



## **Wellcome Film Project**

### **The Evolution of Community Medicine: Part 5 – The Poor Law and The National Health**

**Presented by Dr Sidney Chave, London School of Hygiene and Tropical Medicine.**

**University of London Audio-Visual Centre, 1984.**

**Produced by John Winn and Paul Wilks.**

**Edited by David Crawford.**

**Colour**

**Duration: 00:21:29:10**

**00:00:00:00**

**<Opening titles>**

**<Chave, seated, to camera>**

And now we come to the perennial problem of the Poor Law. The new Poor Law, which had been set up in 1834, had by now become very much the old Poor Law. It was creaking at the joints; it was full of anomalies, full of defects. For one thing, despite the strict provisions of the Act, standards of benefit varied in different parts of the country, particularly in the industrial North where unemployment was a chronic and serious problem, and there some Boards of Guardians were prepared to give an unemployed man some relief in return for some purely nominal work task, even sweeping the yard outside the Guardians' office, in order to keep him and his family out of the workhouse and from becoming a burden on the rates, but then other Guardians wouldn't do this.

## Wellcome Film Project

The strict provisions of the Act had never been applied to the aged poor. In 1834, there were very few of them and most of them would have been living in families and receiving family care. Now there were more of them, and more of them living alone, and many a Board of Guardians faced with an elderly widow with a roof over her head were prepared to give her a little relief by way of subsistence and money for a bucket of coal in the winter to keep her out of the workhouse. But other Guardians wouldn't do this; they stuck strictly to the rules.

Then there were the Poor Law hospitals, the infirmaries. These had grown out of the sick wards of the old workhouses. But later on, in the last century, the Local Government Board had had to establish a number of infirmaries across the country because the voluntary hospitals couldn't meet the need for hospital care. And in any one particular area, there would be a tacit agreement by which acute cases would go into the voluntary hospital and chronic cases or those needing long-term care would go into the infirmary. But, anyone going into an infirmary was treated and classified as a pauper and entered in the official statistics as such, even though they were having to contribute to their keep and care as they had to do if they were able. The whole system was being maintained as a kind of administrative fiction and, in fact, frank illegality, but above all that was the stigma that was associated in the public mind with the Poor Law and everything to do with it. The time was ripe for reform.

In 1905, the Balfour Government set up a Royal Commission to review the whole system. It was called the Royal Commission on the Poor Law and Relief of Distress. There never was a Royal Commission like this one. It consisted of 18 persons under the chairmanship of Lord George Hamilton and it included such characters as Octavia Hill, the housing reformer; Charles Booth, the pioneer sociologist; George Lansbury, who was later to become a leader of the Labour Movement; and then there was Beatrice Webb.

**<Chave narrates over portraits of Beatrice Webb and Sidney Webb>**

## Wellcome Film Project

Beatrice Webb was one of that partnership of Sidney and Beatrice Webb, which were to do so much for the development of social policy, social enquiry, social action, social science in their lifetime.

### <Chave to camera>

No Royal Commission ever worked like this one. It held over 200 plenary sessions; it took evidence, oral and written, from no fewer than 1003 witnesses – that evidence filling 40 foolscap volumes. And in the end, it produced not one report but two. <*Chave picks up a volume in each hand*>. The Majority and Minority Reports of the Poor Law. Now in one only respect did the two reports agree, on one matter of substance only, and that was that the Boards of Guardian should be abolished. Let's have done with them, they've had their day, and they both said that.

**00:05:08:17**

Thereafter their approach was different. The Majority Report was signed by 14 members and its approach was palliative. It wanted a more humane if a more efficient method of relieving poverty. It therefore proposed that the powers and duties of the Guardians should be transferred to the local authorities, who should be required to set up what would be called Public Assistant Committees to administer not poor relief but public assistance to the needy. And that was the Majority Report.

The Minority Report was signed by 4 members including Beatrice Webb, who wrote it. It was more radical, it was more analytic in its approach. It examined the causes of poverty and saw it not as a sin or as a personal failing, as many people at that time held, but as a social problem having social causes to be met through social action. It called for a complete abolition of the whole system of the Poor Law. Let's get rid of it. And it proposed that the problem of poverty in our society should be dealt with by a considerable expansion of the powers of local authorities, who would deal with it through their medical, education, welfare, pensions and other committees. But the Minority Report also called for intervention by central government into the economy to prevent the recurrent, the successive cycle of boom and slump that characterises

## Wellcome Film Project

our kind of economy. What they were suggesting was that when demand began to slacken, the government should launch massive programmes of public works to maintain employment and to maintain demand. And, of course, we still hear echoes of those proposals down to our own day.

