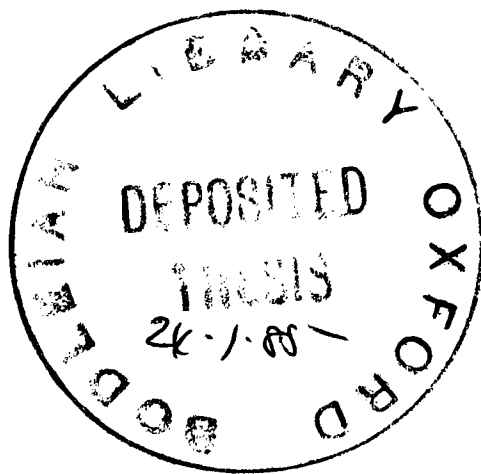


The Development and Implementation of Postwar Housing
Policy Under the Labour Government



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ABSTRACT

Title: The Development and Implementation of Postwar Housing Policy Under the Labour Government.

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This thesis examines the manner in which a policy objective is qualified in execution by the requirements of interministerial collaboration in Cabinet, and the pressures of individual departmental interest. Housing policy in England and Wales from 1945 to 1951 serves as the central focus of the study.

Wherever possible, the events surrounding the policy are presented and considered in chronological order. In the first section, the allocation of responsibility for housing and the development of the policy are considered. The thesis then examines some specific problems encountered during the implementation of the policy. Next, it provides an account of the factors which lead to the adoption of cuts in the housing programme and the imposition of greater central control. Finally, the thesis examines the means employed by the Ministry of Health to re-establish its autonomy and restore the housing programme to its previous level.

The thesis concludes that the postwar housing policy was adversely effected by both the design of the policy and the means of implementation. There were several erroneous assumptions and unresolved issues in the policy designed by the Coalition Government. The effects of these were exacerbated by the action or inaction of Labour. The inability of the Labour Government to coordinate the activities of departments during the implementation of the housing and reconstruction policies resulted in an overloaded building industry. There was a requirement for housing starts and other construction activity to be related to the availability of the factors of production. This, in turn, implied a decrease of departmental autonomy to allow for the necessary central coordination. For a number of reasons, the Labour Government did not introduce the measures necessary to ensure that this coordination took place until late in 1947. Even at this juncture, with the economy and the housing programme in a critical state, the limitations of central control were evident.

The study is based on material contained in the government documents of the period. This was supplemented by interviews with government officials and the biographies of the major participants in the Labour Government.

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CHAPTER 1

INTRODUCTION

On the 26 July 1945 the election returns provided the Labour Party with a resounding 393 seats--a clear and overwhelming majority. Over the next five and one-half years, Labour was to guide the country through the difficult and volatile period of the postwar recovery. The magnitude of the economic problems encountered, the amount of social legislation and change introduced, and the many specific challenges posed in the transition from war to peacetime conditions have spawned numerous studies from a wide variety of perspectives. ¹

What follows is an examination of housing policy under the postwar Labour Government. Practically, housing was a definite, pressing issue in 1945. The stock of housing in the nation had both decreased and deteriorated during the war. Enemy bombs had destroyed more houses than the number constructed during this period, while those left unscathed by the bombing had not been regularly maintained for more than six years. To further exacerbate the problem, buildings suitable for sheltering families had been transformed into office space in order to accommodate agencies forced to vacate their own premises as a consequence of the bombing.² According to The New Statesman and Nation, housing would "obviously be the first priority" in domestic policy.³

Politically, housing had a marked profile. According to The Times, "The Labour Party won the election in part because of an expressed determination to impart new vigour and effectiveness to the national campaign for housing."⁴ The Economist went further, suggesting that Labour's effectiveness in attacking the housing issue would be a major determining factor in the next election.

The success and popularity of the present Government is bound to depend, to a very large extent, on the results of its housing policy.⁵

THE POSTWAR SITUATION

Various estimates of the requirements for new houses had been made. The White Paper on Housing stated that 750,000 houses would be sufficient to provide "a separate dwelling for every family desiring to have one."⁶ Another source suggested that the accumulated shortage as a result of the war was 600,000 units and that the immediate need for new homes stood at 1,000,000.⁷ While these figures alone provide adequate indication of the task which lay ahead, it must also be remembered that the building labour force, which involved over 1,000,000 men in the years preceding the war, was sorely depleted and unevenly dispersed in July, 1945. Similarly, most of the foundries and factories had ceased the production of goods required for the construction of houses.⁸

Nor was the building industry the only example of dislocation in the economy. As shown in the material prepared for the negotiation of the American loan, much of the economy had been transformed during the war.

The effect of the war was to bring about a severe dislocation of the U.K. position in several respects, which will inevitably take some years to remedy; namely, loss of exports, loss of overseas investments, loss of shipping, increase of overseas debt, and loss of reserves.⁹

Exports which in 1938 had totalled £471 million had decreased to £272 million by 1945. This latter figure included a component for relief purposes from which income was not derived. The number of persons employed in direct export industries had declined from 1.3 million in 1939 to 0.4 million in 1945. Overseas investments had decreased by £1.12 billion, overseas debt had increased by £2.88 billion and the loss of reserves was estimated at £152 million. Altogether, external disinvestment was calculated to be £4.2 billion. In addition, merchant shipping had been reduced by 6.2 million deadweight tons or 28% of prewar capacity with most of this loss occurring in the dry cargo fleet.

Though these figures alone suggest that the economy was in a precarious position, one also had to take into account the extent of the domestic damage and disinvestment which had occurred. Total war damage was estimated at £1.45 billion in terms of 1945 replacement costs. Much of this

consisted of industrial plant and equipment. Regular maintenance and replacement had been deferred, resulting in a further disinvestment of £885 million.

The problem arising from this transformation in economic circumstances can be readily seen when comparison is made with prewar trade statistics. Average imports for the two years preceding the war were £816 million per annum. Among other things, these were balanced against exports worth £477 million, net income from overseas investments and shipping of £203 million and £105 million respectively.

In order to return to a normal state, the country clearly had to recover its export capacity. Indeed, in the material prepared for the loan negotiations, it was estimated that the volume of exports would have to assume a level 75 % in excess of the prewar level.¹⁰ This made it urgent that investment and manpower be channelled into industries producing goods for export. Yet, finished goods for export often depended on a long chain of domestic investment in raw resources, plant and machinery. Furthermore, the commitment to full employment demanded that the production chain be structured in a manner that would maximize domestic employment.¹¹

The plan for full employment, in combination with the pentup savings and delayed gratification from six years of war ensured a buoyant demand for goods. Until exports increased, however, imports would have to be financed through

loans. Thus it was essential that domestic consumption of both imports and potential exports be severely restricted in the early years. Such a situation required considerable state control if the threatened inflation or unsatisfactory distribution of available goods was to be avoided.¹²

Housing was both a help and a hinderance in attaining economic recovery. It placed a strain on the balance of payments in that it consumed and further encouraged consumption of many products eligible for export and required substantial amounts of timber which had to be imported. It also utilized materials and manpower which could have been used to increase productive investment and exports in other areas. This equation was counterbalanced somewhat because houses for an expanded workforce often permitted increases in the production of goods for export.¹³

In a purely economic sense, housing was clearly linked to many areas of postwar recovery. It had a major role to play in the pursuit of full employment, industrial dispersion, and several other significant aspects of economic reconstruction. Politically and administratively, however, these links were not so clearly established. Indeed, whether housing helped or hindered economic recovery and reconstruction was not the central issue in 1945. Rather, it was evident that houses were required in large numbers and the Government had promised it would spare no effort to get these houses built.¹⁴

The decisions with respect to housing published by the Reconstruction Committee of the Coalition Government had firmly planted the suggestion that 300,000 permanent houses could be built without severe economic dislocation in the first two years after the war.¹⁵ With the election of the Labour Government, some thought even more might be accomplished. As had been the case for essential works during the war, it was expected that the men or materials necessary to build houses for the people would be found.

POSTWAR HOUSING

The intervention of the Central Government in the field of housing was not a new phenomenon. Prior to 1919, several Acts of Parliament designed to improve the housing standards of the working class had been passed.¹⁶ In 1919, following World War I, the Government had adopted a generous subsidy arrangement to encourage local authorities to build "Homes fit for heroes." The results of that policy had been quite unsatisfactory. The building industry had been swamped with demands far in excess of its capacity to produce, hence, house building costs had swiftly escalated and a disappointingly small number of houses had been completed.

Subsequent to the abandonment of the 1919 policy, successive governments had adopted different initiatives which provided for some financial assistance from the Treasury in

attempts to solve the problem of slums and to provide houses for the working class.¹⁷ By 1945, the Central Government had accumulated more than twenty years of experience to guide the development of postwar policy. However, there was no doubt that an overriding objective of the postwar housing policy was to avoid overloading the building industry as had occurred from 1919 to 1922.¹⁸

The problem in 1945 was more complicated than merely how to erect a given number of new homes. The Barlow Commission had provided evidence of an increasing trend of migration to the large industrial centres, particularly to the south-east of the country in the London area.¹⁹ This migration, which was one encouraged and fed by the high levels of unemployment in certain parts of the country, further exacerbated the problems in these poorer areas. It also increased the pressure on the growth centres such as London; the consequences of which were haphazard planning, inadequate facilities and urban sprawl over valuable agricultural land.

