling, A history of British trade unionism, pp. 223 and 247; R Taylor, 'Industrial relations', p. 98.

evidence of 'corporate bias', the period began promisingly, with substantial consultation of both the BEC and TUC during the drafting of the 1952 National Insurance and Family Allowances Bill. The BEC continued to have close links with the NIAC while the TUC increased its involvement with this body. The appointment of the Phillips Committee on pensions and the introduction of graduated pensions, both fully discussed in chapter three, provided additional opportunities for BEC and TUC involvement in social policy-making. Finally, proposals for the introduction of earnings-related unemployment and sickness benefit in 1963 required full and regular consultation with both bodies.

The new Conservative Minister of National Insurance, Osbert Peake, approached the BEC and TUC for consultation while it was preparing its first piece of social security legislation. Meetings were held with TUC and BEC representatives, and both groups were given advance note of the contents of the Bill before its publication. The Act itself did restore the principle of uniformity and benefits were raised, though not as far as subsistence levels. However, both the consultation process and the coincidence between the TUC's views and the policy changes owed more to the desire to compensate for reductions in food subsidies and attempts to secure TUC and BEC agreement for a higher retirement age. The restoration of uniformity probably resulted more from the Treasury's opposition to providing higher pensions for older pensioners on grounds of cost rather than a desire to adhere to Beveridgian principles. Thereafter, neither the TUC nor the Confederation was consulted during

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75 During the 1940s, the TUC submitted evidence to the NIAC regularly but its nominee, Sir Alfred Roberts who chaired the General Council Social Insurance Committee, seldom attended its meetings.
the preparation of social security until the consideration of earnings relation in the 1960s.

The BEC and TUC were involved in extensive consultation with regard to social security regulations through the activities of the National Insurance Advisory Committee. The NIAC was established by the National Insurance Act, 1946 to review draft regulations, and to advise the Minister on the technical problems of national insurance. Both the BEC and the TUC made nominations for one member each of the advisory committee although their nominees were not appointed in a representative capacity. The BEC and TUC were also active in presenting evidence to NIAC inquiries, which dealt with matters such as the duration of unemployment benefit and the participation of certain groups, i.e. married women and part-time workers, in the national insurance scheme.78 Discussions on the proposed introduction of earnings relation and membership of independent committees aside, the NIAC provided one of the most important opportunities for these interests to be actively involved in the formulation of policy, albeit at an administrative level.

Consultation took place then on those occasions when significant policy reviews were taking place or on administrative issues processed by bodies such as the NIAC. It generally reflected a desire on the part of the government to acquaint itself with the views of industry and employers on certain issues rather than efforts to integrate these groups into the policy-making process. Therefore, the TUC continued to send deputations to government ministers on a regular basis in order to try to affect policy.

78 The minutes of the NIAC until 1960 can be found in PRO, PIN 60. Minutes for subsequent years are not yet available under the thirty year rule.
The BEC seldom made such direct approaches to the government though it was always available for consultation.

Released from the ties of loyalty to a Labour administration, the TUC became much more critical of government social security policy during the Conservative years. In part this reflected a philosophy of resistance to change. The Beveridge plan continued to form the basis of TUC thinking on social security and, therefore, the principles of actuarially-based contributions, flat-rate contributions and benefits, uniformity and subsistence were fiercely, if not always successfully, defended. By 1964, TUC support of government social security policy, already eroded in 1951, had been severely tested. Signs of consensus are yet fewer when examining the BEC’s position: beneath a veneer of general disinterest and unwillingness to undertake direct action before 1963, the BEC took every opportunity to express its dissatisfaction with the national insurance scheme and its underlying principles, and levels of social spending. As the tripartite talks on earnings-related unemployment benefit in 1963 and 1964 would reveal, the BEC never came to terms with the social objectives of state social security policy.

The gradual abandonment of the Beveridge Report led to growing dissatisfaction in the TUC with social security policy, a process that was provoked by Labour’s abandonment of uniformity in 1951 and accelerated under Conservative administrations. Contribution and benefit levels were the main source of concern. The TUC was wedded to the principle of actuarially based contributions and so

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79 Actuarially-based contributions were calculated on the basis of the average amount of contributions required to finance benefits and pension received from the national insurance scheme by an employee who participated from the ages of 16 to 65.
resisted increases beyond those required to maintain the actuarial principle. Moreover, during the 1950s, the TUC became increasingly concerned about the burden of contributions on low-paid workers. The TUC persistently failed to acknowledge this as an inherent flaw of a social security system based on flat-rate contributions, continuing to perceive the problem in terms of inadequate government funding. 80 It was aided in this analysis by Labour’s cut in the Exchequer’s contribution in 1951, which had produced an obvious explanation for the presumed shortfall in the national insurance fund. A shift away from actuarial principles in setting contribution levels also encouraged their belief that the fault lay with the government. In 1960 the General Council complained that contributions were rising faster than benefit levels thus shifting liability for future national insurance fund deficits from the Exchequer to the employee. 81 In order to reverse this trend, the TUC called for a return to actuarially based contributions and an increase in the Exchequer’s share of the contribution. It also objected to the NHS element in the national insurance contribution. 82

The TUC was unsuccessful in persuading Conservative governments to increase their financial commitment to the insurance scheme. 83 In spite of this, it was reluctant to consider other methods of funding. The Labour Party’s proposals for a social security tax incited little enthusiasm in the TUC leading to the policy being dropped. 84 A flat-rate contributory system of social security continued to be favoured by the

80 MRC, MSS.292/161/10, SIIWC 14/1, Congress resolution on national insurance benefit rates - note of deputation to Minister of National Insurance on 13 May 1953.
82 Ibid., SIIWC 2/6, Changes in national insurance, industrial injuries, national assistance and war pensions schemes, 9 Nov. 1960.
83 MRC, MSS.292/20/39, General Council (General Council), 24 Nov. 1954; MSS.292/161/12, SIIWC 4, 8 Dec. 1954; MSS.292B/161/13, SIIWC 2/6, Changes in national insurance, industrial injuries, national assistance and war pensions schemes, 9 Nov. 1960.
84 Labour Party Archive, (henceforth LPA), R.508/April 1955, Policy and Publicity Sub-Committee.
TUC because it was seen to offer benefits 'as of right' and be a more egalitarian system than the graduated benefits that would be provided under a social security tax. Baldwin and Ashford have explained the TUC's recaltricance in terms of higher-paid workers' opposition to a greater degree of redistribution because they were often members of supplementary insurance schemes. Baldwin also notes that earnings-related benefits were perceived to produce inequality. Such self-interested motives are not reflected in the discussions of the TUC's Social Insurance Committee. These reveal that reservations were based on a desire to avoid both an expansion in means testing and the threat to the principle of universalism that would be posed if well-paid workers sought to be exempted from the national insurance scheme. Should national insurance be confined to low-paid employees, as in the interwar period, then a greater degree of redistribution would not have been achieved in any case.

The TUC was equally ineffective in persuading governments to restore the subsistence principle. Although it was consulted during the preparation of the 1952 National Insurance Bill, the Act did not raise benefits to subsistence level. Successive Conservative Ministers of National Insurance rejected TUC demands for substantial increases in national insurance benefits. Still, the TUC prevaricated over the Labour Party's proposals for a national superannuation scheme for fear that graduated pensions would undermined its campaign for a flat-rate subsistence national insurance benefit. By the time the Conservatives had increased benefits to 1946 levels in real terms the TUC had raised the stakes. The Beveridge concept of subsistence was now dismissed as being out-dated and thus it wanted an independent inquiry that would

86 MRC, MSS.292/161/10, SIIWC 10, 11 March 1953.
87 MRC, MSS.292/161/6, SIIWC 5, 13 Nov. 1958.
establish a modern-day definition of subsistence. The General Council also suggested that the government devise a special cost-of-living index, giving more weight to basic items, to be used for setting benefit levels, a request that was denied.\textsuperscript{88} Neither was the Ministry of Pensions and National Insurance willing to agree to an inquiry into subsistence. Niall Macpherson, the current Minister, rejected this on the grounds that the principles of flat-rate and subsistence were inherently incompatible. In fact the government was already undertaking a review of guiding principles for benefit levels but did not want the TUC to know since "this would invite pressure for announcement of the findings".\textsuperscript{89} Benefit increases under the 1961 and 1963 National Insurance Acts then failed to meet the TUC's demands.\textsuperscript{90}

No such demands for improvements to national insurance came from the employers. While the TUC expressed dismay over the expansion of national assistance, the BEC was arguing that national assistance should take precedence over national insurance.\textsuperscript{91} In its evidence to the Phillips Committee on pensions, the Confederation blamed the social services for encouraging people to rely excessively on the state.\textsuperscript{92} It continued to resist the principle of subsistence benefits and pensions.\textsuperscript{93} When, in 1963, the BEC first signalled its acceptance of earnings-related unemployment benefit, economic considerations were presented as being paramount. Its activities in relation to the NIAC, with which the BEC had strong links, reveal that the Confederation's attitudes towards social security in the 1950s continued to be

\textsuperscript{88} MRC, MSS.292B/161/13, Letter from Minister of Pensions and National Insurance, 21 July 1960.  
\textsuperscript{89} PRO, CAB 134/2418, Cabinet Committee on Pensions and National Insurance 3, 28 Jan. 1963.  
\textsuperscript{90} MRC, MSS.292B/161/16, SIIWC 8, 8 May 1963.  
\textsuperscript{91} PRO, PIN 46/79, Budget proposals and national insurance benefits - note of meeting with British Employers' Confederation in Minister's room on 27 March 1952, pp. 1-2.  
\textsuperscript{93} MRC, MSS.200/B/3/2/C1120 pt. 2, N.C. 14050, Government committee on economic and financial problems of the provision for old age - memorandum of evidence by Confederation, April 1954,
governed by conservative concerns about cost and expenditure. Fear of abuse of the national insurance fund and inconvenience to employers also appeared to be formative factors. Considerations of both the public purse and to industry itself explains the BEC’s opposition to the payment of extended unemployment benefit, full participation of part-time workers in the national insurance scheme and the requirement to pay contributions during holiday periods.\(^9\) The BEC supported the maintenance of the Married Women’s Anomalies Regulations that placed restrictions upon the participation of married women in national insurance on the grounds that such workers could abuse the scheme.\(^9\) Finally, inconvenience to employers was the reason behind the BEC’s support for improved provision for short-time workers because these workers were placing pressure on their employers to arrange their hours of employment so as to allow them to maximise entitlement to unemployment benefit.\(^9\)

In 1957 the TUC conceded that the flat-rate national insurance scheme was operating unsatisfactorily, a fact made glaringly obvious by the continued expansion
of means-tested national assistance. It admitted that 'the uniform benefits of the present scheme have become synonymous with inadequate benefits'. It somewhat reluctantly accepted the principle of earnings-relation for pensions in 1959 and, in 1962, entered into discussions on graduated unemployment and sickness benefit with the Labour Party and then with the Conservative government in the following year. In spite of the shift towards earnings-related contributions and benefits, a flat-rate subsistence level benefit and pension remained the predominant goal of TUC social security policy at the end of this period, one which was clearly at odds with government policy. The BEC entered into discussions on earnings-related benefits for quite different reasons: its interest reflected economic concerns, while social considerations were dismissed as being irrelevant to the Confederation.

Modernisation of national insurance: earnings relation 1963-1964

Both the BEC and the TUC were involved in consultation with the Conservative government in 1963 and 1964 regarding plans to introduce earnings-related benefits. The talks involved the Ministry of Labour and the Ministry of Pensions and National Insurance (MPNI), and were conducted at an official level. The opinions expressed by the BEC and TUC show that twenty years after the publication of the Beveridge Report, these interests were still as divided as ever over the objectives of social security policy. Although both groups came to endorse earnings-related unemployment benefit, their reasons for doing so and views about the scope of earnings-relation continued to be very different. The government's response to the BEC's proposals, and the TUC's attitude, undermine any suggestion that agreement

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97 MRC, MSS.292/161/14, SIIWC 14/7, Suggested paragraphs for Congress report, 12 June 1957.
on earnings-relation for unemployment benefit as the future direction of social
security policy amounted to a consensus. These tripartite talks provide the strongest
evidence of corporate bias in the making of social security policy during this period.
The BEC and TUC were consulted because of their position as interest groups.
However, the existence of corporate bias was no guarantee that these groups would
have an active influence on the development of policy. In fact, officials proved to be
disappointed with their solutions to the problems of earnings-relation.

The TUC first took part in discussions on earnings-related benefits with the Labour
Party in 1962. The General Council endorsed the principle of earnings-relation on the
condition that basic national insurance benefits were restored to subsistence level,
which needed to be redefined.98 This remained the TUC’s chief objective during talks
with the Conservative government; it anticipated that the additional funds raised by
graduating contributions could be used to improve the flat-rate scheme.99 This
reflected the TUC’s continued emphasis on social security for low-paid workers and
those who were excluded from occupational provision. The social aspects of the
national insurance scheme were deemed to be paramount and the alleviation of
poverty continued to be the TUC’s priority. By contrast BEC interest in earnings-
related unemployment benefit reflected economic concerns: ‘any question of the
adequacy of the unemployment benefit on social grounds was not a matter for the
Confederation. What concerned the Confederation was the advantage or otherwise to

98 Ibid., SIIWC Sub-Committee on Sickness and Unemployment Benefit 4, 9 May 1962.
99 PRO, LAB 10/1931, Note of deputation from the TUC to the Minister of Pensions and National
Insurance on 14 Jan. 1963, 18 Jan. 1963, p. 1 and 3; Note of a meeting with representatives of the
Heron to DC Barnes, 30 Jan. 1964; Note of the third meeting of officials with representatives of the
TUC, 21 Feb. 1964; PIN 18/302, Earnings-related short-term benefits - a summary of the discussions
held at official level with the BEC and the TUC, undated.
industrial relations of any change in benefit rates'. The BEC devised proposals for improved unemployment benefit in order to avoid government legislation on severance pay and to relieve demands on employers to make provision for redundancy. It also hoped to use earnings-related unemployment benefit in order to improve labour mobility and to encourage agreement on an incomes policy.

Under the BEC’s scheme, earnings-relation would not be extended to sickness benefit for a number of reasons: sick workers had jobs to which they would return, over 50 per cent of workers received occupational sick pay, earnings-related sickness benefit was irrelevant to the objective of increasing mobility, and it would be inflationary. The Confederation also favoured strict conditions on the receipt of earnings-related unemployment benefit; these included a good national insurance contribution record and willingness to relocate and retrain. The objective of the contribution condition was to ‘cut down the numbers qualifying for benefit to a moderate figure ... and enable contributions to be kept small if spread over all insured persons’. The BEC later agreed that the requirement to relocate and retrain was perhaps too onerous but believed it should be given serious consideration once the supply of housing and training facilities improved. In order to avoid benefit becoming a disincentive to return to work, the BEC advocated a ceiling on the total

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102 PRO, LAB 10/1932, Note of a meeting with representatives of the BEC, 16 Dec. 1963; Mr Davies to K Barnes, 18 Dec. 1963.
103 Ibid., Report on meeting of Minister of Pensions with BEC, 26 Nov. 1963, p. 2; Note of the second meeting of officials with the BEC, 7 Feb. 1964, p. 1; Note by K Barnes, Ministry of Labour, 13 Feb. 1964; PIN 18/302, Memorandum by the Minister of Pensions and National Insurance, undated (c. Feb. 1964).
106 PRO, LAB 10/1932, Note of the second meeting of officials with the BEC, 7 Feb. 1964, p. 3.
benefit of two-thirds of normal earnings, which would be payable for only ten to fifteen weeks. The TUC was concerned solely with the social aspects of national insurance and wanted the new scheme to be as generous as possible. Accordingly it rejected the £9 to £18 wage band that operated for graduated pensions as being too narrow since it would not ‘achieve a satisfactory measure of re-distribution in favour of the lower-wage earners’. The TUC was also strongly opposed to the exclusion of sickness benefit from an earnings-related scheme. This stemmed from the trade unions’ dislike of the anomalies between national health insurance and unemployment insurance in the interwar period. In addition, a high proportion of workers were not members of occupational sick pay schemes.

The BEC’s scheme found little favour with either the Ministry of Labour or the Ministry of Pensions and National Insurance, though the former was more sympathetic to its interest in the economic aspects of the national insurance scheme. The MPNI was opposed to the BEC’s attempts to restrict improvements to redundant workers and objected to national insurance being used to satisfy only economic objectives. Both Ministries accepted that earnings-relation should be

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107 PRO, LAB 10/1931, Earnings-related unemployment benefit - some of the points for discussion, undated; LAB 10/1932, Note of the second meeting of officials with the BEC, 7 Feb. 1964, p. 3; PIN 18/302, Memorandum by the Minister of Pensions and National Insurance, undated (c. Feb. 1964).


also extended to sickness benefit. The Ministry of Labour found that only ten per cent of unemployed workers would benefit under the BEC’s plan, which would do little to lessen workers’ fear of redundancy or to improve industrial relations. The MPNI was critical of the two-thirds ceiling on benefit levels that would prevent families with two children on an income of £16 per week from receiving a graduated supplement even though the wage earner would be liable for earnings-related contributions. While the Ministry of Labour agreed with the BEC with regard to the three-month limit on the payment of earnings-related unemployment benefit, the Ministry of Pensions and National Insurance argued that it should be paid for seven months on the same basis as flat-rate unemployment benefit.

While the Ministry of Pensions and National Insurance found it desirable to ascertain the views of industry and trade unions on earnings-related short-term benefits, they did not necessarily influence it. One Ministry of Labour official described the shortcomings of the BEC’s proposals as ‘formidable’. The MPNI was clearly not impressed with many aspects of the BEC’s proposals and observed that while ‘[o]bviously the views of the B.E.C. are extremely important ... they do not fully reflect the views of industry.’ Officials were also disappointed by the TUC’s contribution to the talks on the practical problems of earnings-related benefits: ‘[i]t seems likely that the main value of these talks with the T.U.C. will be to make the

113 PRO, LAB 10/2024, Note of meeting to discuss the BEC’s comments on the government’s memorandum on redundancy, 29 Nov. 1963.
114 PRO, LAB 10/1932, K Barnes to AS Marre, 24 Feb. 1964.
115 PRO, PIN 35/203, AS Marre to RS Swift, 23 Dec. 1963; Note of a meeting held on earnings-related unemployment benefit, 18 Feb. 1964.
116 PRO, LAB 10/1932, LJD to Minister of Labour, 4 Nov. 1963.
117 PRO, LAB 10/2046, DC Barnes to unknown, 18 Dec. 1963.
unions realise the difficulties involved.\textsuperscript{118} Another suggested that 'the main interest of the talks for us is to gauge their attitude and strength of feeling on particular points as a background of opinion to our own discussions'.\textsuperscript{119}

Neither were the BEC and the TUC impressed by the other's plans. The TUC was critical that the employers were approaching the subject from an economic viewpoint only.\textsuperscript{120} It was particularly opposed to the proposed exclusion of sickness benefit from earnings-relation, the BEC's benefit levels, and the time limit of three months.\textsuperscript{121} Similarly the TUC's position found little favour with the BEC. The Confederation objected to the TUC's demands for improvements in both flat-rate national insurance benefits and the introduction of earnings-relation for sickness as well as unemployment benefit: 'It cannot be repeated too often that increased payments of this type to workers whether through Social Insurance schemes or by employers are inflationary unless they can be paid for by higher productivity.'\textsuperscript{122} Although the BEC had agreed to the introduction of earnings-relation, for unemployment benefit only, it continued to concern itself about the cost of such advances. Its director, Sir George Pollock, wrote to the Ministry of Labour to voice 'concern at the serious inflationary situation which might result from the implementation of all, or part of, the Government's programme for the improvement of the status and security of workers'.\textsuperscript{123} The BEC was worried that the introduction of earnings-related

\begin{footnotesize}
\textsuperscript{118} PRO, LAB 10/1931, Note by K Barnes, 21 Jan. 1964.
\textsuperscript{119} Ibid., Davies to K Barnes, 31 Jan. 1964.
\textsuperscript{120} PRO, LAB 10/1932, Richard Wood to AS Marre, 17 Dec. 1963.
\textsuperscript{121} PRO, LAB 10/1931, Note of the second meeting of officials with the TUC, 30 Jan. 1964; Note of the third meeting of officials with the TUC, 21 Feb. 1964; PIN 18/302, Earnings-related short-term benefits - a summary of the discussions held at official level with the BEC and the TUC, undated.
\textsuperscript{122} PRO, LAB 10/1932, Extract from BEC Bulletin No. 222, 22 Jan. 1964.
\end{footnotesize}
unemployment and sickness benefit would result in increased costs for industry and a reduction in employers' bargaining power in negotiations with the trade unions.¹²⁴

Although agreement was reached on the introduction of earnings-relation for unemployment benefit between the TUC and the BEC, important differences remained outstanding and were not resolved while the Conservatives were in government. For the duration of these talks, the Confederation refused to endorse the application of graduation to sickness benefit. Together with the restrictive nature of its proposals for earnings-related unemployment benefit this demonstrated its continued aversion to the social benefits of state social security provision. The TUC continued to support earnings-relation only on the basis of substantial improvements to the basic national insurance scheme, a policy option that was not satisfactory in the eyes of the government.

Conclusion

In 1948, the Labour government introduced social security reforms based largely on the recommendations of the Beveridge Report. By 1964, the basic structure remained in place following thirteen years of Conservative administration, but many of the Beveridgean principles had been abandoned. The principle of uniformity was breached by the Labour government in 1951, restored by the Conservatives in 1952, and finally displaced by the introduction of graduated pensions in 1961. Earnings-related pensions also incurred a departure from the principles of flat-rate contributions

¹²⁴ PRO, T227/1498, Deputation from the BEC on 3 Feb. 1964, 4 Feb. 1964.
and benefits and universalism. Finally, the subsistence principle was never fully implemented.

Although the underlying principles of the Beveridge Report slowly became obsolete, Conservative governments did not instigate radical reform of social security policy. The shift from universal insurance benefits to means-tested national assistance occurred only gradually and not as a consequence of cuts to the national insurance scheme. The most important policy change involved the introduction of earnings-relation, which was first mooted by the Labour Party. Cross-party support for the Beveridge Report, the implementation of the Beveridge plan by the postwar Labour government, the decision by post-1951 Conservative governments not to undertake radical reform of social security, and the lack of different policies between Conservative governments and the Labour opposition in the 1950s have all lent support to the idea of a 'postwar consensus' of which the welfare state is but one ingredient. A second aspect is the practice of consultation with the major interest groups in policy-making, a process that Middlemas describes as corporate bias.

This chapter has sought to establish the existence of corporate bias in the sphere of social security policy during the period 1942 to 1964. It has found that it can only be applied tentatively: it was evident in relation to particular instances of policy-making but was not a characteristic of social security policy-making as a rule. Neither the BEC nor the TUC experienced difficulty in gaining access to the government ministers or officials although the BEC seldom took advantage of this opportunity. Both were consulted on important changes of policy and on administrative change via the NIAC. Access, however, was not tantamount to influence and the latter is hard to
detect. It seems that successive governments of both parties consulted these groups in their own interests. Often the objective was to ascertain views for a background to discussion or to obtain agreement to a change of policy as in the case of earnings-relation. The goal was never to instigate a tripartite policy network.

These groups were not incorporated into the policy-making process with respect to social security policy but were consulted at various times by government and actively formulated policy within their own organisations. The TUC was the more active in terms of the development of its own policy and the frequency of meetings with government at its own bequest. In the absence of any other pressure group activity addressing the issue of poverty before 1965, this may have been the TUC's most important contribution. In this case, its lack of success in obtaining improvements to the national insurance scheme was unfortunate. The BEC tended to focus its efforts on the activities of the NIAC and developed policy in response to requests for advice or consultation by the government. As groups, which developed definite positions on social security policy bringing them into contact with the government, it is plausible to look here for signs of a consensus outside government.

The evidence is mixed: the TUC supported government policy with few reservations until 1951, while the BEC tended to resist social policy initiatives regardless of the governing party. After 1951, the TUC became increasingly dissatisfied with government policy as it moved away from the Beveridge model of social security. Contribution and benefit levels were particular sources of grievance and the introduction of earnings-relation was accepted only grudgingly. The BEC took advantage of meetings with the government and its membership of social
security-related committees to express continued distaste for the underlying principles of the social security system. Tripartite talks on earnings-related benefits in 1963 and 1964 revealed that the BEC and TUC had maintained significantly different opinions about the purposes of state social policy throughout this period. At a fundamental level the TUC was part of a welfare consensus whereby government should be the main provider of social security, while the BEC clearly never subscribed to this view. On closer inspection the principles which underpinned TUC social security policy at this time came to be increasingly at odds with that of the government. Signs of consensus, therefore, diminished throughout this period.
Chapter Three: Retirement Pensions

Chapter one on social security showed how the TUC became one of the most important sources of pressure on governments for improvements in social security during the years 1942 to 1964. Higher benefits were a feature of TUC social policy throughout this period. These were pursued by lobbying government and via the TUC’s membership of the National Insurance Advisory Committee. This indicated that the TUC was the most important of those groups promoting the rights of the unemployed and the sick, who were dependent on state benefits, prior to the emergence of poverty-based pressure groups in the mid-1960s. While the TUC’s direct impact is difficult to assess, its strong opposition to cuts in social expenditure has been cited as an indirect factor in Conservative governments’ maintenance of the welfare state. However, this reading of TUC influence on government social policy ignores the input of the employers’ association, the BEC, which often presented views quite opposite to those of the TUC. An examination of BEC social policy in the postwar period and its impact on policy-making highlights the complexity of relations between government and interest groups.