The Minority Report also recommended the setting up of what it called a National Medical Service: a National Medical Service with the hospitals under the charge of local authorities and linked to the public health services at the local level. Those were the two reports.

And in 1909, the Royal Commission on the Poor Law presented these two massive reports to Campbell-Bannerman, the Liberal Prime Minister. And his administration read them and they didn't know which way to jump. Should they take the Majority path or the Minority path? They didn't know so they did nothing and neither did successive ministries for the next 20 years. It wasn't that these two reports were forgotten and shelved; they couldn't be because the problem of the Poor Law was there and it wouldn't go away, and there these two massive reports sat on the desks of successive ministers as they took office. And in the end, if after 20 years it was the Majority Report that was to be implemented nevertheless it is true to say that it was the Minority Report which exercised the greatest influence because it contributed to a change in public attitudes, a change in public attitudes to the needy in our society. There gradually grew up the view, accepted today but unknown at that time, that society has a responsibility to all its members and especially to the disadvantaged. The sturdy independence and self-help that had characterised Victorian philosophy gave way over time, and under the powerful influence of the arguments of the Minority Report, to the acceptance that society has a responsibility to all its members, especially to the deprived, especially to the disadvantaged, and this was in the end to be realised by the provisions of social security and the foundation of our Welfare State.

**00:09:28:17**

## Wellcome Film Project

Now, there are two other enactments that were part of the total ethos of public thinking of poverty in our society at that time which call for a brief mention. And the first of these was old age pensions.

### <Chave narrates over illustration>

Old age pensions were introduced in this country in 1908. It was a non-contributory scheme and it provided a pension of 5 shillings a week to any old person reaching the age of 70 whose income, annual income, did not exceed £21.

### <Chave to camera>

Now, you may say, you may say: 5 shillings a week and an annual income of £21 – what a miserable pittance? Well, it was a pittance, but it enabled many an old person to stay out of the workhouse and keep their self-respect. It was a pittance, but that pittance was a first step, and first steps are always important. And over time the pension age was to be reduced for women to 60, for men to 65 and, of course, the amount of the pension has continued to increase ever since.

One small point that's just worth mentioning is this: the Liberal Government who introduced the Old Age Pension decided they'd got to keep this away from the Poor Law, don't let's have this pension associated with the Poor Law, pauperism and its stigma. So, they had to find another government department to administer it and this proved to be jolly difficult and in the end they fastened it on to Customs and Excise. And for many years, Customs and Excise had to administer the Old Age Pension scheme in this country.

Now, the other enactment that I want to mention briefly is the Labour Exchanges Act of 1909. And this gives me a chance to introduce Winston Churchill into our story. The Majority Report had pointed out that if a man was out of work, the only way he could find a job was by tramping the streets, from one workplace to another, to try and find a vacancy. The Majority Report said, let's set up an office in every district to be called a Labour Exchange where employers with vacancies can register those

## Wellcome Film Project

vacancies and where men seeking work can go to be directed to where the vacancies are. Now, at that time Winston Churchill was President of the Board of Trade in the Liberal Government; he saw that was a very good idea as, indeed, it was, so he took on himself the personal responsibility of drafting the Act, piloting through the Commons and onto the statute book. Now, in times of relative prosperity the Labour Exchanges were very useful, but in times of slump and mass unemployment, they were useless because, of course, they couldn't create jobs when none existed, and they became simply offices for the payment of the unemployment insurance, the dole.

### <Chave narrates over photograph of Winston Churchill with Lloyd George>

I may mention in passing that Churchill himself never showed any great involvement in the public health. Indeed, he is on record as saying that as a young man he had eschewed public health because he thought he might find himself going down a drain with Beatrice Webb, and that was unthinkable. However, as wartime Prime Minister, he is also on record as saying, 'There is no better investment that any nation can make in its future than pouring milk down the throats of its children.' And he required of Lord Walton, who was Minister of Food throughout the war, to ensure that when milk supplies were short, as they very often were, mothers and children should have priority and the rest of us would have to go short. And we did.

And now we move on from Churchill to his political chief, to Lloyd George and the National Health Insurance Scheme of 1911.