During the war, the Government had decided it would try to deal with the complex issues of population migration and land-use planning. The Ministry of Town & Country Planning was created to develop the means of solving the problems of urban congestion, overspill, and the compensation and betterment aspects of land-use planning. The Board of Trade was given powers to direct the location of industries under

the Distribution of Industry Act.²⁰ If policies in both these areas were to succeed, the Government had to assume a greater role in determining the location of houses. This meant resisting pressures to build in the over-populated regions while encouraging the erection of houses where new factories or offices were to be built.

In addition to the Board of Trade and the Ministry of Town & Country Planning, there were at least two other departments with an interest in the location of housing. The Minister of Fuel & Power required houses for an expanded coal mining labour force and the Minister of Agriculture & Fisheries required more homes for agricultural workers. Thus, there existed a need for some degree of coordination among various government departments with respect to the location of these postwar houses.

In the early stages of postwar recovery, control over the location of houses was not quite as crucial as control over the rate of building. It was in the allocation and the flow of the necessary resources to housing where the greatest need for coordination existed. The Ministries of Works and Supply were responsible for the production and allocation of building materials and fitments. The Ministry of Labour & National Service controlled the scarce resource of manpower.

If these departments and the activities they controlled could not be made to function in accordance with the needs and capacities of each other, implementation would not be

successful. Naturally the opposite held true as well; that is, the housing programme would have to be closely related to the availability of these supplies. The importance - and the difficulties - of obtaining the necessary coordination can be further seen when one considers that housing was only one of many activities which required these resources.

In her book, Housing and the State:1919-1944, Marian Bowley, among other things, described the requirements for a successful postwar housing policy. In Bowley's opinion, the control and allocation of building resources through the use of administrative arrangements was essential. Failure to do so would only result in the "waste of time and money and usually the scarce resources themselves."²¹ Reliance would have to be placed on public bodies if the housing needs of the working classes were to be met. As in the interwar years, local authorities might retain a major role in the provision of these houses, but this would require improvements on the part played by the Central Government.

It is clear that if the authorities are to remain housing authorities they must be provided with a cut-and-dried policy about which there can be no misunderstanding; moreover, their attempts to carry out these programmes must be supervised and controlled. There must be some authority who can and will oblige local authorities to perform duties laid on them by Parliament or supersede them all together. This much is essential if the maximum number of houses is to be provided for the families needing them, and also in the interests of the general control of public investment.²²

Whether the Central Government was successful in its efforts has been the subject of much analysis. In his study of housing from 1945-49, Richard Sabatino concluded that the postwar housing policy failed on two counts.²³ First, the Government was not able to avoid the serious problem of overload in the building industry. Second, the cuts in expenditures for housing made in 1947 led to the undoing of attempts to introduce the stability which had been promised for the industry. The root cause of this, in his opinion, was the inability of the Government to adopt the necessary measures and to make adequate plans to cope with a situation which had been, or should have been, foreseen.

In a study concerned with economic planning as it applied to the building industry, Nathan Rosenberg reached a similar conclusion on the outcome of postwar housing policy.²⁴ He attached most of the blame for failure to the gap between the Government's intentions and its ability or willingness to develop and apply the necessary mechanisms of control. He particularly singled out the inadequacy of internal control over government building schemes, in particular housing, and the lack of coordination with respect to the buildup of the construction labour force with that of the building materials industry.

While these and many other studies have contributed to a better understanding of the complexities and outcomes of postwar housing policy, their major emphasis invariably has

been placed on the external manifestations of the policy.²⁵ Noticeably absent is a comparison of policy intentions with outcomes, that is, whether the outcomes were consistent with what ministers and senior officials expected to achieve. This detailed exploration of the development and implementation of housing policy has not been possible due to the restricted access to government documents. Under the terms of the "thirty year rule" this restriction has now been removed.

PURPOSE OF THE STUDY

Access to the documents of this period allows one to assess how the Government reacted to the urgent need for, and the political importance of, housing. It permits a closer examination of the connections made between housing and other major undertakings and objectives of the Government. The changing economic circumstances in the postwar era created two distinct periods, each of which resulted in a different set of concerns, organizational arrangements and consequences for housing policy.

For the first two years of the Labour Government, one of the central interests of housing policy was the elusive search for the proper balance between central coordination and departmental autonomy. The changes in structures and relationships introduced within the Government subsequent to

the crises of 1947 resulted in a different emphasis on the processes of central control, resource allocation and inter-departmental negotiation. Throughout the postwar period, various problems arose with respect to the organizational structures that were employed in the design and implementation of the policy.

Access to the documents also permits further exploration of the difficulties associated with the translation from the design to the implementation of a policy: the movement from theory to practice. It allows for a new set of questions and, at the same time, provides answers to some previously outstanding issues. How did the Government plan to address the problems presented by the abnormal circumstances of the postwar era? Why was it unable to exert sufficient control on building activities undertaken by agents both inside and outside of government? Who or what was instrumental in determining the directions the policy took? What effects did the economic crises of 1947 and 1949 have on housing?

In the early postwar years, the extensive amount of interdependence among departments and policies - brought about by the acute shortage of men and materials - called for a high degree of interdepartmental coordination. At the same time, the devices employed to bring about the necessary coordination had also to cope with the competition for scarce resources, the political needs and ambitions of ministers, the control of information and resources by departments, and the

greater complexity and uncertainty of implementation as compared with the formulation of policy.

In his book, The Cabinet, Patrick Gordon Walker outlines two forms of coordination.

'Co-ordination' can take various forms. It can simply mean that the Cabinet acts as a kind of court of appeal between Ministers, each of whom primarily looks after the interests of his own department and regards it as his main role in the Cabinet to ensure that these are not damaged by the interests of other departments. Or it can mean that departmental views and concerns are woven into a unified and dominant Government policy and that Ministers consider their major duty to be to partake in the formulation of this policy.²⁶

He goes on to suggest that "Cabinets exhibit departmental coordination of both kinds: but there is sometimes a clear leaning one way or the other."²⁷

Sir Ivor Jennings states "effective co-ordination must come at the top" and suggests the way to achieve this is "the system of co-ordinating Cabinet Committees" as developed during World War II and applied by the postwar Labour Government.²⁸

Lord Morrison, as well, notes the important role of committees in bringing about the necessary coordination.²⁹ However, from his description of the committee system, one must conclude that the most important aspect of this system is the role of the chairmen or "coordinating ministers."

The work of co-ordination or the Chairmanship of a Cabinet Committee requires certain qualities. If

such a Minister seeks to be a dictator or to act in the spirit of giving orders to departmental Ministers, or is impatient and irritable in listening to relevant arguments, he will not win that goodwill of his colleagues which is vital to the success of his work. His business is to be an understanding friend who is seeking to assist his colleagues in finding a way through the maze of conflicting considerations, for there is nearly always more than one side to a question. Whilst he needs to take the trouble to understand the material under consideration to the fullest practicable extent and whilst it is good to have a mind of his own he must remember that his business is to be a helpful conciliator and not an additional irritant.³⁰

Morrison points out that these "coordinating ministers" are not synonymous with "supervising ministers". He regards these "as not being in accordance with the spirit" of Cabinet Government. ³¹

Samuel Beer suggests that one of the problems which made it difficult for the postwar Labour Government to implement the necessary policies was the inability of ministers to direct the actions of their colleagues.

But in Britain "Cabinet democracy" - the phrase is Herbert Morrison's - means that no single minister can be given final, overriding authority over others responsible for departments.³²

He also states that the same principle applies at the level of officials.³³

An alternative means of effecting the necessary coordination is through the merger of responsibilities or functions into one department. Placing potentially conflicting elements under the control of one minister reduces the possi-

bility of debate and acrimony among ministers and departments. It also enhances the probability of coordinated action in the implementation phase of a policy by subjecting the key actors to direct, hierarchical control. Labour had promised to take such action with respect to housing and town planning by forming a new Ministry of Housing and Planning.³⁴

The lack of coordination has been identified as one of the principle shortfalls of postwar housing policy. An examination of housing policy, therefore, provides an ideal vehicle to study problems in this field. Two issues are central to this assessment. The first is how, if at all, the Government reconciled the need for coordination with the traditions of departmental autonomy. The second is the difference between coordination during the development of policy, where one is attempting to affect what ministers propose to do, as opposed to coordination during its implementation where one is attempting to affect what ministers and departments are already doing.

The events of 1947 led to the establishment of more elaborate planning machinery in the Government, the core of which was the Central Economic Planning Staff (CEPS). This in turn had an effect on the development and conduct of housing policy since the allocation of resources became subject to more scrutiny by the new machinery at the centre. As a direct consequence, the housing programme was cut, but

as Beer points out, it would not stay cut.