This chapter focuses on one particular aspect of social security policy, retirement pensions in order to allow a more in-depth assessment of the TUC’s anti-poverty stance and the BEC’s attitudes towards state social services. Pensions proved to be problematic for successive governments because of widespread concerns about the cost of the ‘ageing population’ and their implications for employment policy. Likewise, the TUC’s pension policy did not solely reflect concerns about social justice but impinged upon other trade union interests, namely wages and the labour
market. TUC pension policy, throughout this period, was therefore somewhat inconsistent with its wider social security policy. The TUC’s interest in better pensions for the benefit of the elderly was seldom pursued at the cost of possible detriment to the structure of the labour market. Competing interests also led the BEC to have very little interest in the social objectives of pensions policy.

Old age pensions to retirement pensions: the process of reform, 1942-48

British old age pensions before the second world war

The 1908 Pensions Act introduced the first state old age pensions for the over-70s. These were financed from taxation and means-tested. Contributory pensions for the over-65s were not introduced until the legislation of the 1925 Widows’, Orphans’ and Old Age Pensions Act, which covered all manual workers and those earning less than £250 a year. Following the 1937 Pensions Act, voluntary participation was extended to those earning less than £400 a year. Then, in 1942, the responsibility for deciding the future of pensions policy was passed to the Beveridge Committee.

These changes in pensions policy were largely supported by the TUC. Initially it preferred state-financed pensions to a contributory system, and welcomed the 1908 Act accordingly. By 1925 the TUC had come to endorse the contributory principle and accepted state responsibility for the administration of pensions schemes. Thereafter, it turned its attention to pension levels. These provoked frequent complaints from the TUC during the interwar period. Dissatisfaction with pensions at the annual congresses in 1937 and 1938 prompted the General Council to send a
deputation to Sir John Simon, Chancellor of the Exchequer, in February 1939 to protest about the dependence of many old people on public assistance as a result of inadequate pensions.\(^1\) Shortly afterwards the government instigated an enquiry into pensions but little progress was made before the war. Sympathy for elderly poverty was not, however, the sole determinant of TUC pensions policy. Labour market considerations were equally, if not more, important. High unemployment had heightened interest in the removal of older workers from employment in order to reduce competition for younger workers.\(^2\) Unions were also concerned about the practice of cutting older workers' wages by the value of their pension, which had a negative impact on the wage structure and on trade union bargaining power.\(^3\) Consequently both the Labour Party and the TUC adopted the policy of making state pensions conditional upon withdrawal from the labour market in 1937.\(^4\)

Business interest in pensions policy before 1939 often reflected concerns with their cost.\(^5\) During the 1920s, the NCEO persistently lobbied the government for a reduction in the health insurance contribution in view of a surplus in the health insurance fund.\(^6\) It also urged that implementation of the 1925 Widows', Orphans' and Old Age Pensions Bill be delayed until unemployment was reduced, and accused the government of being 'prepared to see the Health Section of the Social Services over-developed and over-financed.'\(^7\) The NCEO was opposed to the legislation

\(^1\) Annual Trades Union Congress Report 1939, pp. 165-66.
\(^2\) J Macnicol and A Blaikie, 'The politics of retirement', p. 25, B E Shenfield, Social policies for old age, p. 94.
\(^3\) J Macnicol, 'Beveridge and old age', p. 80; J Macnicol and A Blaikie, 'The politics of retirement', p. 30
\(^4\) J Macnicol, 'Beveridge and old age', p. 81; W A Robson, Social Security, p. 159.
\(^5\) L Hannah, Inventing retirement, p. 17.
\(^7\) Ibid., Ref. N.C. 1271, Widows, Orphans and Old Age Contributory Pensions Bill, 29 June 1925.
because the cost was too onerous for industry and excessive in comparison with foreign competitors. Opinion were mixed however; Hannah has found some businessmen welcomed the 1925 Act since state pensions that did not carry a means test would not infringe upon occupational schemes.

In the interwar years, both the policies of business and the labour movement in respect of pensions reflected a certain amount of self-interest. Employers focused on levels of taxation and insurance contributions, and the implications for occupational provision. The TUC was more concerned about elderly poverty but had to consider also the interests of younger workers and the wider impact of pensions on wage levels. Higher pensions could lead to larger wage cuts for older workers, therefore, the retirement condition was seen as a potential solution to this problem and as such was to become a central feature of TUC policy towards the aged.

**Beveridge and pensions**

The outbreak of war and subsequent high rates of employment shifted the emphasis from family to elderly poverty. ‘Only with the economic upturn and urban evacuations at the beginning of World War II was policy attention directed away from the mass unemployment of the interwar years and toward the gross poverty of many aged Britons.’ Early measures to address this matter included a reduction in the pension age for women from 65 to 60 and the introduction of a 5s supplementary pension subject to a household means-test. When the Beveridge Committee began its

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8 Ibid., Ref. N.C. 1285, Widows, Orphans and Old Age Contributory Pensions Bill, notes for deputation to Minister of Health, 17 July 1925.
9 L Hannah, *Inventing retirement*, pp. 29 and 159.
review of social security in 1941, pensions quickly emerged as an important issue because of the growing numbers of elderly people and their prospective cost.

The amicable relationship between Beveridge and the TUC, and the degree of similarity between their ideas about social security has been discussed in chapter one. With regard to pensions, the TUC proposed that they should be sufficient as to provide a subsistence standard of living, and that they should be paid only upon retirement from paid work. In line with TUC prewar policy on this matter, the attachment of a retirement condition was intended to prevent employers from reducing older workers’ pay once they were in receipt of a pension. The provision of adequate pensions combined with a retirement condition was also designed to promote earlier retirement in order to provide work for younger people. Clearly labour market considerations continued to inform the TUC’s position on state pensions in wartime. The BEC did not formulate any detailed policy on pensions although their wider opposition to the subsistence principle was at odds with both the views of the TUC and Beveridge himself.

Some of the TUC’s views and those of Beveridge coincided in the Beveridge plan. The report proposed that pensions be brought into line with other social security benefits in order to establish the principle of uniformity. Beveridge also recommended that old age pensions be subject to a retirement condition in accordance with the TUC’s proposal. The new pension involved a substantial improvement on the prewar pension of 10s, which had provoked repeated complaints at annual

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congresses. Beveridge recommended that the pension be increased to 24s and 42s for a single person and a couple respectively, but in view of the cost of pensions the improved pensions were to be introduced over a transitional period of twenty years.

Consequently, the proposed pension reforms probably incurred more dissatisfaction in the TUC than any other recommendations aside from the incorporation of workmen's compensation into social security. A memorandum produced by the TUC Joint Committee on Social Insurance and Workmen's Compensation following discussion of the Beveridge Report over a month-long period identified retirement pensions as one of the most contentious aspects of the plan for social security. 13 Beveridge's initial pension levels and the prospect of such a gradual introduction were the sources of its dissatisfaction. While the TUC General Council eventually agreed to a transitional period of ten years in conjunction with the Labour Party, it continued to seek an alternative to the transitional period. 14 In a meeting with Sir William Jowitt, the minister in charge of social reconstruction, its representatives suggested that reduced pensions be paid to those with inadequate contribution records instead of a delay in the introduction of full pensions. 15

While the TUC and Beveridge agreed on the subsistence principle, the TUC wanted it to be implemented immediately in relation to retirement pensions while Beveridge had recommended its gradual introduction in order to reduce costs. Similarly, both favoured a retirement condition with Beveridge doing so following

13 MRC, MSS.292/150.5/2, Jt. SIC.WC & FC memorandum on certain phases of the Beveridge Report, 4 Jan. 1943.
15 MRC, MSS.292/150.5/4, Jt. SIC.WC & FC, TUC deputation to Sir William Jowitt, 12 Aug. 1943.
discussions with the TUC on this matter. Yet, as John Macnicol has pointed out, 'in one of the oddest paradoxes of social policy history, the stated intention behind Beveridge's innovation was precisely the opposite of what previous advocates had suggested. He hoped that the retirement condition would discourage withdrawal from the labour market, and thus contain the cost of pensions.'\(^{16}\) In order to reinforce this objective, Beveridge recommended increments to the pensions of those who deferred retirement and also his proposals permitted a small amount of earnings in order to allow pensioners to undertake some part-time work after retirement.\(^{17}\) At first the TUC Joint Social Insurance Committee refused to sanction higher pensions for deferred retirement in view of the TUC's policy of encouraging earlier retirement but did change its mind a few days later.\(^{18}\)

Herein lay the contradictory nature of TUC pensions policy throughout the postwar years, stemming from its adherence to the retirement condition which effectively limited the potential income of those over the statutory retirement age. Consequently, improvements in elderly standards of living were largely dependent upon the level of state assistance. This put the onus on the TUC to ensure that pensions were adequate in order to make compulsory retirement tolerable, a task with which it had little success and where its commitment proved at times to be ambivalent. Macnicol and Blaikie have noted how the TUC prioritised the needs of younger workers through its 'curious “complicity” ... in demanding a measure that was to confirm the economic uselessness of old people'.\(^{19}\) The TUC was, however, caught in a dilemma: it

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\(^{16}\) J Macnicol, 'Beveridge and old age' p. 85.

\(^{17}\) Beveridge Report, para. 338.

\(^{18}\) MRC, MSS.292/150.5/2, Jt. SIC.WC & FC memorandum on certain phases of the Beveridge Report, 4 Jan. 1943; MSS.292/161.1/3, Jt. S.I.C & WC & FC 4/1, 14 Jan. 1943.

believed that employers would cut the pay of older workers in receipt of a pensions, which would reduce opportunities for younger workers and undermine wage negotiations unless a retirement condition was in place.20 This reflected the legacy of mass interwar unemployment and the weakness of the trade unions at that time. Such insecurity continued to dominate TUC thinking after the war in spite of sustained high employment levels. Although its wider social security policy tended to be guided by social principles - an aversion to means testing and a belief in the elimination of poverty via state benefits - pensions policy produced a conflict of interests that was to prevent the TUC from becoming an effective defender of pensioners.

Following the Beveridge Report, the next development in pensions policy was outlined in the publication of the coalition government's White Paper on social insurance in 1944. It rejected Beveridge's proposed transitional period for pensions on the grounds that it was politically unattractive. The coalition agreed that pensions would be introduced at 20s and 35s for those who were insured under the 1925 legislation. Meanwhile those who had not participated in the existing insurance scheme would have to make contributions for ten years before gaining entitlement to a state retirement pension. The coalition did accept Beveridge's recommendation for compulsory retirement subject to permitting earnings of 20s per week. The TUC was unhappy with this earnings limit, arguing that pensioners would find it difficult to obtain work that paid less than 20s. Consequently it would be necessary to implement safeguards to prevent exploitation by employers seeking to employ pensioners at lower rates of pay.21 Furthermore the TUC complained that the pension levels

20 Ibid.
21 MRC, MSS.292/150.6/1, Jt. SIC.WC & FC meeting with the Labour Party and the Co-operative Congress, 5 Oct. 1944; Jt. SIC.WC & FC meeting with representatives of certain affiliated unions, 4 Oct. 1944.
recommended in the White Paper were inadequate and argued that these should be increased. During this time, employers had little to say on the subject of pensions. The BEC’s hostile reaction to the Beveridge Report and its lack of response to the 1944 White Paper have been noted in the previous chapter. The Confederation would not participate in any debate on pensions before the return of a Conservative administration in 1951.

Postwar retirement pensions and the cost of the welfare state

Labour governments

Pension reform was a component of the new Labour government’s programme for social reconstruction. Historians have observed similarities between the policies of the wartime coalition government and the postwar Labour administration resulting in the identification of a post-1945 consensus. The example of pensions lends credence to this reading of postwar British politics. There were no real differences between the coalition’s plans for pensions and the reforms implemented by the Attlee governments. Pensions were integrated into the national insurance scheme in line with other benefits such as unemployment and sickness, although pension reform was introduced two years earlier. This reform involved two significant changes: a substantial improvement in pension levels, to 24s and 42s (single and couple rate), and the implementation of the retirement condition. While the Labour government’s pensions were higher than those offered by the Coalition, the principle was the same and both the Conservatives and Labour were agreed on compulsory retirement.

22 MRC, MSS.292/150.6/1, Some comments on the government White Paper by J L Smyth, undated.
The welfare state did bring about significant improvements in financial provision for the aged. Retirement pensions were substantially increased, from 10s to 24s (single rate) while the replacement of public assistance by national assistance was designed to eliminate the stigma often attached to means-tested benefits. Yet the introduction of universal pensions was most beneficial for the better-off among the elderly since those with an annual income of less than £420 had been protected under the previous legislation. Nonetheless, after the war it was believed that the problems of elderly poverty had been resolved.\(^{23}\) At the same time, increasingly more negative attitudes were being expressed about the financial implications of the ageing population.\(^{24}\) If there was a consensus that the government should address the issue of elderly poverty after the war, there was also a consensus that this would be expensive and problematic. Predictably, the BEC subscribed to this sentiment in its evidence to the 1953 Phillips Committee on pensions, but it was also evident in the TUC’s reticence in pursuing better pensions that would require higher national insurance contributions from its membership.

Following Labour’s electoral victory, the TUC initially tried to obtain a commitment to the subsistence principle since the coalition government’s pension levels, 24s and 42s, did not conform to Beveridge’s definition of subsistence. But James Griffiths, the new Minister of National Insurance, was unreceptive to its claims and refused to prioritise pensions over other national insurance benefits.\(^{25}\) The TUC Social Insurance Committee now quite readily accepted his argument since the

\(^{24}\) C Phillipson, *Capitalism and the construction of old age*, p. 29.
\(^{25}\) MRC, MSS.292/161.1/4, Jt. SIC.WC & FC deputation to the Minister of National Insurance, 15 Nov. 1945.
Labour government promised substantial improvements in pensions. Subsequently the TUC General Council proved reluctant to challenge the Labour government’s pension policy in relation to the value of retirement pensions. Following the release of the 1946 National Insurance Bill, a TUC deputation to James Griffiths conveyed the unions’ ‘general approval’ of the Bill. While the TUC still believed that pension levels were too low, representatives were sympathetic to the cost of retirement pensions to the government. Pension levels continued to be the subject of correspondence but the TUC put little pressure on the government for improvement. In 1949 the General Council rejected a Congress resolution calling for better pensions because it required significant increases in contributions and would break with the principle of uniformity of benefit. Its unwillingness to countenance higher contributions and undermine the principle of uniformity in order to secure better pensions suggests that the TUC’s concern with elderly poverty was not to be pursued at the expense of its current membership’s interests. Accordingly, it was dissatisfied when the government’s 1951 National Insurance Act only improved provision for the over-70s thus abandoning the uniform basis of national insurance benefits.

The TUC’s commitment to achieving higher standards of living for the elderly can be questioned on the basis of its unwillingness to countenance higher contributions from workers. In addition, certain aspects of TUC labour policy placed older people at a disadvantage vis-à-vis younger employees. Full employment permitted greater

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26 MRC, MSS.292/150/1, Document re: Notes on national insurance legislation, undated.
27 MRC, MSS.292/161.1/4, Jt. SI.WC & FC, 14 Feb. 1946.
28 MRC, MSS.292/150/1, Notes on National Insurance legislation, undated.
29 MRC, MSS.292/166.2/1, Consideration of a 1949 Congress resolution entitled ‘Retirement Pensions’, undated.
30 MRC, MSS.292/166.2/2, Assistant Secretary of Social Insurance Department to Councillor Chas A Howell, Derby and District Trades Council, 4 Oct. 1951; TUC Annual Report 1951, pp. 229-30.
tolerance of older workers and led the TUC to endorse government policies that encouraged later retirement but it continued to resist statutory intervention. The TUC undertook consideration of improving incentives for deferred retirement that meant better pensions but it would not accept measures that could reduce opportunities for younger workers. For instance, in 1949 the Social Insurance Committee endorsed a government proposal for a lump sum payment to be paid to workers deferring retirement, but by 1951 some members were voicing concern that this could damage younger employees' promotion prospects. The Labour Party then dropped the policy before the TUC could discuss it further although its reservations were by then obvious. Similar concerns were raised by the 1951 National Insurance Act and the 1951 budget: the Act doubled the earnings limit under the retirement condition, from 20s to 40s, in spite of TUC opposition while the budget increased the increments for deferred retirement. Ultimately the TUC's ambivalence towards financial incentives to delay retirement and its opposition to the relaxation of the retirement condition were detrimental for older workers at a time when it was not actively seeking improvements in state pensions.

The TUC was hardly persistent in its campaign for better pensions before 1951. This may be explained by the wider feeling that Labour's social security legislation had successfully addressed the problem of elderly poverty. At the same time there appeared to be a political consensus over what could be described as 'the problem of...

33 Ibid., SIIWC, 11 April 1951.
34 PRO, CAB 130/66 Gen. 357/2, National Insurance Scheme interim review by Chancellor of Exchequer and Minister of National Insurance, 14 March 1951; MRC, MSS.292/166.2/2, General Secretary to Mr A Deakin, 4 June 1951.
35 R Crossman, The politics of pensions, p. 6; C Phillipson, Capitalism and the construction of old age, p. 28.
pensions' to which the TUC and the BEC both subscribed. There is no record of the BEC's views on developments in retirement pensions during the period of Labour government. Nonetheless, its general attitude towards developments in social security suggests that it was reluctant to accept reforms but was aware that its views were impolitic. Resource considerations were never absent from discussions on state pensions from the date of publication of the Beveridge Report. This resulted in a lack of political will to increase pensions between 1946 and 1951. It also explains why pensions were granted such a high profile Labour's 1953 discussions on social security reform and how they were also the first aspect of the national insurance scheme to be reviewed by the independent Phillips Committee in advance of the Quinquennial Review of the national insurance scheme. Finally, in 1959, the Conservative government introduced earnings-relation to pensions before any other national insurance benefit. In the TUC, awareness of demographic change and the cost of pensions seem at first sight to have informed its caution in pressing for higher pensions but the TUC's sympathy in this respect soon dissipated upon the election of a Conservative government in 1951. Still it was reluctant to consider a radical overhaul of the state pension scheme. Combined with the BEC's sheer antipathy towards public expenditure, these two interest groups had little to offer once the debate on pension reform got underway in the 1950s.

Conservative governments

The Conservatives' first piece of social security legislation was passed in 1952. Following consultation with both the BEC and TUC, the Family Allowances and National Insurance Act increased benefits and pensions, and restored the uniform
basis of national insurance in the process which satisfied the TUC. The levels of benefits were not so satisfactory, and the election of a Conservative government coincided with a renewed emphasis on the importance of subsistence benefits by the TUC. It soon became evident that the TUC would not tolerate any perceived neglect of the national insurance scheme by a Conservative administration. Beveridge's principle of uniformity remained important: a 1952 Congress resolution that demanded higher pensions was accepted by the General Council on the grounds that it would require increases in all benefits. The 1952 Act was more in line with TUC policy than that of the BEC. Employers' representatives now voiced antipathy towards the national insurance scheme and the cost of national insurance contributions. They suggested that contributions should be increased no further and that means-tested national assistance be expanded instead of national insurance.

Although the new Conservative government made early improvements to social security, the cost of pensions continued to be contentious. One means of reducing pressure on the national insurance fund was the proposal to increase the pension age. However, this made little progress after consultation with the TUC and BEC. The TUC Social Insurance Committee believed that union opposition had been instrumental in the government's decision not to pursue this line of policy. Nonetheless the government approached the TUC again a year later. Osbert Peake, the Minister of National Insurance, put forward two suggestions: an increase in the

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36 MRC, MSS.292/161/10, SIIWC, 11 March 1953.
37 Ibid.
39 Ibid., p. 1; MRC, MSS.292/20/36, GC, 26 March 1952 and 23 April 1952.
40 MRC, MSS.292/166.2/2, Assistant Secretary, Social Insurance Department to Mrs M Craven, 24 April 1952.
pension age to 62/67 or a smaller pension for workers who retired before these ages. The TUC rejected both the government’s propositions.

The TUC was unresponsive to government attempts to reduce the cost of pensions and was generally reluctant to address the ‘problem of pensions’ actively. In spite of its belief that national insurance contributions could not be raised further and its knowledge that pensions had consistently lagged behind increases in the cost of living, the TUC was initially unenthusiastic when the Labour Party began to consider reform of the national insurance scheme in 1953. This disinterest combined with its continued commitment to a compulsory retirement age of 60/65 and the retirement condition, which adversely affected the income of elderly persons, suggests that labour market considerations continued to be more important than the situation of the aged poor. The TUC’s resistance to increases in the earnings allowance under the retirement condition did weaken during the 1950s but this happened only gradually and with clear reluctance in spite of the strength of the labour movement and high levels of employment. As far as pensioners in the fifties were concerned, the labour market appeared to take precedence over social justice.

Dissatisfaction with benefit levels nonetheless did lead the TUC to put pressure on the government for an early Quinquennial Review of the national insurance scheme. Its demands were deflected by the appointment of the Phillips Committee to Review the Economic and Financial Problems in Providing for Old Age in 1953, which highlighted the significance of pensions in the growing cost of the welfare state. Both

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41 MRC, MSS.292/161/10, SIIWC 14/1, 13 May 1953.
42 Ibid.
the TUC and the BEC were represented on the membership of the committee and submitted written and oral evidence.\textsuperscript{43}

In its evidence to the Phillips Committee, the TUC complained about the growth in numbers of elderly national assistance claimants; it estimated that at the end of 1952 20 per cent of those claiming assistance were pensioners.\textsuperscript{44} The TUC believed that the increase in the supplementation of national insurance pensions by means-tested benefits was undermining 'the whole concept of providing a minimum through insurance'.\textsuperscript{45} The TUC blamed this development on successive governments' failure to maintain pensions at a subsistence level.\textsuperscript{46} In spite of inadequate benefit and pension levels, the TUC still strongly endorsed flat-rate national insurance contributions. It also refused to accept increases in contributions in order to fund the growing deficit in the national insurance fund which had arisen as a result of the early entry of participants who had not made sufficient contributions. This was perceived to be a government liability.\textsuperscript{47}

The TUC failed to present any original proposals for pension reform to the Phillips Committee, or to the Labour Party. Its adherence to the Beveridge scheme in spite of increasing evidence of its weaknesses is testimony to the extent of the TUC's conservatism on this issue. The Phillips Report rejected the subsistence principle

\textsuperscript{43} The TUC's representatives were both members of its Social Insurance Committee, Mr C Bartlett (COHSE) and Mr A McAndrews (TGWU). Sir Cuthbert Clegg, past president and Mr FJC Honey, Secretary, were nominated by the BEC.

\textsuperscript{44} MRC, MSS.292/161/11, SIIWC 6/1, 10 Dec. 1953; SIIWC, 10 Dec. 1953 (Appendix A, Estimation of supplementation of insurance benefits by national assistance at the end of 1952).

\textsuperscript{45} Ibid., SIIWC 6/1, 10 Dec. 1953.

\textsuperscript{46} MRC, MSS.292/166.21/1, Old Age (54) Eighth Meeting, Note of TUC oral evidence to the Phillips Committee, 13 May 1954.

\textsuperscript{47} Ibid., MSS.292/161/11, SIIWC, 10 Dec. 1954.
because of the inconsistency between the principles of adequacy and uniformity.\textsuperscript{48}

The TUC refused to address this contradiction and instead insisted that not only should subsistence continue to be the guiding principle for benefit levels but that it be re-assessed in order to take into account improvements in standards of living since Beveridge.\textsuperscript{49}

The Phillips Report’s suggestion that occupational pension schemes should be expanded in order to deal with the funding problem received a mixed response from the TUC. While its Social Insurance and Economic Committees favoured the extension of occupational provision to workers who were currently excluded, they also held reservations over the merits of occupational pension schemes. Their ambivalence was based on the nature of the development of occupational provision, which had tended to overlook manual workers and displayed considerable disparities in its coverage. These inequities in access and coverage were perceived to increase inequalities among pensioners in relation to the TUC’s interpretation of equality, which was based on the principle of uniformity.\textsuperscript{50} Ultimately, the TUC’s Social Insurance Committee and Economic Committee supported the extension of occupational pensions but felt that the advantages of this provision over national insurance had been exaggerated by the Phillips Committee.\textsuperscript{51}

Overall the TUC’s main concerns with state social security were to maintain the contributory national insurance scheme and obtain improvements in relation to the

\textsuperscript{48} Phillips Report, p. 81.

\textsuperscript{49} MRC, MSS.292/161/12, SIIWC 6/3, 12 Jan. 1955.

\textsuperscript{50} MRC, MSS.292/166.21/2b, Ref. FJ/SS/24.1.57, ‘Pensions: Labour Party National Superannuation Scheme - Notes on Labour Party Study Group Draft Memorandum on Security and Old Age.

\textsuperscript{51} Ibid.
level of contributions, benefits and pensions. It strongly believed that these should be at the expense of the state if actuarially-based contributions were not sufficient to allow adequate benefits. It was unwilling to countenance higher contributions in order to pay for pensions, the cost of which the TUC blamed on early entry to national insurance retirement pensions. The TUC also expected that the social security system should provide more or less fully for the financial needs of the elderly and was unwilling to make concessions in relation to labour policy that would have reduced pressure on the state to provide for the old. The expansion of occupational pensions was passively accepted but was not expected to supplant state provision because of the implications for inequality.