### <Chave to camera>

The twin related evils of poverty and sickness, which had confronted Chadwick long before, still remained obstinately undefeated, and Lloyd George's National Health Insurance Scheme was designed to tackle those two evils simultaneously. As was appropriate to the task, the attack was two-pronged. On the one hand, it provided the worker with medical care without payment at the time of need when he was sick. And

## Wellcome Film Project

on the other, it provided an insurance benefit to help him to tide over the loss of earnings during the period of sickness absence.

The idea was not an original one. Lloyd George copied it from Germany where there was already a state health insurance scheme which had been introduced some years before by Bismarck to produce a nation of fit, fighting men. And Lloyd George went over to Germany to see how they had the scheme working, and he came back here and adapted it to the British scene. As we had it here, it was a compulsory contributory insurance scheme embracing all workers whose income did not exceed £160 a year, £3 a week, at a time when the average wage of a working man was about half that sum.

**00:15:13:00**

Each man contributed 4 pence a week out of his pay packet and that was deducted from his pay. The employer added thre'pence and the treasury topped it up with tuppence, making 9 pence a week in all. And this money was used to pay for the service of a general practitioner on a capitation basis, in which he was paid for every man on his panel as it was called, but it also provided a financial benefit; it paid a man at 10 shillings a week for 13 weeks, and then 5 shillings a week for 13 weeks more. And there were also three other benefits: there was a maternity benefit, the benefit for injuries sustained at work and what was called a tuberculosis benefit to support any man who had to go into a sanatorium for long-term treatment for tuberculosis. And that was the National Health Insurance Scheme.

When it was introduced to the Commons in the King's Speech, it aroused considerable opposition from all three parties to be involved in it: from the workers, from the employers and from the doctors. The workers objected to it because they saw a danger in someone being able to dip their fingers into their pay packet for this was a new principle. And the trade unions said, once you grant the principle that they can start taking money out of our wage packet, what are they going to take up next? Income tax? They spoke more truly than they knew. The employers objected because it was going to cost them money, but that wasn't their main objection. The

## Wellcome Film Project

principle objection of the employers was that it was going to turn them into stamp lickers, as they called themselves. Stamp lickers because the scheme was based on the purchase by the employer of a stamp which he would stick on each employee's card every week. And they thought that turning them into stamp lickers in this way was demeaning. Now, I don't understand that objection, I'm simply recording the fact. And the doctors objected because they saw this as the thin end of a wedge of state takeover of medicine.

Lloyd George went to the people who mattered to him most, the workers. He stomped the country and with his clever Welsh oratory and his slogan, 'it's nine pence for four pence, lads,' which is what they were getting, he won the trade unions over to his side. And with that backing in the country, he introduced the Bill into the Commons and it went onto the statute book.

Lloyd George ignored the employers, but he knew he was going to have to deal with the doctors. But first, he had to bring the scheme into being and for this he needed an able and capable administrator. He set up the National Insurance Grants Commission in London and appointed – guess who as its first administrator?

### <Chave narrates over photograph of Morant>

Robert Morant, whom he took from the Board of Education, where he had been still running the School Medical Service, and made him the first chairman of the National Insurance Commission. And it was his task to organise the scheme, to set it up across the country for this was something entirely new in this country, but in addition he had to conduct the negotiations with the doctors. And they were tough. And they were all about money. And they held up the introduction of the scheme for 12 months. But Robert Morant was a patient and careful and diligent but when needed a firm negotiator. And towards the end of 1912, he was able to report to Lloyd George that 10,000 doctors had agreed to enter the scheme.

### <Chave to camera>





## Wellcome Film Project

And with that backing, Lloyd George announced in the Commons that the scheme would come into being on January 1<sup>st</sup> 1913. And at that the remaining opposition by the British Medical Association collapsed, and it was on that day that the National Health Insurance Scheme came into being. It was a Godsend for it not only provided the worker with needed medical care without payment at the time of his sickness but through the benefit it staved off the spectre of financial disaster that had haunted every family since the coming of the factory system; for the factory system worked on the principle: no work, no pay.

There were two major deficiencies in the scheme. The scheme covered the worker but did nothing for his dependants and it did nothing at all about hospital treatment. But no matter, this was an important first step. It was a recognition on the part of the country that the health of the worker is of national interest, of national concern, and it is in the general interest to try to prevent that poverty arising out of sickness that Chadwick had attacked so long before. This was an important first step. It was a first step on the path that was going to lead us to comprehensive medical care for all which was to come later, as we shall see.

**<End credits>**

*<In addition to those listed at beginning of transcription>*

**Our thanks to the GLC Archive Department**