In the way stood Mr. Bevan's opinions and political strength, as well as the difficulties, technical and political, of creating unemployed workers in the building trades and then somehow transferring them to export trades. ³⁵

The important link made between the reduction of the housing shortage to the subsequent electoral fortunes of the Labour Party contributed greatly to Bevan's strength on this issue. From 1947 to 1950, a delicate balance seemed to exist between Bevan and the demands for housing on the one hand, and Cripps and the need to chart and guide the course of the total economy on the other. The study of postwar housing allows us to examine the results flowing from the imposition of greater central control including the subsequent interdepartmental bargaining processes which emerged.

Paul Wilding has sought to determine whether the lack of success of the post World War I housing scheme was "the result of a failure of policy or administration."³⁶ In his article The Administrative Aspects of the 1919 Housing Scheme, he asserts that the events showed "it was essentially a failure of policy" in that the Government did not go far enough and incorporate measures which were clearly required.

To suggest that the Government should have retained greater control of the building industry is perhaps to look back with hindsight and suggest solutions adopted in 1945. But many experts advocated such control in 1917 and 1918, and their advice was ignored. The decisions taken at the end of 1918 to

free the building industry from controls were the underlying cause of many of the problems with which the administrators subsequently struggled. This is not to say that control of the building industry would have posed its own administrative difficulties; clearly it would. 37

He goes on to suggest that greater government control in 1945 "did ensure that a larger proportion of the output of the building industry went to housing."38

A similar question naturally arises with respect to the policy implemented in 1945. The cause of some of the problems which emerged during implementation can be attributed to flaws in the supporting assumptions and design of the policy itself. Other problems which arose during implementation can be attributed to the administrative arrangements which were, or sometimes were not, in place. It must be recognized, however, that while the policy and the means to implement it may start out as quite distinct concerns, the interaction between the two, over time, often makes it difficult to distinguish where the final responsibility should rest.

Throughout the postwar period, the interplay of policy on organization and, conversely, organization on policy were important to the outcomes of housing policy. The conditions which existed after the war and the strong requirements for coordination ensured that this would be the case. One aim of this study is to trace the impact and the interdependence of these two major concerns.

The study is divided into four sections. The first, entitled Organization and Policy, begins with the events leading up to the determination of organizational arrangements and assignment of responsibilities for housing. This is followed by an examination of the basic elements of the policy, the means by which these were decided, and the overall arrangements for its implementation. The section concludes with an exploration of the first significant merger of policy and organization. This was characterized by the creation of a new structure to oversee the implementation of the policy and to search for solutions to some of the major problems which had emerged.

The second section, Problems of Implementation, examines in more detail, the problems and issues which arose during implementation of the policy. The overall issue was, of course, the imbalance which developed in the building industry and the resulting overload. However, there were a number of other concerns, many of these related to the contradictory demands of various other policies, that also created severe difficulties. Problems associated with both the policy design and the method of implementation are demonstrated.

The third section, Housing Policy and Central Planning, looks at the changes that were made as a consequence of the worsening economic situation. The main focus of this section

is the efforts of those at the centre of government to exert more influence on the actions of the Minister and Ministry of Health and their reaction to such attempts. Through a combination of improved planning skills, the development of new organizational structures, the imposition of stronger central control and the increased production of materials, balance was finally restored to the housing programme. Essentially, the new structures were able to bring about a change in housing policy which - in conjunction with the improved supply position or the reduction of interdependence - made the administration of the policy less complex.

The final section, Postwar Housing: An Assessment, provides an analysis of the policy and the problems arising from its implementation. The first part examines some of the critical aspects of the policy and discusses some of those factors which led to a repeat of many of the "post 1919" errors which the government had hoped to avoid. The primary, though not exclusive focus, is policy rather than administrative issues. Subsequently, the organizational problems and issues which housing posed for Cabinet Government and which effected the development of the mechanisms necessary to the successful implementation of the policy are examined. The two concerns are brought together in the conclusion.

Notes for Chapter 1

1. Innumerable studies of these particular issues have been published. The more general texts covering the postwar period and the biographies of the main figures of this era also contain references to most of the major events and problems. A listing of the most relevant of these are to be found in the bibliography.
2. M. Foot. Aneurin Bevan: A Biography, Vol. II 1945-1960. (London, Davis-Poynter, 1973.) p. 65.
3. The New Statesman and Nation, 4 August 1945. p. 70.
4. The Times, 15 September 1945. p.5.
5. The Economist, 18 August 1945. p.226.
6. Cmd. 6609. Housing. (1945)
7. CAB 124/448. Sir John Wrigley to Sir Norman Brook, 30 September 1944.
8. D.V. Donnison. Housing Policy Since the War. (Welwyn, Codicote Press, 1960.) p. 11.
9. This quote and the following material is taken from Cmd. 6707. Statistical Material Presented During the Washington Negotiations, (1945) p.3.
10. Ibid. p.5.
11. See E.A.G. Robinson, "British Economic Policy, 1945-50" in London & Cambridge Economic Service, Vol. XXXVIII, May 1950 and H.G. Johnson, The Overloaded Economy, (Toronto, University of Toronto Press, 1952)
12. See G.D.N Worswick and F.A. Burchardt, "Britain in Transition" in Bulletin of the Oxford Institute of Statistics, IX, March-April 1947. Also F.W.Paish, The Post-war Financial Problem and Other Essays, (London, Macmillan & Co. Ltd., 1950) pp. 1-74.
13. H.G. Johnson, op.cit. pp.5-6.
14. The promises were made in a number of places, the chief source being the 1945 election manifesto, Let Us Face The Future (London, Labour Party, 1945). The clear cut distinction between the need for houses and what the country could afford (the politics versus the economics of housing) was seldom raised or discussed in the press

until the severe deterioration of the economic situation in 1947.

15. Cmd. 6609. Housing. (1945).
16. For a description of early legislation and the problems encountered, see M. Kaufman, The Housing of the Working Classes and the Poor. (Yorkshire, E.P. Publishing, 1975) and E. Bowmaker, Social Questions of Today: The Housing of the Working Classes. (London, Methuen & Co., 1895).
17. The best analysis of policy between the wars is contained in M.E. Bowley, Housing and the State: 1919-1944 (London, George Allen & Unwin, 1945).
18. For a description of the problems from 1919-22 and the issues to be avoided in 1945 see Bowley, op.cit., pp. 15-36 and 225-60.
19. Cmd. 6153. Royal Commission on the Distribution of the Industrial Population. (1940.)
20. Minister of Town & Country Planning Act (1943). Town & Country Planning Act (1944). Cmd. 6537. The Control of Land Use (1944). Distribution of Industry Act, (1945).
21. M. Bowley, op.cit. p.243.
22. Ibid. p.258.
23. R.A. Sabatino. Housing in Great Britain. (Dallas, Southern Methodist University Press, 1956.)
24. N. Rosenberg. Economic Planning in the British Building Industry, 1945-1949. (Philadelphia, Pennsylvania University Press, 1960.)
25. Postwar housing policy has been addressed by other writers from a variety of perspectives. Some studies have employed a broad level of analysis comparing the evolution and outcome of successive housing policies over an extended period, or in several countries, or both.²⁰ e.g., D.V. Donnison, op. cit. and the Government of Housing. (London, Pelican, 1967.) J.B. Cullingworth. Housing and Local Government, (London, George Allen & Unwin, 1966) and Housing Needs and Planning Policy, (London, Routledge & Kegan Paul, 1960) Town and Country Planning in Britain, 6th edition, (London, George Allen & Unwin, 1976) and Essays on Housing Policy: The British Scene, (London, George

- Allen & Unwin, 1979). P.F. Wendt. Housing Policy - The Search for Solutions: A Comparison of the United Kingdom, Sweden, West Germany and the United States since World War II. (Berkeley, University of California Press, 1963.) Other studies have analyzed specific elements of housing policy such as subsidies, rent control, town planning, or the role of building societies. Examples of such work are J.R. Jarman. Housing Subsidies and Rents. (London, Stevens, 1948.) E.J. Cleary. The Building Society Movement. (London, Elek Books, 1965.) Specific or sectoral studies such as these either focus on particular periods (e.g., subsidies under the postwar Labour Government) or, in other cases, trace the development and impact of certain actions (e.g., rent control) over a longer period. As examples see, J. Macrae. To Let? (London, Institute of Economic Affairs, 1969.) J.P. Macey. "Post-War Housing Finance", Public Administration, XXIV, pp. 165-171.
26. Patrick Gordon Walker. The Cabinet. (London, Jonathan Cape, 1970.) pp. 28-29.
27. Ibid. p. 29.
28. Sir Ivor Jennings. Cabinet Government. 3rd edition. (Cambridge, Cambridge University Press, 1969.) p. 142.
29. The Rt. Hon. Lord Morrison of Lambeth, C.H. Government and Parliament: A Survey from the Inside. 3rd edition. (London, Oxford University Press, 1964.) pp. 32-70. Re: Committees coordination, coordinating ministers and 'overlords'.
30. Ibid. p. 38.
31. Ibid. pp. 65-68.
32. S.H. Beer. British Politics in the Collectivist Age. (New York, Alfred A. Knopf, 1967.) p. 201.
33. Ibid. p. 201. "Similarly, the relation of command and obedience is foreign to the habits and spirit of the Civil Service, particularly members of the Administrative Class, when one department is dealing with another. No more than ministers do departments - not even the Treasury - order on another about."
34. Labour Party, Let Us Face the Future. (London, 1945.) p. 9.
35. S.H. Beer, "British Planning Under the Labour Government" in Social Research, Vol.17, Spring 1950, pp.35-64, p.48.