Meanwhile the BEC, which had had little to say on developments in pensions prior to the appointment of the Phillips Committee, was interested in neither elderly poverty nor inequality. Its main concern was that the state was doing too much rather than too little and it was critical of the national insurance scheme in its meetings with the Phillips Committee. The Confederation claimed that the national insurance scheme had created a culture of dependency: 'successive governments have led the people of this country to look far too much to the national Exchequer to safeguard themselves against contingencies for which it was formerly considered to be the responsibility of individuals to make their own provision, at any rate in part'.\(^{52}\) It also believed that the growing financial difficulties of the national insurance system were a result of excessive generosity.\(^{53}\) Subsistence benefits were rejected on the basis that

\(^{53}\) MRC, MSS.292/166.21/1, Old Age (54) Eighth Meeting, Committee on the Economic and Financial Problems of the Provision for Old Age, Note of TUC oral evidence to the Phillips Committee, 13 May 1954.
they encouraged too much reliance on the state.\textsuperscript{54} Still, the Confederation did not favour the abolition of the insurance scheme because it would be unfair to deny benefits to people who had contributed during the past five years.\textsuperscript{55} Neither the TUC nor the BEC offered any positive contribution to the Phillips Committee's main problem: how to address the emerging deficit in the national insurance fund. Neither would accept an increase in national insurance contributions for this purpose but while the TUC expected the shortfall to be addressed by national taxation the BEC explicitly rejected this solution. Indeed, the BEC believed that it was 'absolutely essential' to reduce national expenditure in order to lower levels of taxation.\textsuperscript{56} The BEC's position was somewhat confused: it rejected both higher national insurance contributions and greater state funding of social security. Implicitly this suggests that the BEC believed that the insurance scheme should be left as it was to provide only a very minimal level of help from the state and presumably being supplemented by private and occupational provision.

The BEC was also hostile towards any unsolicited state interference in occupational welfare, particularly in view of the growing demands for transferability of occupational pension schemes in order to encourage greater labour mobility.\textsuperscript{57} The Confederation argued that labour mobility was only problematic in relation to manual workers who tended not to be covered by superannuation in any case. Moreover, one of the objectives of the establishment of occupational pension schemes, to reward long service, would be undermined by transferability. BEC representatives claimed

\textsuperscript{55} Ibid.
\textsuperscript{56} Ibid., pp. 9-11.
\textsuperscript{57} The Labour Party adopted a policy for the transfer of employers' contributions to occupational pension schemes in 1953 (LPA, Social Services Sub-Committee (SSSC) minutes 10, 18 March 1953, p. 2.)
that employers would be deterred from setting up this provision if employees were able to take their employer's contributions with them when they left. The Phillips Committee was sympathetic to the BEC's argument. Although it supported the expansion of occupational provision, it recommended against making such schemes transferable at present owing to employer resistance.

The Phillips Committee also took up the Conservative government's proposals for a higher retirement age. The TUC remained implacably opposed to an increase on the grounds of both practicality and uniformity. Within the trade union movement, opposition was most marked among unions based in heavy industries owing to the arduous nature of this type of work. The TUC itself also believed that existing pensioners themselves would reject a higher retirement age. It proposed that later retirement could best be achieved by improving financial inducements, which did signal a relaxation of its position on this subject. At first, the BEC had also opposed an increase in the pension age because it thought it would be impolitic to change the retirement age when workers were expecting to receive their pensions at 60/65. By 1954, its position had changed; the BEC's evidence to the Phillips Committee included a proposal for an increase in the minimum pension age, and the introduction of a common retirement age for men and women. The Phillips Report subsequently recommended an increase in the retirement age, to 63/68 over a period of five years,

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61 MRC, MSS.292/166.21/1, Old Age (54) eighth meeting, Note of TUC oral evidence to the Phillips Committee, 13 May 1954.
63 MRC, MSS.292/166.21/1, Old Age (54) eighth meeting, Note of TUC oral evidence to the Phillips Committee, 13 May 1954.
but retained the male/female distinction. This was opposed by the TUC members of the committee, Mr Bartlett and Mr McAndrews, who published a minority report on this issue. Their reservation stated that ‘[w]e find it impossible to agree with the majority recommendations for raising the minimum retirement ages.’\(^{66}\) This was based on their argument that the resulting savings would not be sufficient to justify a later retirement age.\(^{67}\) The TUC endorsed the minority report and rejected the Phillips Committee’s proposal.\(^{68}\) Its reaction provoked mixed sentiment within the government. The Ministry of Pensions and National Insurance was also opposed to an increase in the pension age while the Ministry of Labour and National Service considered it impractical because of TUC opposition.\(^{69}\) The Treasury was irate that the MPNI had so promptly dismissed the possibility of a higher retirement age in the wake of the Phillips Report but its officials did concede that the TUC’s views on the subject strongly militated against an increase.\(^{70}\) A Working Group on Occupational Pension Schemes later decided in favour of raising the pension age, however, no further action was ever taken during this period.\(^{71}\)

Another aspect of labour policy that had implications for pensions policy was the retirement condition. Throughout the 1950s the TUC resisted growing criticism of the retirement condition and opposed any proposals to raise the earnings allowance, for instance the Labour government’s increase in 1951 and further demands for a higher earnings limit in the Labour Party in 1954.\(^{72}\) Conservative governments did

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\(^{66}\) Phillips Report, pp. 91-2.  
\(^{67}\) These were estimated to be £55 million in 1977-78.  
\(^{68}\) MRC, MSS.292/161/12, SIIWC, 12 Jan. 1955.  
\(^{69}\) PRO, T 277/491, Note of a meeting held at the Treasury, 17 Oct. 1956.  
\(^{70}\) PRO, T 227/416, K Whalley to Mr Bancroft, 3 Dec. 1954; Note to Chancellor of the Exchequer on raising the old age pension age, 9 Dec. 1954.  
\(^{71}\) Ibid.; PRO, T 227/491, Working Group on Occupational Pension Schemes, summary of conclusions, undated.  
\(^{72}\) MRC, MSS.292/161/11, SIIWC 9/1, 10 Feb. 1954.
not seek to amend the retirement condition until 1955 following repeated complaints in the House of Commons. The government then asked the NIAC to consider the implications of an increase in the earnings allowance from 40s to 60s. Initially the TUC strenuously resisted an increase for the same reasons that it had given in the past: it believed that a higher earnings limit would encourage employers to use pensioners as cheap labour instead of younger workers. The TUC was also concerned that higher earnings limits could lead to the abolition of the retirement condition and stressed the negative implications of this for pensioners. It believed that pensions could be reduced, or the retirement age increased, in the absence of a retirement condition since there would be little justification for a universal, subsistence pension if no restrictions were placed on pensioners' earnings.

In view of the NIAC's proposal in 1955 to recommend a 20s increase in the earnings limit, the TUC reluctantly offered a compromise of 10s which would take the earnings limit to 50s. By this time the BEC was strongly in favour of the relaxation of the retirement condition. It wanted the limit to be increased by at least 10s in 1956. This was accepted by the NIAC, which also recommended that only 50 per cent of earnings between 50s and 70s be subject to deductions under the retirement condition. These changes were then incorporated in the 1957 National Insurance Act.

By 1957, the failure to achieve subsistence-level pensions was beginning to create some doubts over the fairness of the retirement condition. In the same year, the Labour Party decided it should be abolished when it published its proposals for

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76 PRO, PIN 60/22, N.I.A.C. 110, paper 19, 27 March 1956.
77 MRC, MSS.292/166.21/2a, SIIWC, 13 Feb. 1957.
earnings-related pensions. It argued that about 60 per cent of male employees over the minimum pension age would be better off if there was no retirement condition. The TUC itself realised that the retirement condition was becoming increasingly unpopular and was also aware that it restricted the income of certain workers. At the same time, the current strength of the trade union movement had also reduced fears of wage-cutting. Still, the removal of the retirement condition would cost £76 million in the first year, which was equivalent to a 1/5d increase in contributions. The TUC's Social Insurance Committee was unwilling to accept such an increase when only 40 per cent of (male) workers would derive any benefit. Furthermore, the prospect of wage-related pensions raised new issues in relation to the retirement condition: workers who had to retire at the minimum pension age, for health reasons, would be disadvantaged because they would then have a poorer contribution record and therefore a lower rate of superannuation.

In 1959, the TUC General Council accused the government of increasing earnings limits instead of pensions and felt it had little choice but to agree with a 10/- increase in the absence of improvements to pensions. Its Social Insurance Committee stated 'we are convinced that the aim should be to provide subsistence pensions conditional upon retirement, not an old age pension unrelated to subsistence which has to be supplemented by part-time earnings in the case of those able to work or by National Assistance in the case of those who cannot.' The BEC continued to

78 MRC, MSS.292/161/14, Minutes of a joint TUC SIIWC and Labour Party Home Policy Committee (HPC) meeting on 22 May 1957, 12 June 1957.
79 MRC, MSS.292/166.21/2a, SIIWC minutes, 13 Feb. 1957.
80 MRC, MSS.292/160/1, Extract from TUC Report 1957.
81 Ibid..
82 Trades Union Congress Annual Report 1960, p. 137.
83 MRC, MSS.292/161/16, SIIWC minutes, 11 Feb. 1959.
support a higher earnings limit to supplement pensions. The 1960 National Insurance Bill proposed a further dilution of the retirement condition by removing the restrictions on working hours, as advocated by the BEC, and increasing the earnings allowance by another 10s. The TUC's Social Insurance Committee's response reflected its increasing ambivalence towards the retirement condition as some members were concerned that the changes were a step closer to its abolition, while other members welcomed the end of the restriction on working hours; this was particularly detrimental for the low-paid. The government made further increases to the earnings limit in 1962 and 1963 without reference to the NIAC. The TUC later complained about the lack of consultation and expressed growing concern about exploitation of elderly workers as by 1961 the earnings limit permitted low-paid, full-time work. On the other hand, it felt unable to oppose the increases because of the inadequacy of pension levels. In 1963, it suggested that the government should hold an inquiry into the impact of the increased earnings limit on elderly employment.

The Advent of Superannuation

Other important changes took place in state pension policy at the end of the 1950s with the establishment of a state superannuation scheme in 1959. The introduction of state earnings-related pensions had its roots in the work of Brian Abel-Smith whose ideas soon attracted the attention of the Labour Party. Labour began to consider the

85 Ibid.
90 B Abel-Smith, The reform of social security.
reform of state pensions in 1953. The TUC was a slow and reluctant convert to reform, declining the party’s invitation to participate in plans for reforming pensions. It decided to send its representatives to the Labour Party’s meetings as observers rather than members. The Labour Party was critical of the TUC’s unwillingness, or inability, to make a positive contribution: ‘very little help can be expected from the T.U.C.. They are obviously not in a mood to consider any radical changes in the present position. They are completely wedded to the present contributory system, and it will take lengthy discussions to modify their views, should the Party wish to alter the present system’. 91

In spite of the TUC’s recaltricance, the Labour Party formally adopted the policy of national superannuation in 1955 after Richard Crossman had presented the principles of a scheme to the Annual Conference. Subsequently the party set up a Study Group on Security and Old Age in 1956 which co-opted Professor Richard Titmuss, Dr Brian Abel-Smith and Peter Townsend of the London School of Economics as members. The study group quickly rejected the existing national insurance scheme as a means of delivering adequate pensions because of its flat-rate principles as well as the inbuilt notion of a fixed level of subsistence amid rising postwar standards of living. Its solution was a state earnings-related pension scheme which would ‘universalise’ the benefits and advantages of private provision. 92 This would be achieved by supplementing the existing flat-rate pension with a wage-related payment, funded by earnings-related contributions. The aim of the scheme was to prevent workers from experiencing a substantial fall in income upon

91 LPA, Policy and Publicity Sub-Committee (PPSC), R.508/April 1955.
92 LPA, HPC, Re. 130/January, 1957.
retirement. Those who were already members of 'satisfactory' occupational or private schemes would be permitted to opt out of the state system.93

At first the TUC showed little interest in the Labour Party's plan for national superannuation but it was becoming increasingly aware of the deficiencies of the national insurance scheme. Its recognition of these had been stimulated by the Phillips Committee's formal rejection of the subsistence principle and, subsequently, the government's persistent refusal to hold an inquiry into subsistence.94 In May 1957, the Labour Party published its pamphlet *National Superannuation* outlining proposals to raise the flat-rate pension by 10s to £3 per week while the total pension, including the earnings-related supplement, would eventually reach approximately half of average earnings and would be uprated in line with inflation. A few months later the 1957 TUC Annual Congress stated that 'the General Council are ... recommending that there should be a comprehensive re-examination of the Movement's previous policy embracing all aspects of social insurance'.95 Ultimately the TUC endorsed the Labour Party's proposals but still continued to be equivocal over the principle of earnings-related pensions. In part, this was because the TUC believed that the Labour Party's scheme had potential only as a long-term solution to the problem of pensions, with little to offer current pensioners and making no provision for other national insurance beneficiaries. Heclo suggests that the TUC's lack of enthusiasm reflected concern about the impact of state superannuation for union pension plans.96 There is little evidence to support this explanation: the TUC quite naturally wished to safeguard established pension rights in trade union as well as in private and

93 MRC, MSS.292/161/14, SIIWC 14/1, 12 June 1957.
95 Trades Union Congress Annual Report 1957, p. 140.
96 H Heclo, *Modern social politics*, p. 263
occupational schemes but the Labour Party plan did include a contracting out provision that the TUC supported. More generally, the TUC had consistently favoured increased state intervention in social security and other areas of social welfare that had been the province of union, voluntary and private bodies since the 1920s. It was one of the keenest supporters of the Beveridge Report in 1942, which reduced the significance of many union schemes. There is no indication in TUC records that it became less interested in state social reform after the war.

Meanwhile, the BEC’s response to Labour’s national superannuation scheme was yet more negative. In particular, it opposed the proposal to make occupational pension schemes transferable. The Confederation had already recorded its objections to this in its evidence to the Phillips Committee. It now rejected the argument that transferability would help to improve labour mobility on the grounds that this was already too high. The BEC was also unhappy with the prospective increase in state control that would accompany the establishment of ‘a very large fund which would be at the disposal of the Government’. The ABCC also disliked Labour’s pension plan, describing it as ‘wasteful, oppressive to the working population and dangerous to the very security it pretends to offer.’ It complained the contributions would be too costly for workers, that the scheme itself was inflationary and a deterrent to private savings, and would undermine occupational schemes while administration would be complicated. Finally, the redistribution of

100 PRO, PIN 68/12, Note of a meeting between the Minister of Pensions and the Financial Secretary to the Treasury, and Lord McCorquodale of the B.E.C., 15 April 1958.
income that the scheme involved was condemned as a ‘hidden tax on higher earnings’. Thus, the ABCC favoured the maintenance of the existing flat-rate scheme of national insurance, operating at its most basic level, but was unable to suggest any solution to the problems which were currently arising from this provision.

Following the Labour Party’s lead, the Conservative government was beginning to consider reforming pensions along the lines of earnings-related. It invited the TUC and BEC to participate in consultation in April 1958 when the Cabinet was still trying to choose between rival plans drawn up by the Treasury and the Ministry of Pensions and National Insurance respectively. Consultation was instigated, unusually, by the BEC who requested a meeting to discuss the implications of pension reforms for employers in April. At the end of the month, the government approached both the BEC and TUC for consultation. Its objectives were to gather their views on provisions for contracting out of the state scheme and to assess the impact of a graduated state pension scheme on occupational provision. The government particularly wished to discuss contracting out with the BEC because of the sustained disagreement within the government on this issue while it would appear that its only reason for consulting the TUC was to avoid criticism for not doing so.

Both the TUC and BEC desired a contracting out option, the TUC recommending that this be exercised on an individual rather than a company or organisational

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102 Ibid., p. 1.
103 Ibid., p. 2.
105 Ibid., John Boyd-Carpenter to Mr EJ Hunter (BEC), 22 April 1958.
106 Ibid.; PIN 68/12, John Boyd-Carpenter to Iain Macleod, 17 April, 1958.
Further matters of interest to the TUC included the level of earnings-related contributions and the flat-rate pension: it required improvements to the existing scheme before it would endorse the principle of earnings relation. The BEC’s main concern was to ensure that graduated pensions would not precipitate earnings-related unemployment and sickness benefit, which, as shown in the previous chapter, was unacceptable in principle.

The government published a White Paper, *Provision for Old Age*, on 14 October 1958 containing details of its plans for pensions. It intended to introduce earnings-related pensions for those earning between £9 and £15 per week only, which would be funded by contributions from employers and employees and a fixed annual contribution from the Exchequer of £170 million. The TUC was critical of several aspects of the government’s scheme. Firstly, its failure to uprate the basic pension caused concern that this would lead to further expansion of national assistance. Secondly it was unhappy that only workers within the £9-£15 wage band would be included and that their earnings-related pension would not be protected against inflation. The narrow scope of the scheme meant that its redistributive impact would be limited. The TUC was also disappointed that the reforms did not address the problem of the shortfall in the national insurance fund. Finally, it was irate that

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111 Ibid.

112 Ibid.
the government had not accepted its recommendation for contracting out on an individual basis.\textsuperscript{113}

The BEC's response to the White Paper was also lukewarm although for different reasons. It was most interested in the administrative and technical aspects of reform. These included the provisions for workers with fluctuating earnings and the arrangements for contracting out. With regard to the former, the Confederation complained that such employees would pay lower contributions and, consequently, receive a smaller pension than those workers with very similar, but more stable, incomes. The BEC also wanted bonuses to be excluded from calculation of graduated contributions owing to its concern that workers would seek different arrangements for the payment of these bonuses, which in turn would cause inconvenience to employers.\textsuperscript{114} The employers believed the conditions for contracting out were too stringent.\textsuperscript{115} It opposed the government's recommendation that employers and workers be required to make a payment to the national insurance fund based on earnings of £15 per week when leaving a contracted out pension scheme to join a company which had not opted out.\textsuperscript{116}

The TUC and BEC's criticisms had little effect on the government's thinking: the 1959 National Insurance Bill differed little from the White Paper other than to increase the Exchequer's contribution and the increments for deferred retirement.\textsuperscript{117}

\textsuperscript{113} Ibid.
\textsuperscript{114} PRO, PIN 34/121, Note by J A Atkinson - meeting between officials of the Ministry of Pensions and National Insurance and the BEC to discuss the method of collecting contributions under the White Paper proposals, 18 Dec. 1958.
\textsuperscript{115} PRO, PIN 43/130, National Insurance Bill - Statement by the British Employers' Confederation, 23 Jan. 1959.
\textsuperscript{117} PRO, PIN 43/121, Note for lobby journalists, fourth draft - National Insurance Bill, undated; MRC, MSS.292/161/16, SIWC 7/6, 14 Jan. 1959.
The TUC refused to endorse the Conservative government’s scheme following the 1959 National Insurance Act. Neither did the BEC welcome the legislation, issuing a public statement that criticised the lack of opportunity to discuss the content of the White Paper prior to the publication of the Bill. The Confederation continued to hold reservations over the arrangements for assessing and collecting graduated contributions, and the ‘unnecessarily severe’ conditions for contracting out of the state scheme. It also still opposed arrangements for the preservation of occupational pension rights following a change of employment. This was based on its argument that occupational pension schemes were often established in order to attain stability in the labour force and that greater mobility of manual workers was not desirable. This argument was later contradicted when the BEC participated in consultation on earnings-related unemployment and sickness benefit.

Conclusion

Both the TUC’s and BEC’s pension policies were clearly informed by wider concerns than the alleviation of aged poverty. Likewise successive governments were continually examining ways of reducing the cost of retirement pensions to the state in view of demographic changes. The TUC was sympathetic to Labour government problems in this area while the BEC favoured less state expenditure on pensions, thus both groups, perhaps inadvertently, were participants in a political consensus that provision for old age was costly and complex. The TUC withdrew from this consensus during the 1950s not because it became more tolerant of the cost of

118 MRC, MSS.292/161/17, SIIWC 13/2, 13 July 1960.
120 Ibid., p. 12.
pensions but because it would not tolerate cuts or restrictions in any area of social policy by a Conservative government. At the same time, it was reluctant to accept any concessions that would impact upon other union policies such as the relaxation of the retirement condition in spite of its financial benefits for many elderly people. Accordingly it is clear that the TUC's concern for elderly standards of living was not completely devoid of self-interest. Neither the TUC nor the BEC made a positive contribution to debates on pension reform at this time. Both organisations adopted a very conservative stance, the TUC because it was wedded to the Beveridge scheme with its flat-rate principles, and the BEC because it was loath to countenance any further state intervention in economic and social life.

The TUC and BEC were involved in discussions that preceded any significant amendments to pensions policy, from the establishment of the Beveridge Committee to the introduction of earnings-related pensions in 1959. It is possible to identify areas and times where they appear to have had some influence in policy. For instance, the TUC effectively persuaded Beveridge to introduce the retirement condition and the BEC appear to have convinced the Phillips Committee not to recommend transferability of occupational pension schemes. Ultimately, however, their potential importance was diminished by their own unwillingness to actively participate in formulating a positive solution to the 'problem of pensions' in the 1950s. Nonetheless this should not detract from the fact that both Labour and Conservative administrations seem to have regarded consultation with these interests a prerequisite to any significant changes in policy.
Chapter Four: Health Policy

The previous two chapters examined the attitudes of the British Employers’ Confederation and the Trades Union Congress towards government policy on social security and pensions policy, and their role in its formulation between 1939 and 1964. The findings of these chapters allowed us to begin to consider the degree to which a ‘welfare consensus’ existed outside Whitehall, with particular reference to these powerful interest groups that were interested in the making of social policy but whose raison d’être was not explicitly linked to welfare issues. The involvement of the BEC and the TUC in health policy formulation provides a further opportunity to assess the validity of Keith Middlemas’ thesis of ‘corporate bias’ outside the particular confines of economic and industrial policy. Herein the discussion addresses only the role of the TUC since the BEC seldom discussed health policy matters and did not seek consultation with government in this area of policy making. This prevents us from examining the extent of agreement between the representatives of labour and capital on state health care issues, but the BEC’s apparent indifference to health policy still has implications for the consensus thesis and the existence of corporate bias. The quite different approach of the TUC in the health policy sphere highlights the complexity of attitudes towards the welfare state as a single entity and, thus, the weaknesses of a model, such as consensus, which seeks to generalise.

Employers, trade unions and state health care before 1939

Prior to the outbreak of world war two, medical care for manual workers earning less than £250 a year was provided under the 1911 National Insurance Act’s contributory
National Health Insurance (NHI) scheme. Provision was usually confined to services offered by local doctors, generally excluding hospital care, and seldom covered dependants. The range of services that were offered under NHI tended to vary because it was administered by separate ‘approved societies’. The lack of uniformity in the system and its limited coverage provoked much dissatisfaction with National Health Insurance in the interwar period. A number of reports all recommended reform of state health services: these included the 1920 Dawson Report, the 1926 Royal Commission on National Health Insurance together with statements by the British Medical Association (BMA) in 1930, and the Socialist Medical Association (SMA) in 1933.\(^1\) By the 1930s, Political and Economic Planning (PEP), the Fabians, and the Nuffield Trust were all agitating for reform.\(^2\) Both the Labour Party and the TUC participated in this movement. The Labour Party had published a report in 1918 entitled *The organisation of the preventive and curative medical services and hospital and laboratory systems under a Ministry of Health* that called for the establishment of a free nationwide health service with doctors in full-time salaried service and a comprehensive network of health centres.\(^3\) The TUC was unhappy with perceived deficiencies in NHI and the involvement of the insurance industry, which it believed acted as an obstacle to improvements in public health services.\(^4\) The National Confederation of Employers’ Organisations, like the industrial assurance companies and the voluntary hospitals, was not reform-minded in the least. It believed that substantial changes were unnecessary particularly if they would require greater state intervention. Instead of seeking improvements in National Health Insurance, the

\(^{1}\) R Klein, *The new politics of the national health service*, p. 4; R Lowe, *The welfare state in Britain since 1945*, p. 167.

\(^{2}\) C Webster, *The national health service*, pp. 5 & 7; PRO, MH 77/30A, Mr Wrigley to Sir Laurence Brock, 25 Aug. 1941.


NCEO lobbied the government to reduce NHI contributions in order to lessen the burden on industry. 5

Planning health care reform in wartime

In spite of the BEC's antipathy, the outbreak of the second world war and the successful establishment of the Emergency Medical Service served to advance the case of those who did favour reform. 6 By 1945 proposals for the introduction of a national medical service had been widely discussed and agreement had been reached on the basic principles though not on how they were to be put into practice. The BEC declined to participate in these discussions and negotiations while the TUC strove to ensure that the government would take on board its views when making policy decisions. There was fierce competition, however, from more immediate interests that also wished to shape the future of British health policy. Civil servants in the Department of Health had started drawing up plans for reform in 1938. 7 The representatives of the medical profession, local government and voluntary hospital organisations also had a far more direct and identifiable interest in state health care than the TUC. It is the influence of these latter groups that has been most widely recognised by historians, the doctors in particular. 8 Before 1948, the role of the TUC appears to be insubstantial by comparison, but its significance lies in its involvement in a broad coalition of forces that had pursued reform since the 1920s, and in

6 C Webster, The national health service, pp. 6-7; K Jefferys, 'British politics and social policy during the second world war', p. 133.
7 R Klein, The new politics of the national health service, pp. 7-8.
8 R Lowe, The welfare state in Britain, p. 171; R Klein, The new politics of the national health service, p. 8; C Webster, The national health service, pp. 8 & 12.
promoting, disseminating, and obtaining the consent of the trade union movement for
the fundamental principles that were to underpin the emerging NHS. Moreover, as
Klein highlights, it is difficult to assess the contribution of individual interest groups
because of the inherent interaction between them, thus he warns against taking an
approach where it is presumed that 'the sets of actors involved were discrete and
homogeneous'.

Combined with the role of prewar pressure, interest groups and the impact of the
war on social change was the 1942 publication of the Beveridge Report. Although the
Beveridge Committee was primarily concerned with income maintenance and
poverty, the TUC deputation, which is widely credited with committee's
establishment, was in fact sent to complain about NHI. Trade union representatives
complained about its limited coverage, the failure to make provision for dependants,
and disparity between benefits in different approved societies' schemes. In the
course of their discussions on health policy, Beveridge and the TUC reached
agreement on the need to remove the industrial insurance companies from National
Health Insurance administration, and also on the general principles of a national
health service. In his report, Beveridge argued that his contributory social insurance
scheme could only work if the government paid family allowances, guaranteed a high
and stable level of employment, and provided a national medical service. Webster
and Brown believe that the report's recommendations and Beveridge's own interest in
health policy prompted the Ministry of Health to quicken the pace of reform if only to

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pre-empt a further Beveridge Report on health. If the Beveridge Report did indeed act as such a catalyst to health reform then the TUC’s role in the establishment of the Beveridge Committee has yet wider implications than have been previously realised.

The TUC itself released a statement on health policy in March 1943. This statement and a further document were sent to Ernest Brown, the Minister of Health, in the autumn with the hope of influencing government health policy, and creating a consultative relationship with the Ministry of Health. The TUC’s statement indicates the nature and degree of its interest in health care reform and the extent to which its ideas coincided with those of other groups while contrasting strongly with the BEC’s apparent indifference. Still its influence was somewhat limited at this stage; Ernest Brown rejected the TUC’s request for a meeting, suggesting that consultation should take place after the publication of the government’s White Paper on health policy.

In its statement on health policy, the TUC had reiterated its dissatisfaction with National Health Insurance, outlined other areas of health policy with which it was unhappy together, and provided a prescription for reform. Reorganisation was of primary importance: as with social security, several different government ministries were responsible for health policy which was perceived to result in a fragmented and disorganised service. The TUC recommended that a single government department take sole charge of health policy with a view to securing equity and uniformity in

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12 C Webster, The health services since the war vol. I, p. 36; J Brown, The British welfare state, p. 90.
13 MRC, MSS.292/847/2, State medical service memorandum by Dr H B Morgan, 17 March 1943.
14 PRO, MH 77/73, Ernest Brown to Walter Citrine, 10 Nov. 1943.
15 At this time the Ministry of Health was responsible for national health insurance, the care of certain diseases such as tuberculosis, local authority hospitals, maternity and child welfare, public health and housing while the Home Office was in charge of industrial health, medical research was supervised by the Privy Council and the Board of Education organised the school medical service. The TUC’s criticisms of these arrangements are discussed in MRC, MSS.292/847/2, State medical service memorandum by Dr H B Morgan, 17 March 1943.
provision. Besides being critical of the wider organisation of health services, the TUC was particularly unhappy with the structure of the hospital system, and the separate administration of public and voluntary hospitals. This sentiment was widely held: Lord Dawson of Penn, the architect of the 1920 Dawson Report on the health services, had criticised the hospital system and the voluntary hospitals were quite evidently in financial difficulties by the 1930s. The trade union movement had strong links with the voluntary hospitals through hospital contributory schemes but their financial instability led the TUC to favour a policy of nationalisation and the introduction of a single state hospital system. This proposition was, of course, opposed by the voluntary hospital organisations. The government also currently favoured retention of the voluntary hospitals, a policy that the TUC described as ‘unfortunate and undesirable because there will never be a really unified hospital system in Great Britain with two different systems of hospital administration, on entirely different lines, one private, the other ... public’. Dissatisfaction with arrangements for hospital care and its belief that state health services focused excessively on curing rather than preventing ill-health provided the basis for the TUC’s long-standing interest in health centres. The health centre idea also had its roots in the interwar period: both the Labour Party and the 1926 Royal Commission had favoured their widespread introduction. The TUC hoped that health centres would permit and encourage different branches of the medical profession to work together, again promoting a more integrated and cohesive health care system.

16 R Lowe, The welfare state since 1945, p. 169; C Webster, The national health service, p. 5.
17 MRC, MSS.292/8/47/2, State medical service memorandum by Dr H B Morgan, 17 March 1943.
18 Ibid., Jt SIC.WC & FC 1/1, 20 Oct. 1943.
19 Ibid., State medical service memorandum by Dr H B Morgan, 17 March 1943.
21 MRC, MSS.292/8/47/2, State medical service memorandum by Dr H B Morgan, 17 March 1943.
On the details the TUC did differ at times from the views of other interests but most fundamentally it wanted a health service that promoted equality by providing universal and free access to health care on the basis of need, a concept which by 1943 attracted little controversy. Nonetheless the differences regarding details and the implementation of policy did become increasingly acute as plans for reconstruction developed. The coalition government published its White Paper, *A National Health Service*, in February 1944. The production of this joint Labour-Conservative document has seldom been interpreted as a sign of consensus. The Labour Party viewed it as a compromise while the Conservative Party would withdraw from its proposals as soon as it could. Neither did the White Paper elicit a positive response from the medical profession or from voluntary hospital organisations. The TUC itself was ambivalent: it described the White Paper as 'a basis for discussion' and 'a considerable advance on present medical services but ... not a comprehensive National Service'. It was pleased with the absence of direct charges and the apparent endorsement of health centres while the intention of retaining the voluntary hospitals in their present role was less welcome. The voluntary hospitals would be encouraged to cooperate and coordinate their provision with state hospitals but formal participation would not be required. The TUC had been very keen on an integrated hospital system and was anxious that the principle should not be further undermined by allowing those who contributed to a voluntary hospital scheme to opt out of the state health service. Finally the TUC considered the arrangements for public

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24 C Webster, *The national health service*, p. 10.
25 MRC, MSS.292/847/2, *Jt SIC.WC & FC 4/1, 1 March 1944*.
26 Ibid.

participation in the administration of the new health service to be inadequate, a matter which was to become a particular issue for the TUC in the postwar period.28

Following the publication of the White Paper, the TUC finally was able to discuss health policy with the government. Thomas Johnston, the Secretary of State for Scotland, requested a meeting with TUC representatives when he received its report on the White Paper.29 The TUC also met with Henry Willink, the new Minister of Health, in March 1945. Its representatives asked for his assurance that the state health service would be universal in its scope and that there would be no option for individuals to contract out. Willink vouched for the comprehensive nature of the scheme with the proviso that the right to engage in private practice would be retained.30 Shortly after this meeting the Labour Party resigned from the government, which precipitated further changes in government policy. Willink amended the proposals contained in the White Paper in order to placate the medical profession and the voluntary hospitals. His memorandum entitled 'Progress with the Proposals of a National Health Service' rejected a salaried GP service and controls over distribution of practices. The health centre project was also to be administered centrally rather than by local authorities.31

In fact the election of a Labour government and the appointment of Aneurin Bevan as Minister of Health upset Willink's plans. In 1945 consent had been secured on the basic principles of state health care, but there was still substantial disagreement with respect to the actual structure of the proposed health service. Willink's concessions to

28 MRC, MSS.292/847/2, Jt SIC.WC & FC 4/1, 1 March 1944.
30 Ibid., Jt SIC.WC & FC 9/2, 8 March 1945.
31 C Webster, The health services since the war volume I, p. 74.
the doctors and the voluntary hospitals may have diminished a measure of dissent from those quarters but in the process had alienated the labour movement. The Labour Party's electoral victory on 5 July 1945 precipitated a new set of tensions and disagreements that were to threaten the very establishment of the NHS.

The National Health Service under Labour, 1945-1951

It follows that signs of consensus diminished rather than increased between 1945 and 1948. In the political sphere, the Conservatives had already withdrawn from some of the White Paper proposals while the new Labour government made it clear that it had compromised itself in agreeing to the publication of the White Paper. While a cross-party consensus was sustained on the basic principles of universalism and the provision of health care free at the point of use, agreement existed on little else. The protracted negotiations with the medical profession that followed detracts further from the notion of a health policy consensus. Local government associations and voluntary hospital organisations gradually dropped their resistance but the medical profession remained hostile to government plans virtually until the appointed day.

Relations between Bevan and the BMA deteriorated after the publication of the Labour government's National Health Service Bill. Prior to this, it has been suggested that, Bevan paid little attention to outside interests while he was devising his reforms. Rivett believes that Bevan did not reveal his plans to any interest

32 MRC, MSS.292/847/4, Deputation to Minister of Health and the Secretary of State for Scotland, 8 Jan. 1946; C Webster, The national health service, p. 13.
33 C Webster, The national health service, p. 25.
34 G Rivett, From cradle to grave, p. 29; C Webster, The national health service, pp. 14-15.
groups prior to the first reading of the National Health Service Bill. 35 In fact, as Webster is aware, Bevan informed the TUC of his intentions at a meeting in January 1946, more than two months before the introduction of the Bill. 36 Whether as a consequence of the close relationship between the Labour Party and the TUC, or a product of 'corporate bias', the TUC appear to have been the first and only external organisation to have been informed of the Labour government's health policy before it was made public. This, of course, does not necessarily suggest that the TUC had an undue influence on the government's policy, not that a great deal of discord existed on this subject between these two bodies in any case.

The meeting largely served the purpose of advising the TUC of government policy; Bevan told TUC representatives of his intention to nationalise the hospital service, and the decision not to introduce a salaried GP service or to abolish private practice in view of the opposition these policies would incite. The only matter that provoked real disagreement at the meeting concerned the representation of the general public in the administration of the health services; the TUC argued that this would be inadequate while medical participation was excessive. Bevan defended his plans on the basis that doctors would be involved in all areas of the National Health Service while other health workers, with whom the TUC was also concerned, had a more limited role. 37 Trade unions could also make nominations for the Regional Hospital Boards (RHBs), which would organise hospital and specialist provision for the region, and to Hospital Management Committees (HMCs). These appointments would, however, be made on

35 G Rivett, From cradle to grave, p. 29.
36 MRC, MSS.292/847/4, Deputation to Minister of Health and the Secretary of State for Scotland, 8 Jan. 1946; C Webster, The health services since the war volume I, p. 89.
37 PRO, MH 77/73, National Health Service Bill, deputation to the Minister from the Trades Union Congress, 1 July 1946; Aneurin Bevan to Sir Walter Citrine, 18 July 1946.

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the basis of ‘individual suitability and experience’ as opposed to their capacity to represent particular organisations.  

Bevan’s proposals were published in the National Health Service Bill, which was introduced to the House of Commons on 19 March 1946. The greatest opposition came from the medical profession, in particular the general practitioners, while the aversion of the Conservative Party, local government, and voluntary hospitals was muted by comparison and dissipated more quickly. The TUC continued to be equivocal although it did prefer the Bill to the 1944 White Paper. The nationalisation of the hospital system and the prohibition on the sale of general practices were particularly welcomed but it was more critical of other proposals. These included the failure to include industrial medical services in the new health service and the absence of a greater commitment to preventing illness. The TUC recognised the problems involved in abolishing private practice but suggested that it should be monitored. It also wanted guarantees that private medical care would not be superior to the national health service, and that NHS services would not be contracted out to private firms. Its greatest reservation continued to be the under-representation of NHS patients and health workers together with medical domination over the administration of the NHS. Consequently it asked Bevan to make provision for representation of all grades of health workers on health service committees, and on the new Central Health Services Council (CHSC) which would advise the Minister of

38 PRO, MIL 77/73, Aneurin Bevan to Sir Walter Citrine, 18 July 1946. 
40 MRC, MSS.292/161.1/4, Jt SIC. WC & FC, National Health Service Bill, 28 May 1946. 
41 Ibid., Jt SIC. WC & FC 8, 11 April 1946; Jt SIC. WC & FC, National Health Service Bill, 28 May 1946; Jt SIC. WC & FC 11/1, 18 June 1946. 
42 Ibid., Jt SIC. WC & FC, National Health Service Bill, 28 May 1946.
Health on technical aspects of policy. Charles Webster believes that the trade union movement welcomed representation on RHBs. This is true but the level of representation was seldom satisfactory. Moreover, it was never held to compensate for what was perceived to be excessive medical participation at the expense of other groups of health workers.

_From producer interest to consumer representation_

The TUC had been unhappy with the arrangements for representation in NHS administration from the outset. It continued to express its dissatisfaction after the legislation of the 1946 National Health Service Act. Walter Citrine, the TUC General Secretary, wrote to Bevan to question the position of health workers other than medical staff. The Minister of Health adhered to his original position: the medical profession should comprise a majority membership on the Central Health Services Council, and health workers could participate via Advisory Committees. In relation to RHBs and HMCs, Bevan stressed that appointments reflected relevant experience and aptitude (although measurement of these was never explicitly defined) rather than the capacity to represent certain groups. Bevan and TUC representatives met to discuss this matter further. The TUC made little progress; Bevan vetoed their suggestion that trade unions nominate health workers for RHBs in order to secure a greater role for these people. He also maintained his refusal to consider TUC representation on the CHSC because the body dealt with technical aspects of health care. In 1951, after five years of Labour government, the TUC was still complaining.

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43 Ibid., Jt SIC.WC & FC 11, 19 June 1946.
44 C Webster, The health services since the war volume I, p. 89.
45 MRC, MSS.292/161.1/4, Jt SIC.WC & FC 13/3, 18 July 1946.
about the lack of opportunities for health workers to take part in the running of the health service.\textsuperscript{46} Hilary Marquand, the new Minister of Health, was more responsive to its complaints and published a circular that advised RHBs that Management Committee officers could be appointed to committees outside their own area of work if they were suitable for the position.\textsuperscript{47} The General Council was still not satisfied because the circular did not specifically recommend hospital staff for these appointments.\textsuperscript{48}

Since Bevan had denied the TUC a representative role on Regional Hospital Boards and prohibited its nomination of health service workers, the TUC began to manufacture itself as a representative of NHS patients or 'consumers'. The government too initiated and subscribed to this interpretation of its role: in November 1946, Bevan wrote to the TUC asking for advice on 'consumer representation' on NHS Executive Councils.\textsuperscript{49} This was followed by a further request for a TUC nomination to the Medical Certificates Committee who would represent the 'general public'.\textsuperscript{50} Although this new function allowed the TUC greater scope in its claims for representation, it was disappointed with the results of its first nominations to the 14 Regional Hospital Boards in 1947 particularly since it had been denied representation on the Central Health Services Council.\textsuperscript{51} Bevan was not receptive to the TUC's request that its nominations be considered for vacancies which arose during the year; he emphasised again that members of Regional Hospital Boards would be appointed on the basis of their experience, and that he would only consult the TUC when it was

\textsuperscript{46} MRC, MSS.292/161/8, SIIWC 10/1, 15 Feb. 1951.
\textsuperscript{47} Ibid., SIIWC 12, 15 March 1951.
\textsuperscript{48} Ibid.
\textsuperscript{49} MRC, MSS.292/161.1/4, Jt SIC.WC & FC 15, 14 Nov. 1946.
\textsuperscript{50} Ibid., Jt SIC.WC & FC 1, 9 Oct. 1947.
\textsuperscript{51} Ibid., Jt SIC.WC & FC 3, 13 Feb. 1947; Jt SIC.WC & FC 4, 3 March 1947.
appropriate to do so. He then insisted that there was no medical overweighting on
the regional boards and that new appointments reflected the existing balance between
medical and non-medical members. Bevan’s indifference towards TUC complaints
meant that representation of NHS patients was also a contentious subject in 1951.
Yet, in principle at least, Bevan had accepted that the TUC had a role to play in the
running of the NHS. While the qualifications for RHB membership remained ill-
defined, the notion of patient representation and the TUC’s ability to fulfil this
function had been born. This cast the TUC in a new, broader role beyond that of an
interest group directly concerned with only its own membership. This wider
perspective had been a feature of TUC social security and pensions policy but self-
interest had undermined its effectiveness. The NHS, funded from taxation rather than
direct contributions, created no such conflicts of interest, permitting the TUC to take
on board important issues without compromising its own members’ interests.

The Labour government and the funding ‘crisis’

Of course the demands of union members was not the only constraint on TUC policy.
The election of a Labour government produced another source of compromise that led
to inconsistencies in TUC social policy. This was most pronounced in relation to
NHS financial issues. NHS funding very quickly became a great source of concern to
the Labour Party. Expenditure was expected to fall once the ‘backlog’ of illness had
been treated and the availability of free health care produced a healthier population.
Instead the NHS exceeded its budget substantially in both 1947 and 1948 while

52 Ibid., It SiC.WC & FC 1, 9 Oct. 1947.
53 MRC, MSS.292/161/6, SIIWC 3, 10 Nov. 1948.
54 C Ham, Health Policy in Britain, p. 17.
Bevan's argument that spending would gradually fall was ineffectual. In 1949 the government introduced the National Health Service (Amendment) Act which made provision for a prescription charge. The charge was not actually introduced because it transpired that it would not save as much money as had been anticipated. This discovery caused the government to set up the Cabinet Committee on the National Health Service to undertake a broader review of NHS expenditure. The committee advocated the introduction of charges for dentures and spectacles, the acceptance of which by the Cabinet followed a heated debate resulting in the resignation of Aneurin Bevan, now the Minister of Labour together with Harold Wilson and John Freeman, a junior minister. The government also took further measures to contain health spending: the Exchequer introduced a ceiling on NHS expenditure from taxation at £400 million (1950 prices). This was followed by a freeze on improvements that were not considered 'essential and urgent'.

In stark contrast to the upset caused in the Labour Party by Bevan's resignation, the spending cuts and the introduction of charges caused barely a ripple in the TUC. Its muted response was curiously so: not only did the government's policy contravene that of the TUC but the government had also failed to consult the TUC beforehand, usually a source of friction. Yet the TUC Social Insurance Committee did not even discuss the content of the 1949 Act nor its implications for NHS patients while the Economic Committee merely made a note of the introduction of charges in 1951.

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55 C Webster, The national health service, p. 31.
56 PRO, MI 135/75, Proposal for a standard charge for prescriptions, undated; C Webster, The health services since the war volume 1, p. 134.
57 C Webster, The national health service, p. 32.
59 MRC, MSS.292/560.1/7, Economic Committee (EC) 8/2, 9 May 1951.
Furthermore the Economic Committee rejected a complaint about the charges by the Civil Service Clerical Association because they were preferable to cuts in the hospital sector: on this basis, 'the necessity for the Government’s action was accepted'.

Complaints at the 1951 Annual Congress were similarly deflected: the General Council defended the Labour government’s charges because children and national assistance claimants were exempted and those who experienced financial difficulty as a result of the charges could seek a refund from the National Assistance Board. This was remarkable advice that was completely incongruous with TUC policy on national assistance more generally. In 1951 the TUC had complained to the government about the growth of national assistance. The TUC’s position may be explained by its loyalty to the Labour government although it had also believed the charges to be temporary: the provision was due to expire in 1954. The former is more convincing since the TUC accepted lower retirement pensions as well as changes to NHS funding because of economic problems. Lincoln Evans of the General Council suggested to the 1951 Congress that '[I]t is not absence of the will of the Government, it is absence of the means, and I think they have taken care to see that the right priority is established here.'

The one exception in the TUC's apparent complacency towards health service charges was the government's decision to abolish refunds for hospital travelling expenses. Travel costs, clearly more so than charges for dentures and spectacles, were believed to be a real impediment to receiving hospital care because the new

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60 ibid.
61 Annual Trades Union Congress Report, 1951, p. 503.
62 Chapter 2, p. 47.
63 The change in TUC attitudes towards NHS charges is discussed further on pp. 117-18.
64 Annual Trades Union Congress Report 1951, p. 504.
arrangements required patients to pay their fares and then claim a refund from the National Assistance Board. The TUC wrote to the Minister of Health to advise him that the change in policy was resulting in financial problems for some hospital patients. Bevan was unsympathetic as he believed that the previous system had been abused. The TUC disagreed with this contention and sought a compromise; it suggested that the policy be amended for those travelling long distances, or on a regular basis, to hospital. The new Minister of Health, Hilary Marquand, was more amenable to the TUC's complaints but Ministry officials were somewhat less so because NHS spending was already too high and an increase in national assistance was imminent. Consequently Marquand was unwilling to make any concessions since they would require cuts in other areas of the NHS. This could not be justified when there was little evidence that the abolition of refunds for travel costs by hospitals themselves had caused widespread financial difficulty.

Health Centres

A Labour government may easily have won TUC acceptance of health service charges but the trade union movement was less compliant over procrastination in the development of health centres. In July 1947, Ministry of Health officials admitted that shortages in the building industry would impede the establishment of the government's programme. In February 1948, a Ministry circular announced that

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66 Ibid., SIIWC 10, 15 Feb. 1951.  
67 Ibid., SIIWC 15/2, 10 May 1951; PRO, MH 99/88, note on hospital patients travelling expenses - possible concession for long distances, undated; PRO, MH 99/88, J E Pater to Mr Armer, 26 July 1951.  
69 PRO, MH 134/48, Health centres, note of discussion, 9 July 1947; MH 134/49, draft circular by Ministry of Health to County and County Borough Councils and other local authorities, 1947.
shortage of building materials and a lack of research on the best model. Initially the General Council resigned itself to these delays as it did not want building problems to result in poor quality centres. Seventeen months later it was becoming anxious for some progress: a Congress resolution, demanding the establishment of health centres, was sent to the Minister of Health. In March 1951 a TUC deputation met with Marquand to complain of unacceptable delays in hospital surgeries and public frustration. The TUC representatives suggested that health centres be introduced on a limited basis for the time being. The Minister cited the problem of building shortages and inexperience, but advised the TUC that the CHSC had set up a Health Centres Committee to review the situation. Marquand agreed that the government would set up a small number providing that local authorities minimised their cost.

This represented a small success for the TUC even though the imminent election prevented implementation. Not that the TUC had made excessive demands on the Attlee government's health policy; aside from the dispute over travel costs and the TUC's strong support for the lapsed health centre programme, it was generally acquiescent, particularly with regard to the issue of charges. This tolerance was soon to diminish upon the election of a Conservative government in 1951. Thereafter NHS funding issues and charges were to become the main source of the TUC's growing disconsolation with the health service. Consumer representation also continued to be an important issue. The campaign for health centres, however, slowly petered out as the TUC turned its attention to problems in the hospital sector.

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70 MRC, MSS.292/161/6, SIIWC 6, 12 Feb. 1948; SIIWC 7, 11 March 1948.
71 MRC, MSS.292/161/7, SIIWC 4, 10 Nov. 1949.
72 MRC, MSS.292/161/8, SIIWC document, Congress resolution on health centres - note of deputation to Minister of Health, 6 March 1951.
73 Ibid., SIIWC document, Congress resolution on health centres - note of deputation to Minister of Health, 6 March 1951.
The election of a Conservative administration represented an opportunity for policy changes, but there were few radical moves. Charles Webster believes that political consensus underpinned the NHS after 1951 on the basis of significant similarities in Labour and Conservative health policy. For instance, Labour introduced health service charges, which the Conservatives simply extended. Dutton also cites the introduction of charges by Labour, the substantial increase in NHS spending which took place under the Tories, Conservative acceptance of the findings of the Guillebaud Committee, and the 1962 Hospital Plan. Other historians have explained continuity not in terms of consensus but as a consequence of constraints on policy-making. For Klein, consensus was achieved by involving the relevant interest groups in policy-making in order to preclude discord. According to Harriet Jones, external groups, including the TUC, acted to prevent changes in policy. The nature, or absence of, consensus in this respect is considered below. Generally the TUC became increasingly dissatisfied with a number of aspects of health policy under the Conservative governments. This together with its more aggressive approach towards health policy under the Conservatives suggests that political sympathies played a role here. The BEC continued to ignore developments in health policy and declined opportunities to participate.

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74 C Pierson, "Social policy", p. 148; C Webster, The national health service, p. 34.
76 N Ellison, "Consensus here, consensus there", p. 18; H Jones, "New tricks for an old dog?" p. 34; R Lowe, 'Second world war, consensus and the foundation of the welfare state', p. 160.
77 R Klein, The new politics of the national health service, p. 29.
78 H Jones, "New tricks for an old dog?", p. 34.
NHS funding and health charges

The TUC first approached the new Minister of Health, HFC Crookshank, to discuss hospital travel expenses. Like his Labour predecessors, he also refused to amend the regulations. Further dissatisfaction resulted from the introduction of further health service charges; the 1952 National Health Service Bill contained proposals for charges for drugs, medicines, appliances, dentistry, and day nursery care. The TUC responded very negatively to the Bill; it rejected the government’s argument that prescription charges were necessary to prevent abuse and suggested that controls on GPs’ prescribing allocation should be introduced to address any such problem.

Neither did the TUC accept economic difficulties as a suitable explanation even though this had been the reason accepted and produced by the General Council to justify similar policies of the Attlee governments. The TUC was now much more worried about the financial impact of charges on the low-paid and openly denied that this was a product of the change in government. In the words of one member of the General Council, ‘[t]he strong indignation aroused by the proposals was not simply a matter of political difference; it arose from a conviction that the charges were unjust, a retrograde step from the point of view of the nation’s health, and as sacrifice of the principles of the Health Scheme.’ Also the TUC cited the temporary nature of Labour’s charges as a reason for its compliance.