36. P. Wilding, "The Administrative Aspects of the 1919 Housing Scheme" in Public Administration, Vol. 51. Autumn 1973. pp.307-26, p.322.
37. Ibid. p. 322.
38. Ibid. p. 322.

PART ONE

ORGANIZATION AND POLICY

CHAPTER 2

ORGANIZING FOR HOUSING

Housing will be one of the new Government's main preoccupations and it appears probable that a new Ministry may be created to bring housing under the control of a single department.¹

The new Ministry of Housing has not materialised, and housing matters will continue to be the concern of the Ministers of Health, Works and Town and Country Planning, with the Scottish Secretary, all presided over by that veteran co-ordinator Mr. Arthur Greenwood.²

The Labour Party have declared their intention of establishing a new Ministry of Housing and Planning --which would take over the housing powers of the Ministry of Health--but if this is to be done it will require legislation, and in the meantime preparations for permanent houses must be pushed on by the Ministries of Health and Works.³

Interdepartmental Co-ordination - The subject suggests inevitably the case that has been argued for a Ministry of Housing which would unite responsibility for housing policy, the organization of the building industry, and the provision of building materials and internal house equipment under a single Minister. It is attractively simple in appearance. But it will not bear examination.⁴

Because of the importance of the issue, there was considerable interest in who would be appointed as minister responsible for housing. Similarly, because Labour had expressed the need to improve the allocation of responsibilities among the ministers associated with housing, there was also considerable interest in the arrangements which the new government would adopt.⁵ The ultimate distribution of roles and responsibilities was a key determinant in the design and implementation of housing policy. In part, the organizational arrangements selected for housing in August, 1945,

were the product of certain interdepartmental tensions within the Government.

The demarcation of duties and responsibilities in this area had been a recurring contentious issue throughout the war. As early as 1942, the dispute between the Ministries of Health and of Works had required mediation by an ad hoc committee of senior ministers.⁶ The addition, in 1943, of a new claimant to some of the responsibility for housing, the Ministry of Town & Country Planning, only served to intensify the confusion over jurisdiction in this area.

When the Coalition Government turned its attention to planning for postwar reconstruction, the arguments for a realignment of jurisdiction kept reappearing in a number of ways.⁷ There were three facets to the arguments. The first dealt with the need for realignment of responsibilities for housing among departments. The second concerned the most appropriate membership for a housing committee. The third referred to the mandate and role of a committee under the circumstances which would exist in the postwar period.

THE ELECTION PLEDGE

The promises made by the Labour Party in their election manifesto, Let Us Face The Future, brought the issue of jurisdiction over housing out into the open once more.

There should be a Ministry of Housing and Planning combining the housing powers of the Ministry of Health with the planning powers of the Ministry of Town and Country Planning; and there must be a firm and united Government policy to enable the Ministry of Works to function as an efficient instrument in the service of all departments with building needs.⁸

Shortly after the appointment of ministers, the competition for jurisdiction over housing among the Ministeries of Health, Town & Country Planning, and Works intensified. People inside and outside of government speculated on the arrangements which would be made for housing.⁸ But while the election promise brought the conflict to the surface, it was the absence of any immediate or explicit decision from the Prime Minister that permitted the confusion in Whitehall to escalate.

The resolution of this issue began in a curious fashion. On 8 August 1945, the Lord Privy Seal, Arthur Greenwood, convened a rather unique committee meeting on housing.⁹ It was unique in that it seemed to have no official sanction and it met only once, notwithstanding that a subsequent meeting (for 14 August) was agreed to at the conclusion of the first meeting. It was also unique in that a number of substantive policy decisions were taken and numerous responsibilities assigned which, for all intents and purposes, were virtually ignored in the days that followed. It was as though the meeting had never been held.¹⁰ A direct outcome of the meeting, however, was a series of actions leading to

the resolution of responsibilities.

The Lord President, Herbert Morrison, had been discussing possible structural arrangements for housing with the Prime Minister, Clement Attlee. He had proposed there be a committee chaired by himself and assisted by a Deputy Chairman, either the Lord Privy Seal or the Home Secretary. Morrison was concerned, however, with the Government's ability to maintain the necessary secrecy with respect to any arrangements adopted.

As regards the Chairmanship, the Committee will require pretty powerful handling, and, unhappily, in view of the publicity and the controversy about the Departmental organization of housing, we shall be pressed to divulge what organization we have set up within the Government. For myself, I should still refuse to give names if we could avoid doing so and confine myself to saying that there was a special Cabinet Committee on the subject.¹¹

The Greenwood meeting on the 8 August attracted considerable attention from the press.¹² This publicity was deplored by Morrison, and, on 9 August, he withdrew his offer to chair the Housing Committee.

In the circumstances, I think it is best that the tentative suggestions I made in my letter of Tuesday as to my membership of the Housing Committee should be withdrawn, though I should wish to be kept informed as to its work.¹³

The next step was taken by the Prime Minister. On the evening of 9 August, Attlee held a meeting with the minis-

ters directly concerned with housing. From the correspondence which followed this meeting, it is clear that the subject of what was to be done with housing was raised but not answered.¹⁴ During and subsequent to the meeting, Attlee received proposals from several ministers concerning the desirable allocation of responsibility for housing.

At the meeting, the Minister of Health, Aneurin Bevan, who then had the statutory authority for housing, suggested that housing ought to remain within his ministry but could be placed under the control of Silkin who would also retain his other duties as Minister of Town & Country Planning.¹⁵ Greenwood wrote to Attlee on 10 August.¹⁶ In his letter he reminded the Prime Minister of the Party's pledge to the electorate and he recommended that Lewis Silkin, the Minister of Town & Country Planning, should be quickly designated Minister of State for Housing and given the requisite powers to get on with the task.

Another department which was directly concerned with the allocation of responsibilities in this area was the Ministry of Works. George Tomlinson, the minister of that department, also wrote to the Prime Minister on 10 August.¹⁷ In his letter he avoided any attempts at expanding his jurisdiction but strongly argued to protect his ministry's role as the Government's link with the building industry. He argued that a rearrangement of housing responsibilities should not result in a change of his ministry's current

mandate and as far as possible, should avoid duplication of research efforts into more efficient building methods.

Though the Prime Minister made his decision before the Minister of Town & Country Planning had been heard from, the views of the latter, while not contributing to the decision, are of sufficient interest to be noted here. On the 14 August, Silkin dispatched a rather long note which began by quoting the election pledge and other relevant statements of the Labour Party with respect to a separate Ministry of Housing & Planning.¹⁸ He expressed dissatisfaction with the proposal put forward by the Minister of Health and recommended, as an alternative, both short term and intermediate courses of action suitable for adoption. While Silkin was against Bevan's proposal, if all else failed, he was willing to accept the proposed arrangement put forward by the Minister of Health under two conditions:

- (a) The Minister of Town and Country Planning and Housing must be responsible only to the Cabinet and not to the Minister of Health.
- (b) The Housing Department of the Ministry of Health must be responsible to the Minister dealing with Housing and to nobody else. The Head of that Department must not be answerable to the Secretary of the Ministry of Health.¹⁹

It is not possible to say for certain whether the decision of the Prime Minister would have been different had Silkin been more prompt with his submission. Attlee told his officials that he would consider this issue over the

weekend (11, 12 August).²⁰ On Monday, 13 August, the day before Silkin's note arrived, the Prime Minister had already completed a first draft of the memorandum setting out his decision. A subsequent draft of the memorandum, written on 15 August, did include a paragraph directed towards the arguments presented by Silkin. That was the only visible result, however.²¹

One of the documents Attlee had with him over the weekend in which he made his decision was a note from his Private Secretary, T.L. Rowan.²² This note conveyed the preliminary advice from Parliamentary Counsel as to the constitutional propriety of the various proposals for the rearrangement of responsibility for housing.²³ Rowan cautioned the Prime Minister against a quick decision and suggested that any major change from the present situation would likely require legislation.²⁴ However, the constitutional position was not insurmountable, and, by itself would not likely have prevented the Government from adopting a new organizational structure for housing. But, in conjunction with the need for legislation were the views of several senior officials.