This degree of inconsistency in policy may reflect partiality but it is also likely that the TUC simply had greater trust in the Labour Party to safeguard the NHS. This would have been encouraged further by the Labour Party’s election campaign in

80 Ibid., SIIWC 9/6, 13 Feb. 1952.
81 Ibid., SIIWC 11/1, 9 April 1952.
1951, which suggested that the Conservatives would dismantle the welfare state. The speed with which the Churchill government introduced new charges may well have caused the TUC to fear for the principles of universal health care, free at the point of use, thus, precipitating such a fierce reaction. It also believed that charges for dental care would have a deterrent effect and cause people to neglect their teeth.\(^82\) Crookshank refused to advise the TUC on whether the charges were permanent or if the government intended to introduce further charges since these would be dependent upon the economic situation. To placate the TUC, he did promise that 'the fundamental structure of the Service would not be undermined', and also pointed out that the National Assistance Board would help those for whom the charges did cause financial problems, advice that the TUC had of course already given its own members in 1951.\(^83\) The TUC's antipathy towards the charges was then further intensified when Hilary Marquand pledged to the House of Commons that a Labour government would abolish all direct health service charges and review provision for those who experienced hardship when travelling long distances for hospital care.\(^84\)

The finances of the NHS were also a source of disagreement within the government itself. The Treasury in particular was unhappy with spending levels and growth in the health service's annual budget. It therefore proposed that the government should set up an independent committee to review the cost of the NHS with the clear expectation that this committee would be able to offer means of saving money. Webster claims that the Ministry of Health opposed the Treasury's idea because it believed that such an enquiry would find evidence of underfunding in

\(^{82}\) Ibid.  
\(^{83}\) Ibid.  
\(^{84}\) MRC, MSS.292/161/11, SIIWC 11/3, 10 March 1954.
provision for tuberculosis, mental health, mental handicap, the aged and those with chronic health care needs. In spite of the Ministry of Health's warning, the government set up the Committee of Enquiry into the Cost of the National Health Service in May 1953 with Mr Claude W Guillebaud, a Cambridge economist, in the chair. The Committee's terms of reference were:

To review the present and prospective cost of the National Health Service; to suggest means, whether by modifications in organisation or otherwise, of ensuring the most effective control and efficient use of such Exchequer funds as may be made available; to advise how, in view of the burdens of the Exchequer, a rising charge upon it can be avoided while providing for the maintenance of an adequate Service; and to make recommendations.

Miss B A Godwin, a member of the General Council, represented the TUC on the Guillebaud Committee. It also submitted both written and oral evidence, which focused chiefly on health service charges. The TUC argued that charges had a detrimental impact on NHS patients because they discouraged consumption of medicines, and use of dental and ophthalmic services. This contention was supported by evidence of a substantial reduction in the demand for spectacles, with expenditure falling from £21.7 million in 1949-50 to £10.1 million in 1952-3, following the introduction of charges. There had also been a significant decrease in spending on dental care although the role of the introduction of charges was less clear since demand for dentistry had been in decline beforehand. The TUC also argued that the cost of travelling to hospital led to financial difficulties and, therefore, impeded access to medical care. In order to address the NHS's financial problems without impinging upon the well-being of its patients, the TUC suggested the government

85 C Webster, The health services after the war vol. I, p. 204
87 MRC, MSS.292/161/11, SIIWC 7/1, 13 Jan. 1954.
88 Ibid.
89 Ibid., SIIWC 12/2, 14 April 1954, p. 3
introduce controls on prices of medical supplies, undertake bulk purchase and central contracting of medical goods and services, and investigate the remuneration of chemists and dentists.90

The Guillebaud Report was published in January 1956. Contrary to Treasury expectation it found little evidence of inefficiency or waste in the NHS.91 In fact it identified certain areas where more funds were required owing to the accumulative impact of underspending and was critical of inadequate levels of capital investment. Neither did the Guillebaud committee support the extension of charges: it was ambivalent about the prescription charge but recommended the abolition of the charges for ophthalmic and dental care because of their deterrent effects once this was financially viable.92 With regard to health centres, the committee agreed with the status quo that they should be set up on an experimental basis only for the time being.93 The Guillebaud Committee did not make any recommendations with regard to wider reorganisation of the health service, and has been criticised for doing so, but it did note that the medical profession was too dominant in the current structure of administration.94 Accordingly it recommended that medical appointments should comprise no more than 25 per cent of the membership of Regional Hospital Boards or Hospital Management Committees.95

Both Geoffrey Rivett and David Dutton have suggested that the Guillebaud Report helped to consolidate the political consensus over the NHS. Rivett believes that this

90 Ibid., pp. 4-6
91 Guillebaud Report, p. 269.
92 Ibid., pp. 260-61.
93 Ibid., p. 262.
94 R Lowe, The welfare state since 1945, p. 181.
95 Guillebaud Report, p. 247.
was because its findings denied the Conservatives a mandate for significant change. 96
Dutton claims that the Tory government accepted the committee’s recommendations. 97 Yet Conservative governments did increase and extend direct charges while the process of reducing medical membership was a lengthy one. This does not necessarily militate against the existence of political consensus since a Labour administration did indeed introduce charges in the first instance, and Bevan had strongly defended medical representation in NHS administration. These two issues, however, were the source of growing antagonism towards government policy on the part of the TUC. The TUC had been fairly satisfied with the content of the Guillebaud Report, particularly its views on charges and medical participation in the running of the NHS. 98 The committee’s endorsement of TUC policy together with the government’s refusal to indicate whether it intended to comply with the Guillebaud Report’s recommendations precipitated a more vigorous TUC campaign against NHS charges which now sought complete abolition.

TUC representatives met with R H Turton, a new Minister of Health, on 1 March 1956 to ask for the removal of NHS charges, and a change in government policy towards the refund of hospital travel costs. The Minister rejected both of these requests; he argued that the income foregone would require cuts in other areas of the NHS or a reduction in the hospital building programme. 99 The government was presently taking a hard line on social policy spending: Butler prohibited a substantial increase in expenditure on the social services and had commissioned a survey of the

96 G Rivett, From cradle to grave, p. 114.
prospective growth in social expenditure over the next few years. This survey anticipated an increase in NHS spending of 15.4 per cent by 1960/1, which led to the establishment of a committee of ministers to review the cost of the social services as a whole.

With regard to the NHS, the ministerial committee recommended that a charge be applied to each item of medicine rather than each prescription slip in order to raise £5 million. The TUC immediately condemned the proposal and asked the government to reconsider. Both the Minister of Health and the Minister of Pensions and National Insurance defended the policy: Turton insisted that the increase was necessary in light of the current economic climate but asked the TUC to let him know of any instances of hardship arising from the new policy. Boyd-Carpenter reminded the TUC that the National Assistance Board would refund the charges to the low-paid.

Four months later, the government also increased the NHS element in the national insurance contribution. The TUC issued a press statement expressing its opposition to financing the NHS from direct charges and contributions. The Social Insurance Committee wrote to the Prime Minister, the Minister of Health, and the Minister of Pensions and National Insurance to express its dissatisfaction with government policy but to little effect. Its campaign against health service charges continued regardless. In 1957 it sent an Annual Congress resolution to the Minister of Health that condemned prescription charges, national insurance contribution increases and

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100 C Webster, *The health services after the war volume I*, p. 212.
101 Ibid.
102 MRC, MSS.292/161/14, SIIWC 3, 15 Nov. 1956.
104 Ibid., R H Turton to Vincent Tewson, 6 Dec. 1956.
105 Ibid., J Boyd-Carpenter to Vincent Tewson, 30 Nov. 1956.
106 Ibid., SIIWC 11, 14 March 1957.
107 Ibid.
limits on capital expenditure to the Minister of Health. The government clearly ignored TUC feeling on the matter because, without consulting the TUC, it introduced a National Health Service Bill in 1958 that proposed to increase further the NHS contribution. TUC complaints once again met with a lack of response.

A deputation to the Minister of Pensions and National Insurance, John Boyd-Carpenter, in July 1960 raised the matter of hospital travel costs again. In 1961, a further rise in the NHS contribution of 10d, a 100 per cent increase in the cost of prescriptions, and higher prices for dentures, spectacles, hospital amenity beds, and welfare foods exacerbated the TUC’s concerns about the government’s policy. Concessions had been made for expectant and nursing mothers and children with regard to dentures and spectacles but the TUC still opposed the new charges. It issued another press statement denouncing the increase in charges, the shifting emphasis towards direct financing of the NHS, and also the government’s failure to consult the TUC. The latter is a somewhat surprising grievance as there is no evidence that the TUC was consulted on previous changes to the health service charging policy by either Labour or Conservative governments. Enoch Powell, who had been appointed Minister of Health, made no attempt to justify his actions to the TUC; he simply referred it to the parliamentary debate. Subsequent complaints at Annual Congresses over NHS funding were equally ineffectual. Powell refused to

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109 Ibid., SIIWC 9, 13 March 1958.
113 MRC, MSS.292b/161/14, SIIWC 4, 10 Jan. 1962.
114 Ibid., SIIWC 2, 8 Nov. 1961; MSS.292b/161/15, SIIWC 2, 14 Nov. 1962.
increase the proportion of NHS finance from general taxation, and insisted that the abolition of charges would simply means cuts in spending elsewhere.\textsuperscript{115}

The TUC's campaign against NHS charges and the NHS contribution was ultimately fruitless. In 1951 health service charges and the NHS contribution provided 9.4 per cent of NHS expenditure; this figure had reached 19.5 per cent by 1963/64.\textsuperscript{116} It had also failed to convince successive governments that the NHS should assist with the cost of travelling to hospital in spite of its frequent attempts. Neither is there any evidence to suggest that the TUC's attitude towards charges ever informed any government decisions on NHS funding.

\textit{Signs of progress?: TUC participation on RHBs}

Given its lack of progress in relation to NHS charges it would appear that the government paid little attention to the TUC in relation to health policy. Yet the level of contact and access to ministers enjoyed by the TUC suggest that it could not be completely ignored. Representation of trade unionists on Regional Hospital Boards permitted participation in health policy at a more localised level. While the principle of trade union participation on the regional boards had been accepted, the TUC consistently found the level of involvement to be deficient. No sooner had the TUC obtained a firm commitment from the government regarding trade union appointments to RHBs than the government failed to honour it, thus, leaving the issue unresolved.

\textsuperscript{115} Ibid., SIIWC 4, 9 Jan. 1963.
\textsuperscript{116} C Webster, \textit{The national health service}, p. 34.
During the Attlee years the TUC had complained of excessive medical participation, and inadequate representation of both health workers and NHS patients. The Ministry of Health forbade it to nominate health service workers to the boards, therefore, the TUC became more involved in the representation of NHS patients. The Labour government had initiated this practice and the role was quickly accepted by the TUC. In 1953, when its North-West Regional Advisory Committee protested that its nominees were not being appointed to the RHB, the TUC Social Insurance Committee complained not of poor levels of trade union representation but of NHS patients. Both Labour and Conservative governments accepted trade union nominations for representation of users of the health service. When the TUC complained to Ian Macleod about an increase in the number of Regional Hospital Boards that did not have a trade union member, the Minister replied that he realised that consumer representation on RHBs was important. He promised that he would keep TUC nominees in mind when making the next round of appointments but in fact the number of Boards without a trade unionist increased in 1955.

This proved to be characteristic of TUC consultation with successive Ministers of Health on the subject of representation on Regional Hospital Boards over the following years. Ministers were sympathetic to TUC complaints and would promise improvements in future, which would not materialise. Ministers of Health generally accepted that the TUC could represent NHS users although Derek Walker-

117 MRC, MSS.292/161/10, SIIWC 15, 14 May 1953.
Smith, in 1958, pointed out that the TUC did not hold a monopoly in this respect.\textsuperscript{121} Nonetheless, improvements were made in 1959 and in 1963 Enoch Powell promised that each RHB and Board of Governors (with one exception) would now have a trade union member.\textsuperscript{122} This commitment represented a significant achievement, which encouraged the TUC to seek a greater role on Hospital Management Committees, again presenting itself as a representative of consumer opinion. The Minister of Health was unable to assist since these appointments were made by the Regional Hospital Boards but promised to consider new guidance in order to address trade union representation on HMCs.\textsuperscript{123} Meanwhile there was a decrease in the number of doctors on NHS committees in line with the Guillebaud Committee’s recommendation.\textsuperscript{124} These achievements were then overshadowed in 1963 when an additional Regional Hospital Board failed to appoint a trade union nominee. The TUC wrote to Enoch Powell expressing its disappointment.\textsuperscript{125} Thus at the end of this period, the issue of trade union representation in NHS administration was still a source of dissatisfaction.

\emph{Consensus at last? Developments in health services}

The TUC’s main interest in health services during the years of Labour government concerned the establishment of health centres. Its campaign enjoyed little success before 1951 and even less thereafter. By 1955 the TUC appear to have more or less lost interest in health centres and took a growing interest in problems in the hospital

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\textsuperscript{121} MRC, MSS.292/161/15, SIIWC 7/2, 24 Jan. 1958; SIIWC 12, 11 June 1958.
\textsuperscript{122} MRC, MSS.292/161/16, SIIWC 12, 10 June 1959; MSS.292b/161/16, SIIWC 6, 13 March 1963
\textsuperscript{123} Ibid., SIIWC 10/5, 15 July 1963.
\textsuperscript{125} MRC, MSS.292b/161/16, SIIWC 9, 12 June 1963.
\end{flushleft}
sector. Hospitals had dominated the NHS both in respect of policy development and resource allocation from the outset. In spite of this imbalance, they still suffered from the effects of inadequate investment and spending by both Labour and Conservative governments. The Guillebaud Report also criticised the state of NHS hospitals in 1956. Thereafter the government devoted more resources to hospital building and improvement, culminating in the 1962 Hospital Plan. The government’s new-found commitment to hospital services coincided with growing TUC criticism of problems in this area which the government now planned to address. Therefore, dialogue between government and the TUC on hospital matters was quite amicable since, for once, TUC and Conservative policy on the NHS had taken the same direction. It should be noted, however, that this coincidence of views and objectives did not appear to have been a product of TUC pressure.

In 1951 the TUC had only just managed to persuade the Labour government to undertake a small-scale experiment in the establishment of health centres when the Conservatives won the general election. The new government was unwilling to subscribe to even this minor concession; Crookshank wrote to Vincent Tewson to advise him that the continued shortage of building resources prevented the large-scale development of health centres, and he did not foresee any change in policy in the near future. The General Council did not pursue the matter over the next two years until the Guillebaud Committee was appointed. The TUC was dissatisfied with progress in the health centre programme, or the lack of it, and still supported an experimental approach for the benefit of new towns and housing estates, and to facilitate

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126 C Webster, The national health service, pp. 39-45.
127 MRC, MSS.292/847.21/1, Crookshank to Vincent Tewson, 17 Dec. 1951.
cooperation between hospitals, GPs and local health authorities.\textsuperscript{128} It sent an Annual Congress resolution on the subject to the Minister of Health and Sir Walter Monckton, the Minister of Labour.\textsuperscript{129} Turton dismissed the TUC's proposal, again citing the building situation and a lack of research as reasons not to proceed.\textsuperscript{130} At a meeting with General Council representatives in March 1956, he advised them that the government could only build health centres if it made cuts elsewhere in the NHS.\textsuperscript{131} After this meeting health centres were scarcely mentioned in discussions on TUC health policy.

Perhaps the TUC's declining interest in health centres can be explained by the distractions produced by problems in NHS hospitals. It would appear that the TUC's Social Insurance Committee paid little attention to the hospital sector until it was required to present evidence to the Guillebaud Committee. In its evidence, the TUC called for higher spending on mental health and geriatric services. It also complained of overcrowding in mental hospitals, and of inadequate community-based care for the mentally ill. It still felt that the hospital sector was being given undue emphasis at the expense of preventive medicine and after-care services. Accordingly it recommended an increase in the number of home nurses, home helps and health visitors in order to improve these areas.\textsuperscript{132}

While the TUC had always felt that the hospital sector had been given a disproportionate amount of attention, it began to examine the problems in NHS

\textsuperscript{128} MRC, MSS.292/161/11, SIIWC 12/2, 14 April 1954, pp. 2, 12-13
\textsuperscript{129} MRC, MSS.292/161/13, SIIWC 3, 9 Nov. 1955.
\textsuperscript{130} Ibid., SIIWC 5, 13 Jan. 1956.
\textsuperscript{131} Ibid., SIIWC 10/1, 15 March 1956.
\textsuperscript{132} MRC, MSS.292/161/11, SIIWC 12/2, 14 April 1954, pp. 9-10.
hospitals. It soon found evidence of excessive waiting lists and poor standards of hospital buildings, particularly casualty departments. It suggested that resources be concentrated on certain hospitals to ensure that each region was able to provide adequate emergency services. In 1957 the Social Insurance Committee wrote to the Minister of Health, Derek Vosper, to complain about the casualty services. There were also complaints about the hospital service at the 1958 Annual Congress. It passed two resolutions that criticised the slow pace of hospital building and improvement and the lack of developments in preventive health care measures. Vosper’s successor, Derek Walker-Smith defended the government’s record: NHS annual expenditure had increased from approximately £10 million in its early years to reach predicted levels of £20 million, £22 million and £25.5 million in 1958/59, 1959/60, and 1960/61. The TUC acknowledged that spending had risen but criticised the government for failing to provide figures in real terms.

In spite of higher spending by Conservative governments the TUC was still unhappy with the hospital services. The 1959 Annual Congress discussed the inefficiency of out-patients departments and delays in obtaining appointments with NHS consultants. The Minister of Health investigated consultant waiting times in response to the TUC’s criticism; he later wrote to the TUC to advise it of recent improvements. The 1961 Annual Congress complained of inadequate investment in hospital building again, and also the shortages in medical staffing levels. Once more the government was responsive to the TUC’s criticisms; Enoch Powell wrote to

133 MRC, MSS.292/161/14, SIIWC 11, 14 March 1957.
135 Ibid., SIIWC 7, 14 Jan. 1959.
advise the TUC that the government was reviewing the staff situation in hospitals, and also in general practice, in association with the Medical Practices Committee and the General Medical Services Committee. In addition proposals for an increase in the number of medical students were currently under consideration. He wrote again six months later to inform the TUC that plans to increase the number of doctors were being implemented. He also drew the TUC's attention to the government's Hospital Plan which was designed to modernise the hospital service by closing 1250 hospitals, improving 360 others, and building 90 new hospitals. Its overall aim was to offer 600-800 bed district general hospitals across the country. In April 1963 the government also published a survey of local authority plans for their health and welfare services.

While the TUC's Social Insurance Committee welcomed both the proposed developments in the hospital sector and in community health services, it was concerned that the under-developed community care services would be overburdened unless they were given adequate support. Therefore it wrote to Enoch Powell for reassurance that sufficient funding would be provided to allow local authorities to improve their services, and that the government would not implement cuts in the number of hospital beds until community-based provision was adequately developed. The 1963 Annual Congress expressed some dissatisfaction with the standard of several local authority plans for community care which unions believed did not reach the standards required by the Ministry of Health. The TUC was keen on

138 Ibid., SIIWC 9, 13 June 1962.
139 Ibid., SIIWC 4, 10 Jan. 1962; R Lowe, The welfare state in Britain after 1945, p. 183.
140 MRC, MSS.292b/161/16, SIIWC 8, 8 May 1963.
141 Ibid., SIIWC 8, 8 May 1963.
the development of community care given its reservations over the predominance of
the hospital sector in the NHS: the 1963 Congress passed a resolution which called for
the abolition of all institutional beds before 1972 by developing community care
policies and establishing elderly day care centres. Anthony Barber, Powell’s
successor at the Ministry of Health, accordingly advised the TUC that the
government’s plans for hospital and local authority health services were flexible and
that the TUC’s comments would be given due consideration as the plans were
developed. It follows that developments in the hospital sector, particularly after
1959, were marked by significantly more contact between the Ministry of Health and
the TUC than in relation to any other area of the NHS. Ministers of Health were
responsive to TUC observations, comments and criticisms; correspondence was
frequent and cordial. This probably reflects the existence of government plans for
improvements in NHS hospitals whereas the TUC’s other policy aims, abolition of
charges and health centres, did not feature in Conservative health policy after 1951.

Conclusion

By 1964 the NHS remained untouched by radical policies, providing support for the
argument that the National Health Service was an element of the postwar political
consensus. The TUC’s attitude towards the development of the NHS during this
period has been examined in some detail in order to discern whether this consensus
was broader in its scope. Strong TUC criticism of some government health policies
after 1951 is suggestive of an absence of consensus. However, the matter is not so

142 Ibid., SIIWC 2, 13 Nov. 1963.
143 MRC, MSS.292b/161/18, SIIWC 5, 12 Feb. 1964.
clear-cut. It is true that the TUC was extremely antagonistic where Conservative health charges were concerned whilst the issue of representation was not resolved during this period. Nonetheless, its fundamental goals in the sphere of health policy—universal access and free health care save the introduction of some direct charges—had been achieved. As the TUC stated in its evidence to the Guillebaud Committee in 1953, "[a]ny criticisms or suggestions for improving the Health Service ... are not intended in any way to detract from the magnitude of this achievement." Furthermore, progress was made, albeit slowly, in relation to the representation issue, and the government’s acceptance of the TUC as a representative of consumers was a noteworthy development in the history of the TUC as an interest group. Discussions on developments in hospital care after 1956 were held regularly and their tone was largely amicable. The record is, therefore, mixed with signs of consensus being not entirely absent after 1951 but neither does the concept accurately encapsulate the nature of government-TUC negotiations on the NHS during the Conservative years.

Although scarcely mentioned in the course of this chapter owing to its lack of participation in the making of health policy, the British Employers’ Confederation did not make direct attacks on the NHS. This is in keeping with the idea of a negative consensus. Lowe suggests that electoral considerations placed limitation on Conservative policy-making. Similarly the BEC had, during the war, shown itself to be conscious of the dangers of contradicting the public mood and the NHS was hugely popular with the public. Its unwillingness to participate in health policy-making also has implications for Keith Middlemas’ theory of corporate bias. It

144 MRC, MSS.292/161/11, SIIWC 12/2, 14 April 1954.
145 R Lowe, 'Second world war', p. 100.
146 Chapter 2, p. 37.
strongly suggests that the existence of corporate bias was not simply dependent upon
governmental desire to involve important interest groups since incorporation was not
automatically welcomed or sought by these groups. In this instance, the BEC
declined the opportunity to participate in health policy and tripartism is, therefore,
quite absent. The BEC’s approach to health policy serves to reinforce the findings of
the two earlier chapters where BEC involvement was shown to be very closely linked
to those issues that directly affected employers. Therefore, the Confederation was
interested in national insurance and retirement pensions because employers helped to
fund the schemes and, as the next chapter shows, in education because its members
employed the products of state education. While the NHS may have assisted
employers by creating a healthier labour force, the BEC appear not to have recognised
such an indirect contribution.

In contrast to the BEC, the TUC welcomed all opportunities to participate in the
formulation of health policy and actively sought to influence it. This desire was
assisted by apparently unlimited access to Ministers of Health combined with
representation on RHBs. This involvement may reflect corporate bias and Klein and
Harriet Jones’ interpretations of consensus as the TUC was not required to assist in
the implementation of health policy in the same way as social security. However,
competition from other more powerful interest groups in this sphere, such as the
BMA, certainly ruled out the prospect of the TUC becoming a ‘governing institution’
in relation to this aspect of government policy. Not only did the BMA dominate
health policy during the 1950s, but both Labour and Conservative governments
refused to appoint a TUC representative to the main advisory body in the NHS, the
Central Health Services Council.¹⁴⁷ Neither did the existence of corporate bias contain any guarantees that the TUC's views would influence policy in any way. On a more positive note, TUC participation in the administration of the NHS was guaranteed at a local level through its appointments to RHBs. Although these appointments were not representative, they cast the TUC in a new role as the representative of consumers rather than a narrowly-based producer interest group.

How successful then was the TUC in advancing the interests of NHS patients? Between 1945 and 1951, the TUC can be criticised in this respect owing to its deference to the Attlee governments: its General Council was very quick to defend policy without even seeking consultation on issues which were causing anxiety in the wider trade union movement as was expressed at annual congresses. A more belligerent and critical approach did emerge following the Conservative electoral success in 1951 but the TUC failed to achieve many of its policy objectives. Several factors may offer some explanation for this: First, TUC policies were often expensive and would have required a greater contribution from the Exchequer during a period when the onus was on minimising the Exchequer's contribution. Second, other interest groups promoted policies that conflicted with those of the TUC; for instance, the TUC sought the establishment of health centres while GPs opposed them. Third, frequent changes in Ministers of Health may have prevented the TUC from building a more concrete relationship with the policy-makers. These are possible explanations as to why the TUC did not achieve its goals in relation to health policy. Less defensible is the TUC's failure to recognise and take action with regard to wider problems that were emerging in the NHS in the 1950s. Its tripartite structure was

causing increasing concern, and also of great relevance to, but ignored by the TUC, was the growing awareness of the NHS’s failure to tackle wider inequalities in health care and health standards which had their roots in class differences and geography.
Chapter Five: Education

We have thus far examined TUC and BEC policies in relation to social security and pensions, and trade union involvement in health policy and the NHS. This chapter on education provides a further insight into the social policies of these two organisations and also that of the Federation of British Industries, which otherwise had shown little direct interest in state welfare. Their involvement in the education policy-making sphere took a number of forms in this period. The war, of course, offered plentiful opportunities to influence education policy as the topic was then so open to debate. Thereafter, the establishment of the Central Advisory Council for Education (England) (CACE(E)), which held regular enquiries into different aspects of education, provided an important forum for educational debate in which these interest groups were able to participate. In addition to the activities of the advisory council, Ministers of Education were also willing to accept deputations and representations from these groups, and would also initiate consultation themselves. The TUC declared its interest in all aspects of education policy, including secondary, technical, further and higher education, which are discussed here. Industrial interests were more complex given the division of responsibility between the BEC and FBI. The former addressed issues relating to education in secondary modern schools and technical education while the FBI concerned itself with the grammar schools, higher technological education and the universities.