Uncertainty and conflict with regard to responsibility for housing had been apparent at various occasions during the war. Several times a shift towards a new department, or a rearrangement among the old seemed imminent.²⁵ Late in 1944, Norman Brook, at that time Permanent Secretary to the Minister of Reconstruction, had articulated his concerns

against the concept of a separate Ministry of Housing to the Secretary to the Cabinet, Sir Edward Bridges.²⁶ Shortly afterwards, Brook also wrote to Sir John Maude, The Permanent Secretary at the Ministry of Health, supplying him with arguments to be used against such a venture.²⁷

Brook's disapproval of a separate Ministry for Housing was still very much in evidence during August, 1945. Rather than prepare minutes of the meeting held on 9 August, he "thought it would be more helpful for the moment [to] let you [i.e., Attlee] have the attached notes on the redistribution of Housing functions between Departments."²⁸ The notes suggested the real problem of jurisdiction and the main source of confusion was the allocation of responsibility for policy among the Ministries of Works and Health. This, he said, could be straightened out rather easily. As for moving the responsibility for housing to the Ministry of Town & Country Planning, he argued that sorting out the technical staff would be very difficult.

Brook agreed that the statutory roadblock, wherein most of the necessary powers to deal with housing rested with the Minister of Health through his relationship to the local authorities, could be easily surmounted. However, he suggested that the Minister of Town & Country Planning would be far too occupied with planning matters and other controversial legislation to give sufficient attention to housing.

It would, however, be relatively simple to pass a short bill providing that all the powers of the Minister of Town & Country Planning and the powers of the Minister of Health in respect of housing should be exercisable by another Minister...This proposal rests, however on the assumption that a single Minister could easily undertake responsibility for both housing and town and country planning...It seems doubtful whether the Minister who faces this mass of work - on subjects which have hitherto been extremely controversial - is very well qualified to give his full mind and attention to the executive problems of a vast house-building programme.²⁹

The note argued very strongly that the responsibility for housing should rest with the Ministry of Health. The Prime Minister concurred with this advice.

MEANS OF COORDINATION

What was the most suitable method to ensure adequate coordination of housing policy? What were the dimensions of the problems expected and what would be required to meet these?³⁰ Thus far the controversy had centred around the creation of a new ministry designed to centralize and aggregate responsibility for housing. While the main argument against this was the requirement for legislative action - and hence any delay that this might entail - substantial obstacles, which were unique to the postwar situation, were also present.

As envisioned, a new Ministry of Housing and Planning would have involved the aggregation, within one department,

of those Central Government functions related to housing.

As Silkin argued:

The only effective organization for the speedy erection of dwellings is one which is self-contained and under unified direction and control. This would: -

- (a) obviate the need for the present wholly unsatisfactory device of co-ordination of the Ministers having responsibility for housing;
- (b) solve the constantly arising difficulty as to the respective functions of the different Ministries;
- (c) enable the Minister responsible for housing to take a comprehensive view of all aspects of housing.³¹

In normal times, this proposal would have been quite feasible. In 1945, however, such a ministry would have had to assume some degree of control over the supply and distribution of building materials. These activities were predominantly the jurisdiction of two other departments, i.e., Works and Supply. There was also the additional factor of human resources, which were the responsibility of the Ministry of Labour & National Service.

Whether or not it would have been feasible to have a Housing Minister - with assistance from Parliamentary Secretaries - oversee all these functions was not at issue. Far more importantly, the departments responsible for these functions had other obligations to the reconstruction of the nation that extended well beyond the area of housing.

It did not seem reasonable to make a Minister of Housing responsible for the production and distribution of all building supplies. Nor did it seem in the least advantageous to disaggregate the functions of the supply departments among the various "end-use" departments such as Fuel & Power, or Trade.³²

On the other hand, town planning was one of the least immediate problems of the postwar housing drive. Most of the land required for the first years of the building programme had already been selected.³³ If the onerous responsibility for housing was to be removed from the Minister of Health, it might have made more sense to place it within the Ministry of Works.³⁴ There were, however, a number of factors which ruled out any such action.

First, was the strong connection between housing and the broad range of other activities of local government (e.g., sewage, finance, roads) and the overall responsibility for local authorities contained within the Ministry of Health. It must be recalled that the Ministry of Health was a direct descendent of the Local Government Board and thus had many links to local bodies. It was highly unlikely that the Ministry of Works would have proved a suitable repository for all the responsibilities of local authorities subsumed within the Ministry of Health.

Second, the Minister of Health was already a member of the Cabinet whereas other likely contenders for housing were

not.³⁵ Given the political profile of housing, the minister responsible would certainly have to be in the Cabinet. These factors, in conjunction with the judgment rendered by senior officials, made a major reassignment of responsibilities extremely unlikely. Besides, it was argued that these duties would not be an excessive burden for the Minister of Health. Thus, it appeared there was little to be gained from a rearrangement of housing functions.

Because of the work already done by the Coalition, the Prime Minister did not foresee numerous, substantive policy issues to be decided in this area.³⁶ Thus, he did not see a need to establish a committee composed of senior ministers to oversee housing. Any significant items which might surface could receive the benefit of advice from senior ministers at regular meetings of full Cabinet. Thus, the possibility of senior ministers becoming "bogged down" in administrative matters on a regular basis would be avoided.

The Prime Minister also dismissed the mechanisms that had been employed by the Coalition and Caretaker Governments, namely a Cabinet Committee composed of those ministers most concerned with housing but chaired by a senior, nondepartmental minister. Though this might have provided the Labour Government the benefits of experienced, impartial, and more widely connected counsel, it also presented some dangers. A senior minister placed in the chair of a Housing Committee

may well have been tempted to take considerable part in the day-to-day problem solving and administration which arose as the policy was implemented. This in turn may have led the chairman to become more directly involved with the departments responsible for any problematic elements. Indeed, Morrison had hinted at the possibilities of this in his letter to the Prime Minister.

The Chairman of the Committee must certainly possess enough authority not only to lead the Committee but also, if necessary to deal tactfully but firmly with inter-Departmental differences.³⁷

Given the assumption that there were minimal requirements for policy development, one would conclude that the main concern of any coordinating body would be strictly that of synchronizing the efforts of the departments involved. Under normal circumstances, clearly defined departmental roles and a coordinating group comprised of senior officials would have been both suitable and adequate for achieving results. In this instance, a combination of three factors served to place the issue of housing outside the bounds of a committee of officials.

First, there was the high degree of interdependence and, thus, the need for the utmost cooperation and coordination. Yet, one minister clearly had to be given ultimate responsibility for housing. In the exercise of these responsibilities, such a minister was bound to place demands on other departments. The nature of these demands could well have

led to the situation where the "Housing Minister", through the medium of a committee of officials, took complete charge of the major activities of other departments, e.g., Works, Supply. If meeting the demands of the "Housing Minister" was expected to be a straightforward, easy matter, such a situation may have been tolerable and workable. But, it was not expected that the demands would be easily met.³⁸

It was this second factor, the expectation of scarce resources, which made the possibility of relying solely on a committee of officials even more remote. The supply departments had major obligations for both their time and materials to areas other than housing. Some forum was required in order to make adjustments as unforeseen events occurred and to ensure a balance among the many competing demands. A mechanism of clearly defined ministerial responsibilities and reliance on a committee of senior officials for coordination would have been unstable. In all probability, one minister would not have been able to coordinate and direct the programme. Rather, it was more likely that the demands for mediation and compromise would have placed responsibility for the development of the program into the forum where the necessary negotiation could take place, i.e., the committee of officials.

The addition of a third factor ruled out such a notion. While it may have appeared that there would be few policy decisions to be taken, there could be no doubt that many of

the decisions associated with the coordination of the housing programme would be intensely political. The rate of housing starts and completions, the location of these, the allocation of resources, - all politically sensitive issues - would require ministerial decision and direction. 39 Because of the two factors just noted above, direction under one minister was not sufficient; a committee was required.

RESPONSIBILITY & STRUCTURE

The initial decision of the Prime Minister was set out in a document drafted on 13 August 1945.⁴⁰ From the preceding, it was to be expected that Attlee would reject the possibility of any major reassignment of responsibilities for the housing programme. However, in order to keep faith with the Party promise, while at the same time address the present needs, he drew a distinction between the short and the long term.

The question of long-term reallocation of functions between Ministers will need careful consideration. It would involve legislation. It would be premature to come to a decision now. We cannot afford to delay in pushing on with the housing programme. I have, therefore, decided that the following arrangements will best suit the present situation.⁴¹

Responsibility for housing in England and Wales was assigned to the Minister of Health. With regard to the Minister of Town & Country Planning, the Prime Minister sug-

gested that the minister would have enough to do elsewhere and, more directly, that he was "not directly concerned with housing."⁴² The Minister of Works could not be dismissed in the same manner.

The Minister of Works has a general responsibility for the organization and efficiency of the building industry as a whole. He should not, however, share in the responsibility for housing policy. The relation of the Ministry of Works to the Health Departments will be that of a Supply Department concerned with the provision of prefabricated houses and the supply of building materials and components. The Minister of Works will undertake all dealings with the Board of Trade and Ministry of Supply in regard to building materials and components. While the Ministry of Works will continue to advise on questions of building technique, final responsibility for the design of houses will be re-transferred to the Ministry of Health.⁴³

Initially, therefore, the supply function was to be clustered under the general direction of the Minister of Works. However in a note from the President of the Board of Trade to the Prime Minister on 17 August, a recommendation was made to "allow orders to go direct from the Ministry of Health to Supply without the intervention of Works."⁴⁴ It was also suggested that the Board of Trade should not be classed as a supply department, and that all orders placed with industry should be handled by the Ministry of Supply.⁴⁵ On the same date, Bevan decided that he would ask the Prime Minister to change the arrangements and allow for direct ordering from the Ministry of Supply.⁴⁶ By 8 September, the

Board of Trade had agreed to hand over control of any materials for housing to the Ministry of Supply.⁴⁷

The revised edition of the Prime Minister's memorandum, C.P. (45) 184, dated 20 September, incorporated these recommendations and the aggregation of the supply function was abandoned. Also noticeable by its absence in the final memorandum was the explicit statement of responsibilities for the ministers in charge of housing. In all earlier versions this had been stated as follows:

It would be the duty of the Minister of Health and the Under-Secretary of State for Scotland to formulate their programme for the erection of houses, whether permanent or temporary, and for repairs, etc. They must also see that the supply of labour, material, fixtures, furnishing and transportation is properly phased so that all these necessities may move forward together.⁴⁸

Attlee had attempted to overcome one of the major problems facing the housing programme. But, the quandary was more evident than solvable. If a minister was to be charged with the responsibility for housing, he had to be given control over the necessary resources. Yet, these resources were the responsibility of other ministers who, though perhaps not in the Cabinet, were supposedly, if not on an equal footing with, at least not continuously subordinate to, the Minister of Health. These ministers also had the demands of other departments to consider.

From all appearances, Attlee sought to find that fine balance between "self-contained, unified direction and con-

trol" and that "present wholly unsatisfactory device of co-ordination of the Ministers having responsibility for housing".⁴⁹ While he had removed all rival claims for jurisdiction in the area of housing, his attempts to further contain and centralize matters by means other than a rearrangement of functions among departments had started to erode. This becomes more evident when the changes that took place with the coordinating mechanism are observed.

It is suggested that the composition of the Cabinet Committee, as put forward in the first draft of the memorandum, reflected the Prime Minister's wish for a more direct, hierarchical and unitary control of the housing programme. It also was suggestive of his perception that housing was mainly an administrative matter. In his words:

I do not think it desirable to set up a Committee under one of the Senior Ministers. The Minister of Health must be responsible. I accordingly propose to set up a Committee over which he will preside. Apart from Town and Country Planning and Works, the other Ministries are only indirectly concerned, except possibly Labour, and I consider that following the precedent of the Civil Defence Committee this Committee might consist largely of Under Secretaries who would be charged by their respective Ministers to look after such matters relating to housing as concern their Departments. The Committee therefore would be composed as follows: -

The Minister of Health (Chairman);
The Minister of Works;
The Minister of Town and Country Planning, or his Under Secretary;
The Under Secretary for Scotland, Mr. Buchanan;
An Under Secretary from the Board of Trade,
preferably Professor Marquand;
An Under Secretary from the Ministry of Supply;

The Under Secretary to the Minister of Transport ;
The Under Secretary to the Minister of Labour; and
An Under Secretary to the Minister of Health.⁵⁰

The extensive use of Parliamentary Secretaries on the committee served to reinforce both the image of a hierarchy and the degree of control vested in the Minister of Health in his role as chairman. It also underscored the presumed administrative nature of the committee's work.

In the interval from mid-August to mid-September, the composition of the committee was changed in two ways. The most important of these was with regard to the position of the chairman relative to his colleagues. This was affected by the elevation of departmental representation to the ministerial level. When the membership of the committee was finally agreed, all departments except Transport were represented by their minister.⁵¹ Thus, the committee no longer resembled its precedent-setting model, the Civil Defence Committee.

The second change was with the departments represented on the committee. While much emphasis had been directed towards the inclusion of those agencies responsible for the essential inputs to the housing programme, provision had been made for the attendance of other interested parties. The most obvious case of this was the Ministry of Town & Country Planning. In addition, Attlee had envisioned a "part-time" role for the Ministry of Education. The first memorandum contained the following passage:

It will probably be found useful for the Minister of Education or his Under Secretary, to attend if any question arises with regard to the building or repair of schools in relation to the general housing programme.⁵²

However, in his comments on the first draft, the Secretary to the Cabinet (as well as Permanent Secretary to the Treasury), Sir Edward Bridges, suggested that the reference to the Ministry of Education be removed.

I fear it would provoke demands for similar mention of other Departments - e.g., the Board of Trade, who are much concerned about the building of factories essential to our industrial reconversion. Arrangements can be made administratively to ensure that the Cabinet Committee will bring into consultation, as necessary, all the Departments affected.⁵³

Reference to the Ministry of Education was omitted in subsequent drafts. When the Minister of Education later wrote to the Prime Minister requesting that her ministry be represented on the Housing Committee, he replied that she should set up a form of coordination at the official level in order to insure the smooth functioning of the two policies.⁵⁴

It remains a mystery why Bridges used the Board of Trade as an example of a department which would demand "similar mention". At the time, the Board of Trade was already a member of the committee as a consequence of its supply function. And, ironically, the President of the Board of Trade, Sir Stafford Cripps, had asked that his department be removed from the committee. In his request, Cripps stated

that his department did not have a major role to play with respect to housing and, therefore, membership on the committee would serve no useful purpose.⁵⁵ Future events would prove this not to be the case. For though the Board had divested itself of any supply responsibilities, it still retained a major interest in the location and the type of houses built, and access to these houses for key workers.

The lack of representation from clients was rectified somewhat when the Minister of Agriculture & Fisheries, who was concerned about housing for farm workers, asked for membership on the committee.⁵⁶ The Prime Minister granted this request and, by doing so, added another subtle change to the character of the committee. Henceforth, while the Minister of Health would retain sole responsibility for the housing programme, there would be another on the committee who could voice legitimate claims concerning the route this programme should follow. This change, in conjunction with the escalation of departmental representation, made for a different coordinating structure than that which was initially designed.

As envisioned, the main functions of the committee were to effect the degree of coordination necessary for successful implementation of the housing policy and to solve the problems which arose in the course of this activity. The high degree of interdependence among the departments on

an ongoing rather than a "once and for all" basis provided both its rationale and its major difficulty.

Housing, as both an important consumer and producer of scarce resources, presented a situation where the actions of individual ministers and their departments had to become more subject to the control of a coordinating body. It called for the transfer of many of the day-to-day decisions normally made within the departments to a group outside the boundaries of the department. To use Gordon Walker's description, what was required tended more toward the development of a unified view of ministers than that of a court of appeal among dissenting views.⁵⁷

As Morrison suggested, this might have required significant intrusions by others into the domain of individual ministers and their departments. Over the short-term or on an ad hoc basis, such a mechanism may have been acceptable. However, the need for this coordinating mechanism over an extended period posed a dilemma for the Labour Government, and the ministers and officials involved with housing. That this was so can be seen from the actions of Bevan who, within six weeks, tried to put a stop to regular meetings of the committee and, when that failed, established a coordinating mechanism more to his liking.⁵⁸

Notes for Chapter 2

1. The Times, 31 July 1945. p.4.
2. The Economist, 11 August 1945. p.179.
3. The Times, 4 August 1945. p.4.
4. HLG 102/60. Notes for Labour Party Conference, 1947.
5. The Times, The Economist and The New Statesman and Nation all carried speculative stories on who would be responsible for housing and what arrangements would emerge. From the files, it seems that a number of people inside and outside the Labour Party, and government officials anticipated some changes would be made.
6. PREM 8/53. Note, 7 December 1942, outlining proposed demarcation of duties between Ministry of Health and Ministry of Works and Buildings with respect to the postwar programme of the building industry. Also, CAB 117/26, which contains the agreement reached.
7. CAB 124/447, CAB 124/448, CAB 124/473 CAB 124/635 and CAB 21/1745 all contain documents related to this issue.
8. Labour Party. Let Us Face The Future. (London, 1945.) p. 9.
9. Greenwood summoned the ministers responsible for housing to his office for a meeting on 8 August 1945. Conclusions for this meeting can be found in CAB 124/450. Mention of this upcoming meeting was made in The Times along with the suggestion that Greenwood would be responsible for coordinating housing. The Times, 6 August 1945, p. 4.
10. CAB 124/450. One of the decisions was to prohibit the construction of houses for private sale or let until the programme was well underway. This, of course, was not to be the case.
11. PREM 8/53. Morrison to Attlee, 7 August 1945.
12. Ibid. Morrison to Attlee, 9 August 1945, which included clippings from The Star and The Evening Standard of 8 August 1945.
13. Ibid. Morrison to Attlee, 9 August 1945.