It must be conceded that the elite focus of this study is least useful in relation to education in view of the localised nature of policy implementation and the important role of local education authorities. Nonetheless, the Ministry of Education was
certainly active in the formulation of education policies, and represented the focus of much of these interests groups' activities. Therefore, it is still appropriate to seek the existence and significance of corporate bias, and explore policy at this level for evidence of consensus. Education has been cited as a feature of the welfare consensus but only briefly without further explanation. The argument has tended to surround the Attlee governments' decision not to proceed with comprehensive schools or to abolish the public schools. Dennis Dean has offered a more detailed assessment of the Churchill government, and Brian Simon also addresses the notion but, in typical fashion, both these studies examine only the two major political parties. In view of the debate over Britain's relative economic decline at this time and criticisms of the paucity of British technical education in particular, this chapter offers a valuable insight into industrial attitudes towards education policy.

**Education before the second world war**

The interwar period has been designated as one of stagnation with regard to state education: governments were not particularly interested and education was too readily the victim of cuts in public expenditure. Still, ideas and proposals for reform and development were far from absent and provided the basis for subsequent reforms in the 1940s. The 1918 Education Act raised the school leaving age to fourteen and abolished fees for elementary schools. It also contained plans for part-time day continuation education for young workers between the ages of fourteen and eighteen

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3 D Dean, 'Consensus or conflict?' and B Simon, *Education and the social order*.
4 D Fraser, *The evolution of the British welfare state*, p. 205; A Crowther, *Social policy in Britain*, p. 35.
but spending cuts in the 1920s prevented its implementation. No further reforms were legislated in education until the 1939 Education Act but planning did continue.

Two sets of proposals were presented by the government's own Consultative Committee. In 1926 the Hadow Committee recommended a further increase in the school leaving age to fifteen and the reorganisation of elementary schools into distinct periods of primary and secondary education, with the division being made at age eleven. In 1931, over 30 per cent of children were receiving an education under the Hadow recommendations. Nonetheless, most were still based in elementary schools – 88 per cent in 1938 – and tended to leave school at the minimum leaving age with no qualifications. An Education Act in 1936 contained proposals for an increase in the school leaving age to fifteen as endorsed by the Hadow Report but with exemptions for those in 'beneficial' employment. Its implementation was planned for 1939 but this was interrupted by the outbreak of war. In 1938, the Consultative Committee on Education released another report, which supported the earlier findings of Hadow and emphasised the need for the development of secondary education on a tripartite basis. However, the government rejected its recommendations.

Few developments took place in the spheres of technical, further and higher education. Local education authorities were responsible for technical education and could undertake initiatives on a voluntary basis, reflecting the government's lack of interest. Further education tended to be pursued only on a part-time basis at evening classes following the failure to develop day continuation education. Finally, Simon

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8 Ibid., p. 30.
believes that British higher education was inferior to that in other advanced industrial economies in the interwar period.⁹

The 1930s witnessed growing dissatisfaction with state education. Demands included an increase in the school leaving age, and parity of esteem between different secondary schools. Criticism of the public school system was also growing. The Labour party published a pamphlet, written by R H Tawney, in 1922 which called for a range of secondary schools and the abolition of fees for secondary education. The party's dissatisfaction with state education reflected that of the TUC, which dated back to the nineteenth century. Congress resolutions had demanded a school leaving age of sixteen, part-time education for young workers, and maintenance allowances to permit children to remain at school after the statutory leaving age.¹⁰ Employers were also unhappy with the state education system, and identified poor English and numeracy skills as particular problems. However, there was also a tendency among some to belittle school education as being inferior to training in the workplace.¹¹

Wartime Reconstruction

While substantial progress may not have been characteristic the educational sphere in the interwar period, a range of ideas for reforms had been formulated. Therefore, the main impact of the outbreak of war was not to create original ideas but to provide a renewed stimulus to the demands of reformers. Amid mounting criticism of the education system, civil servants at the Board of Education acted quickly to grasp the

⁹ B Simon, *Education and the social order*, p. 31
¹⁰ MRC, MSS.292/811/5, TUC Education Committee (Educ. Ctee) 3, appendix, 10 Nov. 1942.
¹¹ K Burgess, 'British employers and education policy', pp. 34-5, 53.
initiative and to establish the agenda for debates on educational reconstruction. Its ideas were presented in a memorandum entitled *Education after the war*, the 'Green Book', designed to stimulate discussion in the direction of proposals that the Board found acceptable.\(^\text{12}\) To this end, copies of the memorandum were sent to various organisations including other government departments, local education authorities, teachers' organisations, churches, selected individuals, and other interested groups. This latter category included the TUC since Herwald Ramsbotham, the President of the Board of Education had advised it of the preparation of the Green Book.\(^\text{13}\) A copy was sent to neither the BEC nor the FBI, whose records offer no indication that they were aware of the document's existence at this time.

Much of the Green Book's content was not original in the sense that several of its proposals had been first floated in the interwar years. It recommended the abolition of fees for secondary education, a single code for secondary education, the organisation of secondary schooling on a tripartite basis. It endorsed demands for a school leaving age of 15 which had already been legislated in 1936, albeit with exceptions. Its third major recommendation was for further education for young workers on a part-time basis between the ages of fifteen and eighteen. Again, this had featured in previous legislation: the 1918 Education Act.

The TUC's Education Committee examined the Board of Education's memorandum over the course of several meetings, the conclusions of which were

\(^{12}\) PRO, ED 136/293, 'Education after the war': distribution of copies, 1941. The Board's agenda is discussed in B Simon, *Education and the social order*, p. 57 and P Gosden, *Education in the second world war*, p. 238.

recorded in a comprehensive statement of TUC education policy. The TUC was interested in all aspects of education and formulated proposals for the reform of secondary education, further and technical education, and higher education. Regarding secondary education, its priorities were to ensure free secondary education for all and to secure an increase in the school leaving age to sixteen although it conceded that this could be implemented in two stages. The reasoning behind the TUC's demand for a higher school leaving age was to ensure equality of opportunity in all types of secondary education, which suggests that the TUC was not wholly averse to the tripartite system. It expected both public and church schools would be integrated into the state system, in view of its past criticism of the former before the war. These were seen to preserve inequality in the education system while the church schools provided the same outcome because their financial difficulties prevented them from offering an acceptable standard of education.

The TUC supported the provision of part-time further education in day continuation schools for young workers up to the age of eighteen. Its purpose was to allow young people who left school at the minimum school leaving age to continue their general education; hence further arrangements for the expansion of technical education would also be required. For those with the requisite qualifications for university, the TUC called for an expansion of the scholarship system to allow those who had been offered a place to accept it. Simultaneously, the TUC sought

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improvements in the current value of awards to permit a reasonable standard of living for university students to allow full participation in student life.¹⁶

At this stage the BEC and FBI were more conspicuous by their absence from debates on the future of education. We have noted that they were not recipients of the Green Book, and there is no evidence to suggest that they had begun to consider educational reconstruction within their own organisations. The replacement of Ramsbotham by R A Butler as the President of the Board of Education signalled a new attitude towards education and industry. Not only did the pace of reform quicken under Butler and his Labour deputy James Chuter Ede, but industrial organisations were brought into the fold.

The TUC's activities were notable compared to those of its industrial counterparts. Once again the TUC showed itself to be more active in relation to postwar social reconstruction by becoming involved in the debate on educational reform from the outset. It was also anxious that reforms should be implemented before the end of the war in order to prevent potential delays, particularly since the war had caused so much interruption to children's education under the evacuation programmes.¹⁷ This led the TUC to combine with the Workers' Educational Association (WEA), the National Union of Teachers (NUT) and the Co-operative Union in 1942 to form the Council for Educational Advance (CEA). Its purpose was to lobby government for early educational reform by way of representations, pamphlets, newspaper articles, and public meetings to promote wider interest in the subject.

¹⁶ Ibid., TUC Educ. Ctee 10, Comments of the Board of Education's memorandum on "Education after the war", 14 April 1942.
¹⁷ Annual Trades Union Congress Report 1942, p. 46.
Under R A Butler, reform proceeded apace. In spite of Churchill's aversion to the prospect of educational reform owing to the controversies it might stimulate, Butler and Chuter Ede had reforms on the statute book by 1944. This was achieved in large part by commissioning committees, a deliberate tactic, to review the more contentious aspects of reform, thus allowing Butler to concentrate personally on the church issue while deflecting criticism from the government in relation to these other aspects of policy. Hence, the school curriculum, private education and technical education were passed to government committees for detailed consideration. Conveniently, neither the Norwood Committee on Secondary Education nor the Fleming Committee on the Public Schools reported in time for their recommendations to be incorporated into the government's legislation, while the Percy Committee on Higher Technological Education was not appointed until 1944.

The Fleming Committee was of particular interest to the TUC given its attitude towards the private education system. Its General Council, Walter Citrine represented the TUC on the Committee and the Education Committee presented evidence. The FBI also submitted evidence to the Fleming Committee, of a quite different tenor. The war had not softened trade union views on the public schools in any way. The TUC's evidence to the Fleming Committee favoured their abolition and integration into the state system in order that their advantages could be enjoyed equally by all children. This reflected the its policy that fees should not be charged for secondary education unless the schools were of an experimental nature, as were some direct

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19 PRO, ED 136/537, Outline of how educational reconstruction grew, undated.
grant schools, or self-supporting denominational schools. The lack of fees would remove distinction between different types of school to secure the principle of 'parity of esteem' in secondary education. The FBI's Education Committee, in its submission to the Fleming Committee, strongly supported the retention of public schools. Several of the Federation's members recruited actively from this sector and the FBI expressed a desire to establish closer links with the public schools. It was supported in this stance by the ABCC, which also endorsed the maintenance of private education, and complained of the prospect of greater government intervention in this sphere.

The Fleming Committee served its purpose well: these differences of opinion as well as those of other participants were effectively contained within this forum. When the committee released its report, which ultimately recommended the retention of the private sector with only small concessions in return for local education authority financial support, the TUC's criticisms had little impact, and the controversy over private education was never again so heated. While the TUC actively pursued involvement in the movement for educational reform, promoting it widely, it was left to the government to stimulate industrial interest in the subject. At an early date, Butler expressed an interest in improving relations with industry. Hence, a meeting was organised with BEC representatives in December 1942 with a view to keeping

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21 Ibid., TUC Educ. Ctee 4/1, Memorandum of evidence on abolition of tuition fees in grant-aided secondary schools for the Committee on Public Schools, 10 Dec. 1942.
22 Ibid.
23 MRC, MSS.200/F/1/1/Vol. 116, FBI D/4268, ref. 325/A/1, Memorandum to members of the Education Committee, District Secretaries and F.B.I. departments, 8 Jan. 1943; FBI D/4290, ref. 325/A/1, Education Committee, 20 Jan. 1943.
24 PRO, ED 12/518, R B Dunwoody, ABCC Secretary to R N Heaton, Joint Secretary to the Committee on Public Schools, 10 Feb. 1943.
them informed as to the government's plans for education. Further consultation and discussion on technical education took place within the Joint Consultative Committee of the TUC and BEC to the Ministry of Labour. Both Rodney Lowe and Correlli Barnett have criticised the government for its neglect of technical education prior to the establishment of the Percy Committee, especially when compared with the attention paid to the religious aspects of reform. It is true that Churchill's attitude to education required Butler to prioritise church issues where the potential of an outcry was perceived to be greatest. Nonetheless, industry was hardly seeking participation. The government was responsible for encouraging BEC involvement but there is no indication of the FBI's views prior to the passing of the 1944 Education Act with the exception of its submission of evidence to the Fleming Committee. Its lack of direct interest clearly contrasts significantly with that of the TUC, which sought meetings with Butler to promote its education policy, and helped to organise over 400 public meetings in conjunction with the CEA.

The government's plans were revealed in the 1943 White Paper, entitled *Educational Reconstruction*. It contained few departures from the Board of Education's original proposals. Its main features included the abolition of fees in state secondary schools, an increase in the school leaving age to fifteen with the prospect of a further increase to sixteen, and the provision of further education for young people in day continuation schools for one day each week. These proposals themselves gave the TUC no cause for complaint, but they were considered to be 'the

27 PRO, ED 46/155, Meeting of BEC representatives with R A Butler and J Chuter Ede, 21 Dec. 1942.
28 These meetings are discussed in C Barnett, *The audit of war*, pp. 285-6.
30 Annual Trades Union Congress Report 1944, p. 76.
very minimum of reform necessary'. The timetable for reform caused most dissent. In particular, the government had ruled out an increase in the school leaving age within the first 18 months after the end of the war unless there was a labour surplus. This proviso, combined with ambiguity in other respects, led the TUC to criticise the government for its 'far too leisurely approach to the whole question of reform'. Moreover, the postponements in increasing the school leaving age were perceived to threaten the key concept of equality of opportunity. If the leaving age was not increased then grammar schools would offer a longer course of secondary education than the modern schools, thus undermining the principle parity of esteem.

The BEC appeared to have virtually ignored the publication of the White Paper, as it did many other prescriptions for social reform but the FBI's Education Committee did discuss it. The Federation was happy with the proposal to increase the school leaving age to fifteen in the hope that an extra year of schooling would facilitate learning in a curriculum, which some of its members considered to have too much breadth. They had found poor standards of secondary education in some recruits, which undermined the effectiveness of industrial training. The FBI Education Committee expressed an interest in becoming more involved in the educational sphere with a view to ensuring that state education matched industry's needs more effectively. For instance, it advocated industry's participation in the design of courses provided in day continuation schools to ensure industry accrued maximum benefit.

32 Annual Trades Union Congress Report 1943, p. 64.
34 Annual Trades Union Congress Report 1943, p. 65.
from this provision. Again, these attitudes contrast quite starkly with those of the TUC: it sought the extension of a more liberal education, while industry seemed bent upon shaping the system to meet its own requirements. Hence, the FBI's greater interest was in technical education: it wanted better standards of courses, and all teachers to have a teaching qualification. The Federation hoped that industry could help in this respect by organising staff exchange programmes, and arranging refresher courses for technical teachers, which would heighten industrial awareness of the important role played by technical teachers.

The Coalition published an Education Bill in December 1943, which again was based on broadly similar lines as the White Paper. Plans for the abolition of fees in the state sector and the introduction of county colleges for the education of young workers were confirmed. The introduction of a higher school leaving age was fixed for 1 April 1945, however the President of the Board of Education could postpone it for up to two years, and no mention was made of a leaving age of sixteen.

The TUC's reaction to the Education Bill was equivocal; although it was appreciative of much of its content, it described the government's policy as 'vague and uncertain'. The principle of free secondary education was not to apply to the direct grant schools, much to the TUC's displeasure. The plan for county colleges was welcomed more, although the TUC hoped that young workers would ultimately spend half of their time in education. Still, the TUC certainly wanted the measure to be implemented. As part of the CEA, it wrote to Labour MPs and other MPs with an

35 MRC, MSS.200/F/1/1/Vol. 116, D/5084, ref. 325/A/1, 25 Nov. 1943.
36 Ibid., D4882A, ref. 325/A/1, 10 Sept. 1943.
38 Ibid.
interest in educational reform urging them to demand the abolition of fees in all secondary schools, and for a school leaving age of sixteen. However, Butler rejected Citrine's representations on this latter issue, suggesting that priority should be given to the reorganisation of all-age schools. The TUC also published a statement on educational reform in the *Daily Herald*, and sent circulars to affiliates asking them to lobby their local MP for support. The CEA continued to organise local meetings in recognition of the vital role local education authorities would play in the implementation of legislation.

The TUC's activity in this sphere was substantial and even the BEC showed an interest in the Education Bill, and asked the Board of Education to receive a deputation to discuss it further. However, it was Sir Robert Wood, the deputy secretary at the Board of Education, rather than Butler, who met with the deputation. Sir John Forbes Watson, the BEC director, sought a stronger focus on the basic subjects of reading, writing and arithmetic, but was unenthusiastic about the prospect of a school leaving age of sixteen. The Confederations' reservations were not based on educational considerations but interference with the apprenticeship system if pupils had to remain at school until the end of the term in which they reached sixteen. This showed that the BEC's interest in education, like that of the FBI, was very narrowly conceived in line with the particular needs of industrialists. Nevertheless, the

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40 MRC, MSS.292/811/6, TUC Educ. Ctee 6, 14 March 1944; MRC, MSS.292/810.26/1, TUC circular no. 27 to secretaries of trades councils and federations, 11 Nov. 1943; TUC circular no. 28 to general secretaries of all affiliated organisations, 11 Nov. 1943; Annual Trades Union Congress *Report* 1944, p. 77; Annual Trades Union Congress *Report* 1945, p. 87.
Confederation also expressed an interest in becoming more involved with state education.

The Education Act itself received the Royal Assent in August 1944. It heralded the introduction of free secondary education for all until the age of sixteen although definite plans were made for the raising of the school leaving age to fifteen only. County colleges would be established to provide part-time education for workers aged fifteen to eighteen, although no timetable for their introduction was provided. The Act also upgraded the Board of Education to a Ministry, and made provision for the appointment of the Central Advisory Council for Education (England). It ignored the issue of the public schools on the basis that their future was being considered by the Fleming Committee, which had only just reported. It presumed rather than prescribed a tripartite basis for secondary education as endorsed by the 1943 Norwood Committee, but offered no explicit guidance either way. The dual system was also retained with more local control in exchange for more public finance.

Following the passing of the 1944 Education Act, the FBI published a pamphlet that raised educational issues that were important to industry. It identified the shortage of technical and science teachers as an important educational issue. With regard to secondary education, the FBI shared the TUC’s view that parity of esteem between different types of school was of the utmost importance. Yet while the TUC held this objective in the interests of social equality, the FIB was more concerned with the perceived anti-industry bias prevalent in public and grammar schools – a problem

42 Federation of British Industries, Industry and education.
43 MRC, MSS/200/F/11/1/Vol. 116, D/6046, ref. 325/A/1, 4 Oct. 1944.
that could be alleviated by reducing the hierarchical nature of secondary education. The appointment of the Percy Committee provided the FBI with a further opportunity to express its views on state technical education. It advised the Committee of a growing need in industry for workers with training in technology. The prospect of staff exchanges was raised as a means of assisting its development, but the FBI was also concerned that practical difficulties including being able to provide teachers with suitable work, and the ability of firms to release their own staff for teaching would render this policy impracticable.

The Labour government and the 1944 Education Act

The 'White Paper Chase' presented the new Labour government with a number of prescriptions for reform, but the Education Act had actually been legislated with the consent of the Labour party as partners in the Coalition government. Responses to the Act varied in different quarters of the Labour party, but ultimately the leadership and both Ministers of Education, Ellen Wilkinson and George Tomlinson, sought to implement educational reforms in the spirit of the Butler Act. The Attlee government did not instigate any radical education policies: 'the simple priorities were to maintain prewar standards and to lay the foundations for the achievement of "equality of opportunity".'

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44 K Burgess, 'British employers and education policy', p. 52.
45 PRO, ED 46/295, Fourteenth meeting of Higher Technological Committee, 26 April 1945; ED 46/296, ref. 325/A/1, Basis of evidence to be presented by the Federation of British Industries to the Departmental Committee on Higher Technological Education, 12 April 1945.
Hence emphasis was placed on raising the school leaving age to fifteen, and providing more school places accordingly, improving further education and technical education, and increasing access to higher education. The pursuit of these goals was hindered at an early stage by shortages of building materials and teachers, which was compounded further by economic difficulties after 1947. Conflict over education policy between the parties was virtually absent, but was present within the Labour party, and was on the increase in the trade union movement. Here the General Council did follow up complaints about education expressed at annual congresses, proving itself to be less tolerant of financial restraint in this area of the social services. Discord also existed between the TUC and industrial representatives over fundamental aspects of government education policy. Their attitudes towards developments in state education at the level of secondary education, further and technical education, and higher education are considered below.

Secondary Education

The TUC’s wide-ranging interest in education policy has already been illustrated in relation to its wartime activities. Neither the BEC nor the FBI demonstrated a comparable degree of interest, but had sought to discuss education policy with government or government committees where it could be seen to impinge upon industry. Both had expressed a desire to build closer links with the Ministry of Education, albeit in the narrowest sense. The TUC sought to secure the principle of ‘equality of opportunity’ in the state education system, and anticipated that the 1944 Act, in spite of its weaknesses, would produce this outcome, particularly if the TUC
sought to ensure its full implementation with improvements in line with trade union policy.

The Labour government adhered to the tripartite system of secondary education, recommended by the 1938 Spens Committee, endorsed by the 1943 Norwood Committee, and assumed in the 1944 Act. The TUC had supported multilateral schools in the 1930s whereby single schools would offer a range of courses in accordance with the different needs and abilities of their pupils, and criticised the Spens Committee for not choosing this option. Nevertheless, high priority was not attached to the organisation of secondary education either during the war or afterwards. Despite a backlash against tripartism on the left of the Labour party, the TUC appear to have been ambivalent. It believed that 'our public education system should provide equally (but not identically) for all children'. Its only obvious reservations concerned the efficacy of the tripartite system to meet this objective if the school leaving age was not raised to sixteen for the modern schools, and if restraint in public expenditure undermined development of the secondary moderns in other ways.

The question of the school leaving age prompted an early debate: the TUC had been bitterly disappointed in 1945 when Butler had announced the postponement of the increase in the leaving age to fifteen. Ellen Wilkinson intended to implement this policy as soon as possible, but was still not particularly responsive to a CEA deputation that requested timescales. She also ruled out a further increase to sixteen.

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49 Annual Trades Union Congress Report, 1946, p. 117.
prior to the establishment of county colleges. The TUC was unhappy with her response because of its implications for parity of esteem between the grammar and secondary modern schools. When the Minister announced the raising of the school leaving age to fifteen in April 1947, the TUC merely regarded this as a first step and started a campaign for a leaving age of sixteen, which would last for the whole of this period. Ellen Wilkinson continued to reject TUC demands for a further increase: she argued that the demands on resources of the increase to fifteen had been too great to contemplate another extra year of education. Other policies including the introduction of county colleges, the reorganisation of all age schools, and a reduction in class sizes also took priority over a statutory leaving age of sixteen.

Ellen Wilkinson's recalcitrance over a higher school leaving age did not meet with universal concern. The BEC was irate when a date was set for its increase to fifteen. Owing to full employment, employers had little interest in improvements to schooling that would produce a corresponding reduction in the size of the labour force. Hence the Confederation asked the government to keep the leaving age at fourteen to avoid exacerbating the labour situation. Hugh Dalton also put this proposition to the Cabinet in view of the findings of the 1947 Economic Survey but the government decided against a further delay. The school leaving age was raised to fifteen in April much to the annoyance of the BEC, which criticised the Act for its 'inopportuneness and unwisdom' since it would remove approximately 370,000 potential school leavers

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51 Ibid., TUC Educ. Ctee 8/1, Notes for deputation to Minister of Education on school leaving age, 14 May 1946, p. 1; TUC Educ. Ctee 8/2, Memorandum to Minister of Education on school leaving age, 14 May 1946; Annual Trades Union Congress Report, 1946, p. 117.
from the labour market. This loss of manpower would be compounded by the requirement for labour to build and equip the schools needed to accommodate the increased school population. Any benefits which may have accrued from a better-educated workforce did not seem to occur to the BEC. Timmins suggests that the level of demand for labour at this time meant that quality considerations were simply not as important.

Economic difficulties created a significant strain on the state education system after secondary education was extended, which was exacerbated by the additional demands on the education system created by the postwar increase in the birth rate and the need for schools on new housing estates. The balance of payments crisis in 1947 led to cuts in the school building programme. Following a further sterling crisis in 1949, the Ministry of Education issued Circular 210 with instructions for local education authorities to reduce standards of school accommodation, to cut leisure facilities, to make administrative savings, and to increase the fees for evening classes by ten per cent.

As in other policy areas financial restrictions imposed by the Labour government did not appear to cause the TUC's Education Committee undue concern. However, at least two unionists at the 1950 Annual Congress felt that the General Council was being too lenient over the government's education policy. W B Beard, the Chairman of the TUC's Education Committee, sought to deflect criticism of the government's policy by asking unions to monitor the actions of local education authorities who

54 Ibid.
55 N Timmins, The five giants, p. 97.
would implement the cuts. Still, the Education Committee did then write to George Tomlinson with Congress' complaints about the school building programme, where not enough schools were being built and standards were perceived to be inadequate. This approach was significant given that the General Council had not presented criticisms of the government's social policy in other areas made at Congress while Labour was in power. George Tomlinson rejected its complaint on the basis that the government expected to reach its goal of providing 1,150,000 new school places by December 1953 which led him to believe that schooling was receiving its fair share of resources.

Further and Technical Education

This area of education presented a further area of disagreement between the TUC and BEC. The main thrust of policy initially was the introduction of county colleges. Although the Labour government attached much importance to this policy, the increased demand for schooling combined with accommodation and staff shortages necessarily reduced its capacity to proceed with their establishment. The TUC's interest was long-standing, but the BEC was much less keen. The Confederation opposed the introduction of county colleges in principle, and complained that employers had not been consulted over which workers would attend and the content of the curriculum. Disagreement also arose over cost-related issues: employers were unwilling to pay their workers who wanted to take further education courses on a

57 Ibid., pp. 163 & 500.
58 MRC, MSS.292/811/10, TUC Educ. Ctee 9, 3 July 1951.
60 PRO, ED 46/677, Memorandum on county colleges by Ministry of Education, undated.
block-release basis, and many were even averse to bearing the cost of day release.\textsuperscript{62} As the TUC insisted that workers should be paid when absent for educational reasons regardless of their timetable, the National Joint Advisory Committee to the Ministry of Labour was unable to make any recommendation on this matter.\textsuperscript{63}

In 1948 the government asked the CACE(E) to review the future development of county colleges. The Council's report on 'The Education of the Young Worker' reached the conclusion that the government should prioritise the needs of schooling over the establishment of county colleges. Even once there were enough school places, the government would have to carry out improvements in many schools and complete the Hadow reorganisation of all-age schools. In the meantime, the Council advised the establishment of a small number of colleges to provide an indication of how they would function.\textsuperscript{64} There is no record of the BEC's response to this report but the TUC was clearly disappointed.

\textit{Higher education}

Otherwise the government was more interested in developing the study of technology at more advanced levels, including specialisms such as engineering. The Percy Committee released its report on Higher Technological Education in 1945. Its recommendations were somewhat limited: its only concrete proposal regarded the designation of some technical colleges to provide diploma and degree level courses. It also suggested that the government set up a central advisory body with regional

\begin{itemize}
\item[\textsuperscript{62}] PRO, ED 46/676, National Joint Advisory Committee meeting, 27 Oct. 1948.
\item[\textsuperscript{63}] Ibid.
\item[\textsuperscript{64}] PRO, ED 136/730, Central Advisory Council for Education (England) memorandum to the Minister of Education, May 1949.
\end{itemize}
committees to promote the study of technology and to foster relations between
industry and the technical colleges. The government quickly accepted the latter
proposal and appointed a National Advisory Council for Education in Industry and
Commerce (NACEIC) and Regional Advisory Councils for Further Education. Both
the central and local bodies had trade union and industrial representation, the BEC
having actively sought appointment to the National Advisory Council; nonetheless
Martin Davis points out that both the NACEIC and the regional councils were
dominated by educational interests with industrial representation never exceeding 20
per cent of their membership.  

The new NACEIC took responsibility for developing the government’s policy on
Technological Education’, advocated the introduction of new advanced courses in
technology and a new type of award. It proposed the establishment of a Royal
College of Technologists to make awards in order to improve the status of technical
education. The Labour government published a White Paper that largely embodied
these recommendations but the Conservatives’ success in the 1951 election
interrupted its plans.

The TUC welcomed the government’s White Paper as the unions attached much
importance to the development of technical education at its more advanced levels.
There is no record of the FBI’s response but Roy Lowe found it was unhappy with
postwar developments in technical education.  It complained of the shortage of

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66 R Lowe, Education in the post-war years, p. 165.
science and technology graduates amid the broader labour shortage and the need for Britain to increase her export levels. The Federation argued that advances in scientific and technological research in the production of substitutes could help to address the shortages of manpower and raw materials. Consequently it was irritated by the continued recruitment of science and engineering students into the armed forces when they were so obviously needed in the domestic economy. Moreover, amid the industrial labour shortage, science teachers were returning to industry, which was likely to further undermine the development of scientific education in the long-term.

Besides the government’s policy relating to higher technological education, both the TUC and the FBI followed developments in university education. The FBI sought direct involvement with the universities because many of its member firms recruited from their ranks. In order to develop greater understanding of industry’s needs and the functioning of the universities for their mutual benefit, conferences were held and a FBI working party was established to examine how closer links could be created. Suggestions arising from these initiatives included the appointment of industrialists to university governing bodies, staff exchanges and better communication in general in order to establish the qualifications that industry sought in graduate recruits. In addition, regional conferences were held in order to develop links between local industry and their universities.

The TUC was more concerned with government policy, and in particular the question of access to higher education. It joined the Campaign Committee for Higher Education to promote interest in the work of the universities. The TUC wanted expansion of university education to ensure an adequate number of places for all qualified pupils, and improvements to the award system to ensure that financial circumstances did not prevent anyone from pursuing a university degree. It was critical of the number of awards available, discrepancies between different local education authorities, and the lack of provision for non-university students. Its demands were met in part by the report of the government's Working Party on University Awards, which advocated reform of the grant system to ensure that merit was the only criterion for entering a course of higher education.

Ultimately the Labour government's policy was centred upon the implementation of the 1944 Education Act insofar as resources and demographic change would permit. Secondary education dominated government policy: its major achievement here was the raising of the school leaving age to fifteen, much to distaste of the BEC. Otherwise, the trend in this sector was one of expansion along broadly similar lines as before. Secondary schools were set up on tripartite lines, and there was no mention of abolishing the public schools while Labour was in government. Further education in county colleges was the victim of economic circumstances and a redrawing of the

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70 Other member groups included the Association of Scientific Workers, Association of Teachers in Technical Institutions, Association of University Teachers, British Association of Chemists, British Medical Association, National Union of Students, National Union of Teachers, Workers' Educational Association, Annual Trades Union Congress Report, 1948, p. 165.
government's priorities in favour of schooling. Developments in technical education were planned at advanced levels but little was actually achieved under Labour. Similarly, gradual expansion of higher education was initiated. Cuts to educational expenditure after 1947 caused concern in the TUC, as did the lack of commitment to a school leaving age of sixteen and the postponement of county colleges. Both these policies were unacceptable to the BEC. At this stage, the Confederation prioritised labour market needs over education. The FBI adopted a longer-term perspective with regard to technical education, and supported government plans for its development. Otherwise, it formed direct contacts with universities in order to discuss industry's needs in relation to their work rather than discussing higher education policy with the government. While continuity between the Coalition government and Labour's policy gives rise to signs of consensus, as does the lack of Tory opposition in this sphere between 1945 and 1951, producer interests were not quite so harmonious.74

Conservative governments

As Tory interest in education reform had been largely precipitated by a desire to overshadow the Beveridge Report, it is perhaps hardly surprising that the new Churchill government in 1951 showed little interest in the subject.75 Moreover, the reforming Minister of Education, R A Butler, now presided at the Treasury where financial considerations were predominant. Education policy between 1951 and 1955 was characterised by financial restraint, and the emphasis lay simply on making enough provision for the ongoing implementation of the 1944 Act.76 By contrast, the

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74 B Simon, *Education and the social order*, identifies a strong element of continuity in education policy in the 1940s.
75 A Seldon, *Churchill's Indian summer*, p. 270.
76 Ibid., p. 274.
period after 1955 has been described by Brian Simon as one of 'break-out' a term used to convey the significant degree of expansion at all levels. Concerns about economic decline and public dissatisfaction informed much of government interest in education policy after 1955.

Although Tomlinson had sanctioned significant cuts to education spending in 1949, the TUC's response to Conservative implementation of this policy was by now predictably censorious. The new Minister of Education, Florence Horsburgh, released Circular 242 in December 1952 in order to reduce educational spending by £13 million with instructions for local education authorities to cut their budgets by five per cent. The TUC now found cuts in educational spending to be unacceptable: 'Circular 242 makes a second bite at a cherry already bitten by Circular 210 and the cherry is just not big enough to accommodate two bites.' As with the Conservatives' health charges, the TUC's concern was based on its belief that Labour policy had been a temporary contingency in response to difficult economic circumstances, whereas it anticipated that increased charges and spending cuts would typify Conservative policy. Its Education Committee suggested that 'this circular indicates an intention ... to halt and reverse the whole process of development and expansion of the education service'. Spending concerns featured highly in TUC dissatisfaction with the government's education policy over the next thirteen years, but to little effect. It argued with successive Conservative Ministers of Education that their policies represented a threat to the principles of secondary education for all and equality of

77 B Simon, *Education and the social order*.
opportunity. Ministers duly accepted these representations and defended government policy against TUC criticism, but it would appear that the TUC's concerns merited little further consideration.

Secondary Education

The impact of spending restrictions was felt throughout the whole of the system but it was most visible in relation to schooling. The abolition of fees, the raising of the school leaving age, new housing estates, and the increase in the birth rate at the end of the war that affected primary schools in the early 1950s had already increased demand substantially in this sector. Under Churchill, education was not given a great deal of priority, and the main thrust of policy with respect to schooling was to ensure there were enough places in terms of provision of accommodation and staff. The school building programme captured TUC attention throughout the early 1950s, while being of little or no interest to the industrial organisations. The Ministry of Education regularly released circulars that advised of new restrictions on school building. These would be removed as the economic situation eased but were then re-established at any sign of a downturn. These circulars caused a great deal of frustration in the TUC: not only did the matter preoccupy the Education Committee, but persistent complaints were made at annual congresses. Meetings with Ministers of Education produced little by way of results. Both Florence Horsburgh and Sir David Eccles countered TUC criticism, each claiming that the level of school building was at its highest ever,

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81 A Seldon, Churchill's Indian summer, pp. 270 & 275.
and showing that spending on education under the Conservatives was growing at a faster rate than that on other areas of social policy. Yet cuts were made in 1955, 1956 and 1957, all of which angered the TUC. Its Education Committee identified the impact of financial stringency in terms of the number of substandard school buildings, overcrowded classrooms, inadequate facilities for teaching science and the persistence of all-age schools.

It was not until 1957 that the TUC seriously began to lend consideration to the functioning of the tripartite system of secondary education. Professional and public reservations over tripartism and the eleven-plus selection examination had gradually mounted throughout the decade. The Labour party formally adopted a multilateral policy in 1953, but the TUC remained fixated on the school leaving age as the source of all difficulties in secondary education. Neither was the BEC nor the FBI particularly concerned, although the latter complained of discrepancies in the number of grammar school places between local education authorities. The Conservatives had retained the tripartite structure with limited experiments in comprehensive schools where desirable, but in truth the system was more bipartite than tripartite owing to the lack of development of the technical school. Local education authorities were never particularly keen on this type of school on the grounds of the cost of their establishment, and disputes over the appropriate age of entry. Conservative

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governments were ambivalent and left it up to local education authorities to decide how they wished to provide technical education. Local education authorities tended to opt for a greater emphasis on science subjects or technical streams in the modern and grammar schools. Consequently, only 3.7 per cent of school children attended technical schools in 1957.

No greater support for technical schools could be found in the TUC, which now expressed an aversion to these schools on the grounds that the curriculum was too narrow and restrictive. It favoured ‘a flexible and adequate system of secondary technical courses available for suitable children following on a sound general education’. This could best be provided in either bilateral or comprehensive schools in order to build a sound foundation for the urgent need for an expansion in higher technological education to address the shortage of scientists and technologists. Neither was the FBI keen on technical schools. It also expressed a preference for bilateral schools, which would not focus exclusively on technology. Indeed, Rodney Lowe attributes much of the lack of development of technical education to industry, as employers sought academic rather than vocational qualifications in potential employees.

This discussion on technical education and the TUC’s support for bilateral or comprehensive schools was the first indication that the TUC was beginning to reject

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87 PRO, ED 147/638, Edward Boyle, to Commander J W Maitland, MP, 15 April 1959.
89 PRO, ED 147/207, Extract from Mr Humphrey’s note - views of industrialists, T.U.C., etc., undated.
91 PRO, ED 147/207, Extract from Mr Humphrey’s note - views of industrialists, T.U.C., etc., undated.
92 R Lowe, The welfare state in Britain since 1945, pp. 231-2.
the existing model. Its concerns were based not only on technical education but also on growing criticism of the secondary modern schools. Approximately 75 per cent of pupils attended these schools, which were widely and increasingly regarded as inferior to the grammar schools. As standards of education in the modern schools were being questioned, doubt was correspondingly being placed on the fairness of the eleven-plus examination. Awareness was growing of the happy coincidence between the numbers who passed the exam and the number of grammar school places in each local education authority. Both the TUC and FBI highlighted this flaw in the system when discussing secondary education.93

In 1957 the government requested the CACE(E) to examine education for children between fifteen and eighteen. The TUC, BEC and FBI submitted evidence to the committee, which was chaired by Lord Geoffrey Crowther on which the TUC was also represented. The appointment of the committee coincided with, or inspired the TUC's recognition that the difference in the school leaving age was not the only source of inequality between the secondary moderns and the grammar schools. Research was also indicating that social factors as well as demonstration of ability were important in determining children's performance in the eleven-plus examination. Furthermore, the opportunities to change schools after the initial selection process had taken place were limited. In its evidence to the Crowther Committee, the TUC advocated an expansion in bilateral schools and more experiments with comprehensives, but this did not amount to full endorsement of reorganisation.94

still placed a great deal of emphasis on a school leaving age of sixteen and urged the Crowther Committee to give this matter serious consideration as all children should receive a course of secondary education lasting five years. The BEC was still strongly opposed to this proposal; although it was dissatisfied with standards of reading, writing and numeracy among young workers, it rejected the notion that an extra year of schooling would resolve these deficiencies. In fact the Confederation claimed that the increase in the school leaving age to fifteen in April 1947 had not been worthwhile for pupils in secondary modern schools since they made such little progress in their final year. Accordingly they would be better served by beginning work at fourteen rather than remaining any longer in education. The FBI did not endorse a statutory leaving age of sixteen but it was embarrassed by the BEC’s remarks; its Education Committee noted ‘strong feeling ... that the B.E.C.’s evidence to the Central Advisory Council contained a number of unfortunate and retrogressive statements’. The Federation favoured a voluntary approach, where suitable pupils could remain at school if they so wished after reaching fifteen. In a more tactful vein, it agreed with the BEC that not all pupils would benefit from a further year of secondary education, and also highlighted the burden that such a policy would place on teachers and accommodation.

While the Crowther Committee was carrying out its enquiry, the government responded to growing public dissatisfaction with the education system in the form of a
White Paper, *Secondary education for all*, in 1958. This was the fruit of a dialogue between Sir David Eccles and Harold Macmillan. Subsequently the Prime Minister decided that the Conservatives should select secondary education as a high-profile policy measure in view of the current debate. The White Paper contained proposals for a £300 million programme to improve standards in secondary schools, permit pupils to remain at school until sixteen on a voluntary basis, and complete finally the reorganisation of all-age schools. The White Paper promised to address many issues raised by the TUC in recent years, but its Education Committee was ambivalent towards it. The repeated expenditure cuts and restrictions of the past decade had taken their toll on the TUC's relationship with the government; it no longer trusted the government to implement this programme. In addition, it also complained that no progress had been made in increasing the school leaving age.

Consolation was offered, however, in the following year, when the Crowther Committee put forward as a key recommendation an increase in the leaving age to sixteen, to be implemented at an appropriate juncture between 1966 and 1969. The TUC was obviously pleased, and issued a public statement urging the government to accept the committee's recommendation and raise the leaving age at the earliest opportunity. Less predictably, the BEC's Education Sub-Committee also endorsed the Crowther Committee's proposal in a marked reversal of its previous position.

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102 15 to 18, pp. 131 & 454.
Confederation now accepted that a higher leaving age should be implemented in order to secure higher standards in English and mathematics with the mere proviso that the final year could be spent in either school or technical college. The BEC’s records offer no explanation for this turnaround. The FBI’s influence is unlikely given that it maintained its support for a voluntary policy only. Another reason for its change of heart could be growing awareness of the link that was being made between education and Britain’s relative economic decline. There is no evidence to suggest explicitly that this directly influenced the BEC’s attitude towards the length of secondary education, but it was also becoming more positive about day release and staff exchanges towards the end of the 1950s.

The government accepted the Crowther Committee’s proposal, but did not address the question of implementation immediately. In March 1960, the Minister of Education, Derek Walker-Smith, announced a reordering of the government’s priorities in education. Its main concern would now be the reduction of class sizes, which would be pursued before the school leaving age was to be raised, but this would now be considered more urgent than the establishment of county colleges. In 1964, the government announced that the school leaving age would be raised to sixteen in 1970. This eventually took place in 1972.

105 M Sanderson, Education and economic decline, pp. 74-5.
107 PRO, ED 46/1070, N.C. 17932, Education between the ages of 15 and 18 - first report by Confederation’s Industrial Education and Training Committee, May 1960.
The Crowther Committee was followed by another Central Advisory Council enquiry on secondary education in 1961 when the Newsom Committee was appointed to consider the education of children between the ages of thirteen and sixteen of average or less-than-average ability. In its evidence to the Newsom Committee, the TUC finally rejected the tripartite system outright. On the basis of contemporary research findings, the TUC argued that academic ability could not be measured effectively at the age of eleven. The BEC's evidence, as was now customary, reflected its own specific interests in state education. Nevertheless, its attitude was positive as it sought to develop links between industry and the schools. Afterwards, the Confederation introduced a pilot programme to allow student teachers to undertake work placements. "Introduction to Industry" had several aims that included providing an insight into the nature of industrial work; helping to indicate the standards of education required by employers; assisting employers in understanding the teaching process; and to improve generally relations between education and industry and encourage better communication. Although these still reflected a preoccupation with the needs of employers rather than a wider appreciation of state education, the BEC's new-found interest in schools should be viewed in a positive light, and suggests a greater recognition of the importance of education for industrial performance in the longer term. The pilot programme signalled a much more active role for the usually reticent employers' organisation.

110 MRC, MSS.200/C/EDU/1/1, BEC 65/327, Training and Education Bulletin, June 1965, p. 17.
111 Ibid., BEC 64/352, Introduction to industry schemes for teachers - note by Confederation, undated.
By the end of this period, a substantial expansion had taken place in secondary education to meet the demands placed on the sector, if not always successfully in views of the continuation of overcrowded classes and poor standards of accommodation. Nevertheless, the appointment of the Crowther Committee and the Newsom Committee and the 1958 White Paper all reveal that the government was aware of the deficiencies of secondary education. The period was not entirely satisfactory for the TUC: Expenditure cuts, the school leaving age and the increasing problems of the tripartite structure all combined to create a great deal of dissatisfaction, and this was only in relation to schooling. The FBI and BEC were less concerned: the former did not get involved with the secondary modern schools and only the number of grammar school places gave it any cause for concern. It was ambivalent in the debate about the leaving age and merely considered the policy inadvisable but no great threat either. The secondary modern schools should have been of more concern to the BEC, but this organisation showed little positive interest in schooling until the late 1950s. Even then, its concerns reflected industrial interests rather than awareness of the wider debates in education at this time.

*Further Education and Technical Education*

It was not until the mid-1950s that concerns about decline began to have implications for this sector of education, which were recognised in a White Paper, *Technical Education*, published in 1956 under the new Eden government. Further and technical education were somewhat neglected under the Churchill government, and no further progress was made with county colleges. The White Paper indicated a renewed interest in technical education to reflect recognition that Britain’s provision was poor
compared to that of her industrial competitors. It was proposed to spend £20 million to promote technical education in local, regional and advanced technical colleges. One approach favoured by the Ministry of Education was to encourage staff exchanges with the technical colleges. The FBI and BEC had already expressed some apprehension, which was sustained but the BEC did make a tentative suggestion that industry may be able to offer refresher courses for teachers. The Confederation was less encouraging when the Ministry of Education consulted it with regard to its plans for day release courses for young workers. The government had already made efforts in this direction but to little effect. Therefore, the White Paper included plans to double the number of participants in day release schemes to 450,000. The BEC claimed this objective would be unattainable in some sectors of industry. It also continued to be concerned that workers would choose courses that pertained to their general education or other interests rather than vocational courses acceptable to their employers.

Its doubts over staff exchanges aside, the FBI welcomed the White Paper, particularly its plans for the development of advanced courses, but the Federation was still disquieted by the lack of a firm timetable for its implementation. The trade union movement hoped that better technical education would lead to higher levels of productivity, which in turn would raise living standards. Hence, to encourage

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114 Ibid., Norman Kipping to Sir David Eccles, 22 May 1956; Document entitled ‘Federation of British Industries, the White Paper on Technical Education (Cmd. 9703), May 1956; Ministry of Education interview memorandum - FBI. 3 July 1956.
students to choose technical courses, the TUC called for non-means-tested scholarships for this sector.\textsuperscript{115}

Further education also came under examination by the Crowther Committee. That year the Minister of Education, Derek Vosper, advised the TUC that the government could not set up county colleges owing to an insufficient number of teachers.\textsuperscript{116} In their evidence to the Crowther Committee, both the BEC and FBI displayed an antipathy towards county colleges, although it was much stronger on the part of the former. The Confederation suggested that rather than setting up county colleges to provide further education on a universal basis, the government should concentrate resources on its most talented young people.\textsuperscript{117} The FBI did not reject further education for young workers outright, but wanted to use the existing further education colleges for this purpose instead of creating a new institution.\textsuperscript{118}

The Crowther Committee reached a compromise: in principle it supported the establishment of county colleges, but suggested that a large-scale expansion of day release should precede their establishment in order to gain experience of how they would operate.\textsuperscript{119} This recommendation was quickly accepted by the government but not necessarily as a prerequisite to county colleges: David Eccles advised the TUC that he did not envisage compulsory attendance at these within the next 20 years.\textsuperscript{120}

\textsuperscript{116} Ibid., TUC Educ. Ctee 7/1, Report of Meeting with Minister of Education on 20 March 1957, 9 April 1957, pp. 3-4.
\textsuperscript{118} PRO, ED 146/31, D/3928, Evidence by the F.B.I. Education Committee to the Central Advisory Council for Education (England), 12 March 1958, pp. 1-2.
\textsuperscript{120} Ibid., TUC Educ. Ctee 2/2, Day release for further education - report of meeting with Minister of
The government was, however, very interested in the Crowther Committee's discussions on day release, particularly since it was not meeting the targets that it had set itself in the 1956 White Paper. Consequently, the Ministry of Education undertook serious consideration of an idea that had been discarded by the Central Advisory Council regarding the prospect of a legal right to day release. Eccles hoped that such a policy would alleviate criticism of the government's lack of progress so far in expanding day release, and also deflect attention from its refusal to introduce county colleges.

Day release was discussed at length over the next few years by committees, working parties and tripartite discussions with employers and employees' representatives. Eccles initially consulted the TUC and the FBI on the prospect of compulsory day release. Both were circumspect: the TUC was worried that young workers who exercised their right to day release against the wishes of their employers would suffer recriminations, and the Federation was firmly of the opinion that day release should be initiated by employers. In the wake of these consultations, the Ministry of Education appointed a working party to investigate the idea further.

The FBI became increasingly hostile to the notion of a legally-based scheme: 'the general principle of placing the power in the hands of the young person instead of the employer is contrary to all our accepted ideas about the relationship between employer and employee'. Newton, a member of its Education Committee, suggested

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that it might also discourage small firms from employing under-18s owing to the added cost. The BEC did not seem particularly concerned about the prospect of a compulsory scheme, and still considered the type of course to be the most important issue. It was adamant that workers should not be allowed to choose recreational courses.

The working party released its report in 1962, having reached the conclusion that a compulsory scheme of day release would be successful only if employers who refused to cooperate could be penalised in some way. Even so, it warned that a very successful programme might exceed available resources of teaching staff and accommodation, which could adversely affect other aspects of education policy. A further meeting with the TUC, BEC and FBI agreed that a compulsory scheme would be too expensive. The FBI was particularly unenthusiastic, and emphasised that the cost to the employer as well as the taxpayer had to be taken into consideration.

The BEC proved to be more supportive. Although it still maintained reservations over course content, its representative Henniker-Heaton suggested that ‘[i]t might be more expensive in the long term not to undertake the development of day release.’ Having still not found a way of increasing participation in day release schemes, the Ministry set up a special committee: the Committee on the Development of Day Release, chaired by Henniker-Heaton. The Ministry had deliberately selected an

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124 PRO, ED 46/1008, Attachment to R.D.R. Minutes 2, 19 Sept. 1961, circulated by Mr Newton (FBI) - The difficulties that employers foresee in the introduction of the proposal by the Minister of Education that young people under the age of 18 should have the right to demand part-time day release; R.D.R. Minutes 5, 28 March 1962.
125 Ibid., R.D.R. Minutes 3, 8 Nov. 1961.
126 MRC, MSS.292B/811/18, TUC Educ. Ctee 8, 10 July 1962, p. 43.
127 PRO, ED 46/1009, Note on the working party on the right to day release by J A R Pimlott, Under Secretary at Ministry of Education, 4 June 1962.
128 Ibid., The development of day release - note of a meeting, 20 July 1962.
industrialist for this position because industry's co-operation was so vital to the policy's effectiveness. Representatives of the TUC, BEC and FBI were also appointed to its membership. Those making representations were advised in advance that the committee would be unable to make proposals that would involve considerable cost. Hence, each of the industrial groups accorded a measure of priority to different groups of young workers who should be entitled to day release. The TUC had recently decided in favour of a compulsory scheme, but under the committee's limited terms of reference it opted to prioritise fifteen year olds since they left school at the minimum age. Once this group had been provided for, it wanted the government to identify which sectors of the economy had most need for further education. The FBI and BEC both prioritised on the basis of occupational hierarchy: the Federation attached most importance to workers for whom further education provision already existed, followed by those school leavers who had been in employment for less than one year; then other young workers who would benefit from day release. The employers gave preference to apprentices and other skilled workers over less-skilled young people who would then be offered courses which both they and their employers found mutually acceptable. The Committee on the Development of Day Release issued a report in 1964 containing recommendations for an increase in the number of workers taking part in day release by 250,000 over the next five years. The target was to be divided among local education authorities who would be expected to work with local industry in order to ensure that it would be

129 Henniker-Heaton was the Director of the Master Cotton Spinners and a member of the BEC Education and Industrial Training Committee.
131 Ibid.
132 PRO, ED 204/3, DDR/E/7, Evidence by the Federation of British Industries, 1963
achieved. The plan was welcomed by the TUC, but the BEC’s membership was less impressed. Although the Confederation publicly expressed its support, some of its members felt the government’s targets were too high. The curriculum also remained a source of disagreement as the Confederation, and also the ABCC, continued to resist non-vocational courses.