14. Ibid. Norman Brook to Attlee, 10 August 1945.
15. Ibid. This offer while not listed in the file is referred to by both Silkin and Greenwood in their correspondence with Attlee and by Brook in his notes on this issue.
16. Ibid. Greenwood to Attlee, 10 August 1945.
17. Ibid. Tomlinson to Attlee, 10 August 1945.
18. Ibid. Silkin to Attlee, 14 August 1945.
19. Ibid. Page 5 of attachment to Silkin letter.
20. Ibid. Attlee notation on memorandum from T.L. Rowan, "I will consider this matter on the weekend". 10 August 1945.
21. Ibid. Attlee's initial decision was contained in CP (45) 118, first drafted 13 August, revised 15, 16, 17 August and substantially revised and reissued as CP (45) 184 on 20 September 1945.
22. Ibid. Rowan to Attlee, 10 August 1945.
23. Ibid. J.A. Stainton, Office of the Parliamentary Counsel, to Rowan, 11 August 1945. This letter provides further advice as to legislative requirements and refers to earlier communication on the matter.
24. Ibid. Rowan to Attlee, 10 August 1945.
25. The question of responsibility for housing was raised several times in late summer and fall of 1944. See CAB 124/447 for communication between Willink and Woolton on the matter. For views of senior officials, see CAB 124/473, for Churchill's views and role, see CAB 124/635. It would appear that Churchill believed that temporary and prefabricated housing, under the Minister of Works, would play a larger part in making up the housing shortage after the war. Private enterprise would also play a substantial part in building houses. Consequently, in Churchill's view, the Ministry of Health was seen to have a fairly minor role and there was often speculation that this would be rolled up into the Ministry of Works as part of their overall responsibilities for the building industry. The Labour Party saw a merger of planning and housing instead of construction and housing. See Let Us Face The Future, p.9.
26. CAB 124/473. Brook to Bridges, 14 October 1944.

27. CAB 124/473. Brook to Maude, 3 November 1945.
28. PREM 8/53. Brook to Attlee, 10 August 1945. Housing: Re-Allocation of Departmental Responsibilities.
29. Ibid. Last page of section (b) A "Minister of State" in the Ministry of Health.
30. The options considered here reflect both what had been employed previously, or what would be employed in the future.
31. PREM 8/53. Silkin to Attlee, 14 August 1945.
32. CAB 124/473. These points are raised by Brook and others in 1944. Brook also raised this in his "notes", 10 August 1945. (PREM 8/53.)
33. PREM 8/53 and HLG 71/1019. Over 300,000 sites had been acquired by this time. From the perspective of Town & Country Planning, too much land had been acquired.
34. The Conservatives had leaned in that direction; so did The Economist which, after the slow start on housing, suggested that the concerns of Works and Health should be brought together. The Economist, 6 April 1946, p.534.
35. According to The Times, the issue was really all but decided on 3 August when Bevan was the only minister associated with housing to be given a place in the Cabinet. The Times, 6 August 1945, p. 4.
36. Attlee as Lord President, Dalton as President of the Board of Trade, Bevin as Minister of Labour and National Service and Morrison as Home Secretary had all been involved in the development of the postwar policy and were fairly familiar with the policy issues.
37. PREM 8/53. Morrison to Attlee, 7 August 1945. The withdrawal of this offer left Attlee little choice but to rule out the use of a senior minister as chairman.
38. CAB 87/35. The Complexity of the reconstruction programme was well understood by the government. The best summary of the problems facing housing are found in the Report of the Official Committee on Housing Costs, December 1944 (CAB 87/103).
39. PREM 8/53. Morrison, Attlee, Greenwood and Brook all felt that some kind of ministerial committee was necessary. It will be seen that the problem of one minister attempting to direct other departments did arise.

40. Ibid. "Ministerial Responsibility for Housing", Attlee, 13 August 1945.
41. Ibid. CP (45) 118. Draft of text agreed at a meeting of Ministers with the Prime Minister to discuss responsibility for housing, 16 August 1945, p.1.
42. Ibid. p. 1.
43. Ibid. p. 1.
44. Ibid. Cripps to Attlee, 17 August 1945.
45. Ibid.
46. CAB 87/36. Minutes of meeting, Housing Committee, 17 August 1945.
47. PREM 8/53. Treasury memorandum, 8 September 1945.
48. Ibid. CP (45) 118, p. 2.
49. Quotes come from Silkin's letter to Attlee, 14 September 1945. (PREM 8/53.)
50. PREM 8/53. CP (45) 118, first draft, 13 August 1945, pp. 2-3. The idea of assigning a new Parliamentary Secretary to the Minister of Health to assist him with housing was dropped when it was discovered that this would also require legislation. Bridges to Attlee, 17 September and Rowan to Bridges, 21 September 1945.
51. Ibid. CP (45) 184, 20 September 1945.
52. Ibid. CP (45) 118, first draft, 13 August 1945.
53. Ibid. Bridges to Rowan, comments on first draft on CP (45)118, 15 August 1945.
54. CAB 21/1745. Wilkinson to Attlee, 20 August 1945. As Attlee subsequently told Wilkinson in a letter, 28 August 1945, the Housing Committee was to be "a practical working committee". This arrangement led to some problems when schools were temporarily denied access to building materials when a new priority mechanism was introduced in April, 1946. See HLG 102/114 for outline of the problems which arose.
55. PREM 8/53. Cripps to Attlee, 17 August 1945.
56. CAB 21/1745. Request noted in correspondence, 20 August 1945.

57. Morrison, in his discussion of committees in the Attlee Government, does not mention the Housing Committee established under Bevan. Yet, as shown, such a committee posed an interesting problem for the Government. Morrison, op. cit., pp. 32-37.
58. Bevan proposed that regular meetings be suspended on 26 September 1945. The committee rejected this suggestion. Shortly after, he created the "informal committee" which consisted of Health and the supply departments. See CAB 87/36 26 September 1945 and CAB 21/2023 Minutes of first meeting of informal committee 30 October 1945.

CHAPTER 3

DETERMINING THE POLICY

The evolution of a great housing programme at the end of a war is a task of the utmost magnitude and complexity. It has to be conceived and carried out against an immense switchover from war to peace production. It has to be done at a time when the pipelines of supply of building materials of all kinds are empty, and when the building workers themselves are scattered in different parts of the world and in very many employments at home.¹

It appears to us that adequate provision has not been made in the past for the organized acquisition of facts and information, and for the systematic application of thought, as preliminary to the settlement of policy and its subsequent administration.²

The present statement would, he feared, give the impression that the housing policy of the new Government had no distinctive feature and was nothing more than a collection of miscellaneous expedients.³

Further reflection on Mr Aneurin Bevan's statement on housing reveals a purpose but only half a plan.⁴

In the late stages of the war, local authorities had been encouraged to acquire suitable tracts of land for housing. By the end of the war in Europe, much had been done in this regard and, without much exhortation from the Caretaker Government, some private builders and local authorities had started to construct houses. When Labour assumed office, the need for swift action in the housing programme did not give them much time for contemplation of policy options. Fortunately, the policy developed during the war did reflect many of the practical constraints which would affect the housing drive. Hence, a radical departure from the directions decided by the Coalition was not expected.

The Minister of Health, along with his senior officials, were to be the main actors in determining the direction the policy would take. Not all of the decisions, however, rested entirely within the boundaries of the Ministry of Health. Other ministers and their advisors, such as the Chancellor of the Exchequer or the Lord President and their officials, expected to have some influence on the direction of the policy. Other agencies, as well, expected to be involved in some aspects of the decisions - the most notable among these being the local authorities. The more passive but equally pervasive influences which often dictated the directions to be followed, were the severe conditions that were expected to prevail at the time the policy would be implemented.

CONSTRAINTS

The constraints to be overcome and the major pitfalls to be avoided were well-known. Marion Bowley stated the case as follows:

The crux of the immediate post war problems will be the same as after the Great War, an overwhelming demand for building resources and an abnormally limited supply of them, together with uncertainty about the future of building costs, of the general level of prices and about interest rates. This time, however, we shall have the advantage of a good deal of experience if we bother to make use of it.⁵

Simply put, the task was to attain momentum while maintaining balance. After six years of diminished building activity and foregone maintenance, a "cost bubble" was almost certain to appear. Balance required that its size and duration be minimized. In order to attain momentum, it was necessary, not only to demonstrate that the "cost bubble" would be under some control, but that those who acted at its peak - when prices were high - would gain some measure of protection when the bubble burst and prices tumbled.

The availability and distribution of labour were seen as the main determinants to the size of the cost increases. This included both the labour to build houses and the labour to fabricate the components for the building programme. The labour force in both these areas, particularly with respect to skilled workmen, had been severely reduced and dispersed during the war. Labour would have to flow into both these streams in an orderly, balanced manner if the chaos which followed World War I was to be avoided. If there was to be a temporary imbalance, it would be less harmful if building labour lagged slightly behind the production of materials.

Though a build-up of the labour force was the essential feature to the overall success of the housing drive, additional measures also had to be devised to control the demand for materials. While it was true that the building labour force was too dispersed and disorganized to cope with redevelopment in the shape of large scale projects, there was

every reason to fear it could be swiftly mobilized in areas of house repairs or the scattered construction of houses. Once again, the experience following the last war was appropriate:

In 1919 and 1920, the immense competition for building resources pushed prices up to fantastic levels. Everybody who had postponed his demand for new houses or for new buildings of any sort, or who simply needed to make good arrears of repairs, tried to obtain resources for carrying out the work. The result was naturally increases in the prices of materials, in wages and in profits.⁶

As Bowley goes on to point out, these effects were a logical outcome of the price mechanism in a situation of high demand, and "Unless another type of mechanism for distributing resources is substituted this competitive struggle is the only method available, however unsatisfactory its results."⁷ Thus, some type of administrative machinery would be required to control demand.