As debate continued on the expansion of day release, other developments were taking place with regard to technical education. In 1961, the government released a further White Paper entitled Better Opportunities in Technical Education. Its issue reflected recognition in the Ministry of Education that recent advances in technical education had overlooked the needs of technicians, operatives and craftsmen. Current technical courses were also considered to be out-of-date. The White Paper also sought to address the high wastage rates in further education by reorganising courses to provide more variety and to meet industry’s needs more effectively.

Higher Education

The FBI continued to meet with university representatives in the 1950s. A conference was held in 1953, and in the following year its Education Committee undertook a project designed to encourage their members to appoint graduates to higher positions. It also sought to increase student interest in work in industry, and

134 MRC, MSS.292B/811/20, TUC Educ. Ctee 12, 14 July 1964, p. 64.
published two pamphlets on this subject – ‘Industry and the graduate’ and ‘A career for the graduate in industry’.  

Both the TUC and FBI took an interest in the student award system, again for different reasons. The TUC’s policy was still premised upon the principles of improving access and ensuring the grants were adequate to allow students to accept a university place. In June 1952, Florence Horsburgh announced the removal of restrictions on the number of awards in order that all those offered a university place would receive financial assistance. At the same time, the means-test would be tightened. Although the TUC was disappointed with the more severe means-test, it welcomed the new policy which would facilitate access to higher education and thus stimulate expansion. The policy would have been less satisfactory for the FBI, which was already unhappy with the operation of the means-test. The Federation’s concern reflected the impact of means-testing grants on parents in the higher income brackets. Nevertheless, it had decided not to complain to the Ministry of Education, on the basis that such an approach would be inappropriate since the government had recently granted income tax relief, and was currently in pursuit of an economy drive of which the FBI highly approved.  

These issues were raised once again at the end of the 1950s when the government appointed the Committee on Grants to Students (Anderson Committee). For the TUC, access to higher education was still the crucial issue. Although the number of university places had been increased throughout the decade and awards had improved
in value, the TUC noted the persistence of obstacles to higher education. More pupils held the qualifications for university than places existed, while there were geographical discrepancies in the number of awards offered by different local education authorities. More fundamentally, the TUC believed that inadequate standards in some secondary schools prevented many children from fully developing their academic potential. To address this latter issue, it asked for increases in the maintenance allowances for children remaining at school beyond the minimum leaving age in order to encourage them to do so. It also sought a further increase in maintenance awards to encourage young people to take up university places.142

The FBI was also critical of regional disparities in the number of awards for higher education, and requested harmonisation of the criteria for receipt of awards in different local education authorities. It recommended a 50 per cent increase in the number of awards that were made by the Ministry of Education in order to combat these geographical differences and to make the selection process fairer. It also wanted the means-test to be abolished and replaced by a system whereby the value of the award would be added to parents' taxable incomes.143 The ABCC also disliked the means-test but was cautious about its abolition on the grounds of cost. Hence, the Chambers of Commerce suggested that the government hold an enquiry 'with a view to alleviating hardship among professional men and those in the “middle income groups”, who at present find it almost impossible to educate their children without considerable sacrifice'.144

143 MRC, MSS.200/B/3/3/264 pt. 2, FBI Memorandum to the Committee on Grants to Students, April 1959, pp. 5-8.
144 PRO, ED 54/203, Association of British Chambers of Commerce memorandum of evidence to the Committee on Grants, 6 Jan. 1959.
The expansion of higher education had been an important issue for the TUC throughout this decade. It complained of shortages of graduates for industry and commerce, in public administration and the social services.\textsuperscript{145} In March 1957, its representatives met with Treasury officials and Sir Keith Murray of the University Grants Committee to discuss expansion in the universities. The TUC was reassured at this meeting that policies were already being considered to promote the development of higher education.\textsuperscript{146}

The 1959 Crowther Report also criticised the inadequate number of university places.\textsuperscript{147} Subsequently, the Prime Minister appointed the Robbins Committee on Higher Education in February 1961 to review and make recommendations on the long-term development of higher education. The TUC's evidence to the Robbins Committee was highly critical in its tone. It noted the inadequacy of provision in terms of the number of places and facilities.\textsuperscript{148} The Robbins Report was published in October 1963. It advocated the large-scale expansion of university education in order to ensure that all suitably qualified persons would be able to obtain a place.\textsuperscript{149} Hence, it anticipated that current numbers would double over the next ten years through the growth of existing universities and the upgrading of approximately ten further education institutions.\textsuperscript{150} The government quickly endorsed the Robbins Committee's recommendations.\textsuperscript{151} The report was also warmly welcomed by the TUC.\textsuperscript{152}

\textsuperscript{147} I5 to 18, p. 462.
\textsuperscript{148} MRC, MSS.292/811/18, TUC Educ. Ctee 2/3 (Amended), Memorandum of evidence for the Committee on Higher Education, 14 Nov. 1961, p. 3.
\textsuperscript{149} Higher education, p. 284.
\textsuperscript{150} Ibid., pp. 277 and 284.
\textsuperscript{151} B Simon, Education and the social order, p. 222.
\textsuperscript{152} MRC, MSS.292/B/811/21, TUC Educ. Ctee. 3/6 (Amended), Note of comment on the Report of the
Industry's response to the Report is not recorded although one commentator has noted its lack of influence: Carswell makes the point that 'though industry had three seats on the Committee, its voice was little heard'.

Developments also took place in higher technological education during this period. The Labour government's 1951 White Paper on this subject was largely endorsed by the incoming Conservative administration. The one exception was the proposal for a Royal College of Technologists, which was dropped in preference for the establishment of at least one institution of university stature, which would specialise in technology. The Conservatives also chose to develop higher technological education through the expansion of sandwich courses to address the shortage of technologists. This provoked a prolonged debate with the FBI over funding. The Ministry of Education wanted industry to pay tuition fees and also maintenance grants to employees who took sandwich courses. The NACEIC set up a sub-committee to review the provision of sandwich courses. Its report endorsed the Ministry's earlier contention that employers should pay their workers' tuition fees and their full salary for the time that was spent in college. The TUC was quite happy with these findings, but the FBI was less so. It argued that, in the past, employers had supported sandwich course students financially in order to get the courses underway; now that sandwich courses were an established method of providing higher technological education, the FBI believed that financial responsibility lay with the Ministry of Education or the

153 J Carswell, Government and the universities in Britain, p. 31.
154 PRO, ED 46/754, Higher Technological Education - Chancellor of the Exchequer in the House of Commons, 11 June 1952.
155 PRO, ED 46/504, Note of a discussion with representatives of the F.B.I. on sandwich training and education, 3 Feb. 1955.
156 Ibid., G Withers, Education Section, Technical Department, FBI to F Bray, Under Secretary, Ministry of Education, 14 July 1955; Draft minutes of FBI Education Committee meeting, 4 Oct. 1955.
local education authorities. The Ministry rejected the FBI's argument, but was forced to accept a compromise when the Federation announced that industry would only be recruiting those students who had already completed their studies. Subsequent talks produced an arrangement where the FBI would encourage firms to support employers on sandwich courses if they could afford to do so while the Ministry would recommend that local education authorities should provide maintenance to sandwich course students who did not receive financial support form their employers.

Conclusion

In spite of repeated expenditure cuts in education, the sum of development in the provision of state education by the end of 1964 conjures up a strong impression of real progress, particularly after 1956. The main points of contention between Labour and Conservatives concerned comprehensive schools and private education, but these were not so important for the representatives of industry or labour. While the TUC did adopt the policy of comprehensive schools, it did so only slowly and was not openly supportive before the 1960s. A number of other issues were regarded more seriously and merited a great deal more attention. Often these caused disagreement between organisations themselves and with the government. Nonetheless, unlike other aspects of the welfare state, a degree of consensus did exist by the end of this period. The TUC's constant demands for a school leaving age of sixteen now had the

endorsement of the BEC, and also the FBI, albeit only as a voluntary initiative. County colleges were still resisted by the industrial organisations, but plans for the expansion of day release were formulated in a tripartite forum. At the same time, the reasons behind their interest in education remained very different. The TUC's interest stemmed from a desire to ensure adequate provision for the population as a whole for the benefit of each person's own well-being. Both the BEC and FBI were clearly motivated by how industry could benefit from the state education system, and perhaps with wider concerns about economic and industrial performance.

Both the BEC and FBI sought to develop links between industry and education, and expressed the view that this was a desirable objective. Both considered at length the benefits of staff exchanges, although they avoided making a firm commitment to the widespread adoption of this policy measure. Lobbying of government ministers was generally the province of the TUC, and was even regarded by the FBI as inappropriate behaviour. The TUC sent deputations and wrote to Ministers of Education regularly. Access was readily granted and communications were always acknowledged but there is little evidence that these approaches had much impact. Ministers seem to have paid little attention to the TUC's complaints, especially when these concerned government spending.

The TUC's lack of success in influencing government policy and the FBI's lack of interest in securing consultation with ministers lends little support to the concept of 'corporate bias'. Of more interest in connection with education policy is the role of government committees and enquiries. Through the Central Advisory Council for Education (England), Conservative governments encouraged a debate about the
direction of education policy with frequent investigations, the outcome of which was generally accepted by the government. Representatives of industry and labour submitted evidence to these enquiries on a regular basis. While the impact of these groups is difficult to assess, the enquiries provided an invaluable opportunity in allowing these bodies to express their views in an environment conducive to reform. Their representation on government committee may itself have been a product of 'corporate bias' but, once again, there is little to suggest that the peak level representatives of capital and labour were elevated to the status of 'governing bodies' in the process.
Chapter Six: Conclusions

In the course of this thesis, we have surveyed in some detail the attitudes of the TUC, BEC and FBI towards wartime social reconstruction and their responses to the postwar welfare state. This now permits us to draw some conclusions about the governments' relations with these groups in a hitherto neglected area of policy, to examine the implications of their participation in policy-making, and to explore their views on state welfare in connection with the concept of a welfare consensus. The thesis has sought to identify the existence of a welfare consensus among these interest groups on the premise that some adherents of the consensus thesis have considered consultation of them to be of significant importance during this period.¹

Keith Middlemas' work remains the most thorough analysis of state-interest groups relations in terms of its substantial empirical element.² Like other corporatist theorists, Middlemas has looked only at industrial and economic policy in any great detail. The application of his theory of corporate bias to social policy thus tests its validity in relation to areas of policy that have been traditionally of less interest to corporate theorists. It also holds the potential to explain government consultation of primarily industrial interest groups on social policy issues. Ultimately only a tentative case can be made for the existence of corporate bias. It is difficult to distinguish a pattern that encapsulates government attitudes towards consultation in all aspects of state welfare. Indeed this presumes state welfare to be characterised by a single, uniform set of values unaffected by political party, time or other external influences.

¹ P Addison, 'The road from 1945'; D Kavanagh & P Morris, Consensus politics.
² K Middlemas, Politics in industrial society and Power, competition and the state, vols. I and II.
Certainly, there was a great deal of communication between governments and the TUC, BEC and FBI during this period, bearing in mind the limited nature of the FBI's interest. In some respects this reflects the existence of corporate bias where 'fruitful access to government' stemmed from acknowledgement of these groups' status in postwar Britain rather than their capacity to contribute significantly to the content of policies. There were elements of this in some consultation by government, appointments to committees and working parties, and in the willingness of government ministers to meet with these groups upon request but it was not always in evidence.

The TUC in particular benefited from access to government, and continued to use deputations on a regular basis to gain knowledge of the government's plans and to influence policy in accordance with its own views. Ministers in Pensions and Social Security, Health and Education all met with TUC representatives at intervals, and only seldom rejected its requests for consultation. The BEC approached government less often, while the Federation of British Industries disliked this practice and considered it to be inappropriate behaviour. The BEC and FBI also chose not to be involved in health policy in any way outside of the industrial health services, so did not take advantage of access to the Ministry of Health. The government also instigated consultation, though less frequently. This was more the case with regard to social security and education than health. It often reflected government requirements for advice, support and assistance, evident in the preparation of the 1952 National Insurance and Family Allowances Act, earnings-related retirement pensions and

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4 S Blank, Industry and government, p. 77.
unemployment and sickness benefit, the financial arrangements for sandwich courses, and provision for the expansion of day release for young workers.

Direct contact with government ministers allowed policy to be made with knowledge of the views of these interests, but membership of, and the opportunity to submit evidence to, committees investigating particular aspects of social policy provided an invaluable prospect of influencing policies which were already under review. The war itself created such an environment across the range of welfare policies, but after 1945 government gained more control of the reform process. For this purpose, advisory bodies were set up for social security and pensions, health and education. These were complemented by a number of ad hoc committees and working parties in different sectors. Government policy on industrial representation on advisory committees was at times inconsistent. Participation on the National Insurance Advisory Committee was countered by exclusion from the Central Health Services Council. Opportunities did always exist, however, for these groups to submit evidence which in itself offered regular opportunities to influence the direction of policy.

Both the TUC and BEC were represented on the National Insurance Advisory Committee, which was responsible for formulating social security regulations. The TUC was firmly refused representation on the Central Health Services Council, which provoked some consternation. Bevan’s reasoning behind his rejection of TUC claims for an appointment to the CHSC reflected the specialised medical role of the Council. Thus, TUC nominations to Regional Hospital Boards were for the purpose of representing the viewpoint of NHS patients rather than the trade union movement.
This signified a new role for the TUC, reaching beyond its remit as a purely sectional producer organisation. In education, the Central Advisory Council for Education (England) was reconstituted for each of its enquiries; only the 1957 Crowther Committee on the education of fifteen to eighteen year olds included TUC representation. Curiously, the TUC did not pursue greater participation even though exclusion from the Health Services Council had met with bad grace. Besides the advisory councils, independent committees and working parties offered further scope to influence government policy. During this period, these included the Percy Committee on Higher Technological Education, the Phillips Committee on pensions, the Guillebaud Committee on the NHS, the Robbins Committee on Higher Education, and a number of working parties in the field of education. The TUC and BEC, and at times the FBI, were involved both as members and in providing evidence to various enquiries and investigations.

Contact with government ministers and appointments to government committees may reflect the existence of corporate bias, but access was not always tantamount to influence. Moreover, the BEC and FBI were often unwilling to take advantage of access thus rendering corporate bias irrelevant in these circumstances. The participation of the British Employers' Confederation in policy-making was not merely dependent on government sanction; it also had to reflect the BEC's desire to be involved. This was not always evident: the Confederation ignored developments in social security policy once the Conservative government had been forced to endorse the Beveridge Report in spite of fierce early opposition to its proposals. Corporate bias may have permitted the BEC to take part in the formulation of health policy but its lack of direct interest in the NHS resulted in its exclusion from policy
discussions. Similarly, the FBI’s views would not have been unwelcome, but the Federation eschewed the practice of approaching governments to apply pressure to implement its policy. This was exemplified by its attitude towards university awards: in spite of its dissatisfaction with the existing system, the FBI Education Committee believed that it would be unacceptable to approach government to discuss this matter.

Even if corporate bias was in evidence in the practice of consultation, its significance is diminished if the resulting consultation and participation did not allow interest groups a measure of influence over the direction of government policy. The evidence is often to the contrary. Barberis and May have observed that ‘access has never been any guarantee that influence will be exerted on government policy’. Certainly, there are few signs that they did actively affect policy. The TUC failed in its campaigns for subsistence benefits, the abolition of health service charges, and to secure an increase in the school leaving age during this period. Similarly, from an opposite point of view, the BEC was unable to prevent plans for postwar reform of social security and the raising of the leaving age to fifteen. At times, influence was exercised negatively: the TUC’s attitude prevented governments from increasing the age of retirement, while the BEC managed to prevent arrangements for making occupational pensions transferable in the 1950s. This role is suggestive of Addison’s labelling of these organisations as ‘veto groups’ than ‘architects of policy’. In some senses he is correct, but this concept still conjures up the image of passive groups which were not actively involved in the social policy sphere. It may fit the BEC

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5 Ibid.
6 P Barberis & T May, Government, industry and political economy, p. 97.
better than the TUC, which spent the whole of this period seeking improvements in state welfare. Perhaps then, it is Andrew Taylor’s concept of ‘inclusion’ in his discussion of the trade unions that seems to be most apposite to both labour and industrial interests. Here ‘unions achieve a representational status, are consulted frequently by government but are excluded from effective decision-making’. 8

It must be borne in mind these groups often displayed views that contradicted each other. Beer points out that if the government had tried to meet the demands of the TUC in relation to welfare, it would have been unlikely to secure the consent of business when trying to create the necessary conditions for wage restraint. 9 Combining this with the influence of other groups such as the British Medical Association, it becomes difficult to attribute direct influence to any single organisation. Other factors determining policy include public opinion which was a key factor in secondary education reforms in the late 1950s, electoral considerations, and the economic climate. During much of this period, expenditure considerations predominated in social policy decisions, which made many of the TUC’s demands untenable. 10 Equally, BEC anti-welfare state sentiment had to be contained in view of the popularity of government welfare measures.

Conservatism on the part of these organisations also impeded their ability to affect reform. The BEC’s formidable reluctance to accept any measure of social policy reform during the war prevented it from influencing the direction it took, although its views were so negative that their acceptability was unlikely. The TUC accepted the

Beveridge model of social security so resolutely that neither it nor the BEC were able to make a positive contribution towards the debate on pensions in the 1950s. The TUC was also reluctant to accept earnings-relation in either pensions or other national insurance benefits for the same reasons. This tendency was also apparent also in other areas: TUC preoccupation with health service charges prevented it from recognising more fundamental sources of inequality in health care. In education, the BEC only slowly sought to establish links with schools and the TUC only seems to have recognised the divisive nature of schooling with the results of outside research and growing public dissatisfaction.

Direct influence may be difficult to detect but these groups were substantially involved in the social policy sphere, and formulated detailed policy documents accordingly; the TUC was particularly rigorous in its research. Such documents and communication with the government provide a valuable insight into their attitudes towards state welfare, which permits us to assess existence, or otherwise, of a producer-based consensus that encompassed the welfare state.

The TUC was, without doubt, a strong supporter of state welfare. This is evident from wartime campaigns for reconstruction, and its welcome of government initiatives in social policy. The Trades Union Congress had been lobbying governments for social security and health reforms, and improvements to the state education system before the war. It eagerly grasped the opportunities offered by the war to express widely its views in support of extensive social reform. Indeed, it was the TUC that inadvertently stimulated the range of plans for postwar reform when the government appointed the Beveridge Committee in order to placate the unions.
During the war, the TUC prepared detailed policy documents, organised campaigns to secure public support for welfare reforms, and met with government ministers to urge them to proceed with reforms in line with TUC policy. It adopted the Beveridge Report as its model for social security and pensions provision, and supported the promise of secondary education for all, and universal, free health services.

The potential support that this lends to a consensual picture disappears upon closer inspection, however. In spite of this obvious desire for social reforms, the TUC did not necessarily support all aspects of government policy. Various proposals contained in the Beveridge Report, the White Papers on social insurance and health and the 1944 Education Act attracted TUC criticism. These included the incorporation of workmen’s compensation into national insurance, the transitional period for the introduction of retirement pensions, the maintenance of the voluntary hospitals, and the government’s failure to make a firm commitment to raising the school leaving age. But more fundamentally, the TUC believed that the Coalition’s programme for social reform was lacking in precision, did not go far enough, and was particularly dissatisfactory in respect of its timetable. These reservations set the stage for the TUC’s campaign in all aspects of government welfare in the postwar years. While welcoming developments thus far, the TUC was certainly not satisfied with the progress that was made during the war.

If closer examination of TUC policy is necessary to detect only qualified support of government policy, a mere glance at BEC documents for this period instantly reveals its deep-seated aversion to the very principle of social reform. If the war did represent a watershed in attitudes towards social reform, it omitted the BEC, whose
earlier antagonism towards government welfare in the interwar period was sustained.

The sole effect of the increasing popularity of social reform on the BEC was to cause intense irritation that its views were so out of step with the public mood to the extent that they had to be contained. Historians have tended to focus on the views of the National Policy for Industry group in an attempt to sustain the impression of social reform as an uncontested objective, and to lend support to the consensus thesis. It is hoped that the BEC's much more negative views will now be given due consideration. The Confederation may not have been particularly representative of British industry but it was the only industrial organisation to make representations to government, and to be consulted on questions pertaining to social policy after the war had ended. In this respect, its views had the capacity to be more influential in the long term.

TUC and BEC social policies were clearly in conflict at the end of the war, and the early postwar period characterised by economic problems after 1947 was not conducive to change. The TUC welcomed the Attlee government's programme for social reform, and of its underlying principles: egalitarianism, universality and comprehensiveness. Still, even a Labour government precipitated complaints after refusing to pay social security benefits for an unlimited duration, failing to introduce health centres, and procrastinating over the raising of the school leaving age. Impatience with government policy grew at annual congresses but a superficial consensus prevailed owing only to the TUC's reluctance to criticise overtly the Labour government's policies. Jim Tomlinson has recently highlighted the austerity that characterised Labour's welfare state, which contrasts with prevailing images of extensive and radical reform.11 In the 1940s, the TUC was aware of financial

stringency in social policy but was reluctant to draw attention to it. The lack of substance in this consensus would be revealed immediately when the Conservatives won the 1951 election.

Once more this rather tentative consensus is further undermined when the BEC's views are taken into account. The Confederation was even less enamoured of government social policy in the early postwar years. Its wartime reluctance to speak out on the subject ended in 1947 when, owing to the economic situation, it asked the government to cancel the implementation of social security and health reforms, and to postpone the raising of the school leaving age to which it was opposed in principle. In its dealings with the National Insurance Advisory Committee, the BEC also sought to increase restrictions in the national insurance scheme in order to reduce entitlement to benefits, prevent abuse, and minimise its cost.

This mood continued to characterise the BEC's perspective on social policy throughout the 1950s while the TUC, having lost the need to support the government, irrespective of its actions, became much more critical. Accordingly, signs of consensus were disappearing rapidly. In particular, government spending, or the lack of it, was the greatest source of TUC discontent with all aspects of state welfare. This, in turn, undermined many projects to which the unions attached great importance. Government refusal to increase the Exchequer's contribution to the national insurance fund was seen to prevent the maintenance of national insurance benefits and pensions at a subsistence level, a concept which had been scarcely implemented before increases in the cost of living rendered it redundant. Neither did the Conservatives introduce health centres, while adding insult to injury by regularly
increasing NHS charges and the NHS element in the national insurance contribution. The fact that the Labour government had introduced charges was of little import as these had been considered a temporary expedient under Labour. The school building programme was a further source of concern after 1951, though it had also incited complaints beforehand. Once more, inadequate government spending was seen to be the cause of overcrowded classes, poor standards of accommodation and a shortage of teachers, which threatened to undermine the concept of free secondary education for all.

While the TUC was frustrated at the government’s lack of development in the social services, the BEC was taking quite the opposite tack. TUC policies reflected Beveridgian principles of equality and social justice, but the BEC was motivated only by self-interest and a desire to contain the scope of state welfare as much as it could. Economic objectives rather than social concerns represented the only justification for any expansion or reform of state welfare. These sentiments were expressed in meetings with the Minister of National Insurance in which the BEC urged the expansion of means-tested national assistance instead of offering subsistence benefits under the national insurance scheme. In its evidence to the Phillips Committee, the BEC expressed its distaste for the effects of state welfare in creating a population that was excessively dependent upon the government, and deplored the principle of subsistence benefits. The Confederation used the National Insurance Advisory Committee to oppose regulations, which would improve the national insurance scheme from the perspective of its beneficiaries, unless these also served the interests of employers. Thus, it opposed more restrictive conditions on unemployment benefit for short-time workers as they would create pressure on employers to organise
working patterns to permit maximum entitlement to unemployment benefit. In 1963, the BEC made its feelings on state social security quite clear: in discussions with the government and the TUC on the introduction of earnings-related unemployment and sickness benefit, the BEC refused to consider the social advantages of this provision, and insisted the proposals must be judged in terms of their economic benefits only.

It was only in education that significant changes in the BEC's attitude took place during this period. Before 1959, it was typically antagonistic to measures of expansion in state education that did not offer direct benefits to industry. Even when advantages were obvious, it was very ambivalent towards further education for young people during working hours, and lent only qualified support for the expansion of day release on the grounds that employers might find it too costly, and that workers might choose courses from which their employers would derive no tangible benefit. The prospect of a school leaving age of sixteen was particularly bitterly resisted by the BEC, and the FBI would support only a voluntary policy for the extension of compulsory schooling. After 1959, BEC attitudes towards education became much more positive, for reasons that are not clear. It accepted the Crowther Report's proposal for full-time education to the age of sixteen and it was more favourable to the expansion of day release than the FBI. Prevarication over the practicalities of staff exchange schemes with educational establishments ended as the BEC launched its own pilot scheme. This much more interventionist stance can be detected in relation to education only, and contrasts significantly with its opposition to improvements to the national insurance scheme. Hence, it is unwise to conflate different sectors of welfare in the search for a wider consensus.
Education policy witnessed growing compatibility of industrial and labour views, but in other spheres they continued to be directly opposed to each other. Furthermore, the motives that underpinned their respective interest in social policy also remained very different. Although labour market considerations affected the TUC's capacity to campaign for better retirement pensions, its social policies were generally informed by humane and social concerns. These were seldom evident in the policies of either the BEC or the FBI, which continued to be motivated by economic and industrial interests only, and did not appear to recognise or accept the social objectives of state welfare during this period. For each of these groups, the welfare state was understood in no broader context than as a range of social services, which they studied in isolation from each other. The TUC at least understood and endorsed its wider goals – of equality and social justice – but these were rejected outright by the industrial organisations. Nowhere was this more clearly expressed than in the BEC's contributions to the discussions on earnings-related national insurance. Therefore, the supposed welfare consensus can scarcely claim to have included either organised industry or organised labour either during the war or after.
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