In conjunction with the ability to constrain building demand, it was also necessary for the Government to be able to stimulate demand. Though it was essential that renovations or cosmetic repairs to existing houses and construction of new houses for sale be severely restricted and discouraged it was expected that some form of incentive would be required if sufficient numbers of homes to let for the working classes were to be started at once.

Even with tight control of supplies envisioned, it was expected that prices would escalate considerably for a time after the war. Houses built at the peak of the price crest would become liabilities in future years as they would have cost more than those built before the war or after the expected price drop. Someone would have to pay for this difference. Was it to be the tenant the owner (this would, in most cases, mean the local authorities), or the Treasury?

If the tenant, then it was expected that the rents necessary to cover the costs of these houses would have been much higher than most could afford. If it was to be the local authorities, then it was likely that fewer houses would be built as many of the authorities would wait until the prices began to drop before beginning construction. In order to ensure the needed houses would be built as soon as possible, therefore, the Treasury had to be prepared to stimulate demand by paying the extra costs associated with the startup period.⁸

The measures needed to overcome these problems. while avoiding economic chaos, were well within the bounds of what Labour had stated they were prepared to do in the planned economy of postwar Britain. During the war, and immediately prior to the election, the Labour party had made numerous commitments on the housing issue. While we have seen that the pledge to create a Ministry of Housing & Planning had been rejected, the party had also made promises with respect

to the quantity and quality of, and the clientele for, the houses they would erect if elected.⁹ As well, the party had suggested the measures they were ready to employ to accomplish this task:

Labour's pledge is firm and direct - it will proceed with a housing programme with the maximum practical speed until every family on this island has a good standard of accommodation. That may well mean centralized purchasing and pooling of building materials and components by the State, together with price control. If that is necessary to get the houses as it was necessary to get the guns and planes, Labour is ready.¹⁰

CONTROLS

It would take some time for the building labour force to return to its prewar level. In the meantime, immediate action was required to control the demand for building materials and labour. Under the provisions of the Supply and Services (Transitional Powers) Act, 1945, the wartime measures contained in Defense Regulation 56A were extended into the postwar period.¹¹ The purpose of these measures was to curtail all unnecessary building and repairs. It allowed the Government, through the Minister of Works, to set limits on the amount of construction or repairs which could be undertaken within any given period. Any work in excess of these limits would require a license. The limit after the war was set at £10 in any six month period.¹²

Above this limit, three types of construction would be permitted: licensed, authorized and direct. The latter of these, direct construction, was work undertaken by a government department and was excluded from the regulations. Authorized construction included work carried out by other public bodies such as nationalized industry or local authorities. Licensed construction included all work conducted for private interests. Both authorized and licensed work were to be controlled by government departments, the latter mainly by the Minister of Works, the former by the departments responsible for the outside public bodies.

As a result of these measures, control of the demand for building materials and labour was, for the most part, placed in the hands of Central Government. Except for work below the £10 limit, the Government, albeit on a decentralized basis, would be aware of the demands being made on the construction industry. In theory, with a coordinated effort, the Government could ensure that work which had to be done took precedence over that which was less necessary. It could also ensure that construction progressed in a manner consistent with the availability of supplies. However, in order to avoid the need for constant comparison and decision concerning the priority of a multitude of building schemes, a simple, overall priority mechanism was instituted.

While the prime mechanism for controlling external demand was cost - i.e., the £10 limit - the method proposed for

determining internal priorities was labour. Each building activity was to have a portion of the building labour force allocated to it. Activities which exceeded their allocation would no longer be given preference at the local Labour Exchanges.¹³ In this manner, it was expected that progress on these sites would decrease to a level more closely related to the availability of supplies. A reflection of the priority assigned to housing was the proportion of labour allocated to this activity. Housing was to receive two-thirds of the total building labour force. In addition to building labour, two strategic materials, timber and steel were also tightly controlled and allocated on a quarterly basis among the many competing uses.¹⁴

These general measures were the prime means which the Government was to rely on to control the postwar building programme. For each activity, more specific controls were to be exercised by the departments responsible.

As far as housing was concerned, the Ministry of Health adopted measures for the control of both the private and public housing sectors. Since the local authorities were to have the responsibility for determining the need for housing and meeting these requirements, the controls were designed to operate both through and on them. The procedures adopted allowed the ministry to control the quality and size of the houses and the population density in the area. The ministry

also retained the option of refusing permission if the tendered price was thought too high; in this way providing some control over the cost of housing. The ability to prohibit local authorities from building provided the means to distribute housing among various regions if this were to prove necessary.

While the rules affecting public sector housing could be more flexible and discretionary, the nature of private sector housing required that controls be more clearly stated. The primary issue to be resolved was whether the Labour Government would allow houses to be built for private sale or rent, and, if so, under what conditions would this be permitted. Bevan was prepared to allow private building to continue. He proposed:

That, within limits and subject to proper control, licences should continue to be issued for the erection of new houses by private builders by contract for individual owner-occupiers or for sale or letting.¹⁵

The proper controls were straightforward. Local authorities would have to be in agreement, as they would issue the licence. The total cost, including land could not be in excess of £1,200 (£1,300 in London) and, the area of the house could not exceed 1,000 square feet. Limits to the number of houses built were to be discretionary. It was not, however, to replace or hamper the efforts of local authorities in providing houses to let for the working

classes. Bevan would "communicate with Local Authorities in this sense and keep the figures of licences issued under review in relation to the needs of the programmes of the Local Authorities for building labour".¹⁶

The reason given by Bevan for allowing the issuance of licences for private housing was the fear of unemployment. While he felt that private builders would be occupied with the reconstruction of bomb-damaged houses or doing other essential repairs, he was concerned that these would not "absorb the available building labour pending the full development of the local authority schemes".¹⁷ He further rationalized his position as follows:

My view is that we ought not to run any risk of unemployment in the building industry or miss any chance of getting suitable houses at a suitable price in the early stages while our main programme is gathering momentum. I think, therefore, that it would not be wise at the present time to cut out entirely the provision of houses by agencies other than the Local Authority.¹⁸

Thus far, all the elements of postwar housing, except the ratio of private sector/public sector housing, were identical to those proposed by the Coalition Government.¹⁹ The first departure from this plan came with respect to the subsidization of private building. The Coalition, acting on the advice of the Pole Committee, had agreed that a subsidy should be provided for private housing built in the period immediately following the war when prices were expected to

be high.²⁰ The Lord President and the Minister of Labour & National Service at that time, Attlee and Bevin respectively, had insisted it be recorded that they had "grave misgivings about the effect of these proposals for a subsidy in respect of private housebuilding".²¹ It was not surprising, therefore, when the Labour Government decided not to provide subsidies for private sector houses after the war.

There were two other areas which, while not having a direct effect on the construction of new houses, were potentially important elements of housing policy. The first was the proposed control of the selling price of houses. The Coalition Government had been unable to arrive at an agreement as to whether these could, or should be, controlled. After some debate on the best means of deciding this issue, Attlee, in his role as Lord President, referred the matter to a committee of "experts".²² This committee, known as the Morris Committee, submitted its report several months later by which time Bevan had become Minister of Health.²³ The committee proposed that the price of houses sold after the war should be subject to controls.

Bevan recommended that the advice of the Morris Committee be rejected. He argued that any Bill to introduce these controls would be complex and take much time in the House. In addition, notwithstanding any appeals which might arise, it would take at least a year for all the available valuers to value all the houses. Finally, it was estimated the

measures would cost £300,000.²⁴ For these reasons, Bevan did not feel the controls would be worth the effort. The Cabinet concurred with this view.

Though controls on the selling price of houses would not be introduced, the control of rents was never in any doubt. Given the extent of the housing shortage, there seemed no alternative to maintaining the provisions of the 1939 Rent Act as a vital element of the housing policy.²⁵

CABINET DISCUSSION

Issues related to housing were raised a number of times at Cabinet in the early months of the Labour Government. The most important were the discussions over emergency powers and demobilization policy.²⁶ The most comprehensive discussions of housing policy, however, took place on the 9th and 15th of October, 1945. On the first of these dates, Bevan presented a paper outlining the major elements of his policy. He wished to make a "comprehensive statement of the Government's policy on housing at an early date,"²⁷ and he sought agreement from his colleagues on both the tenor and timing of this address.

In his paper, Bevan outlined a building programme of three stages, but he suggested no promises be made as to when these would be completed.²⁸ The implementation of the policy was to rely very much on the actions to be taken by

local authorities. Should they ignore their responsibilities, Bevan stated "he would not hesitate to exercise (his) powers to act in their place".²⁹ The first priority was the provision of homes for letting to the working classes. The standards of these, with respect to both size and equipment, would be higher than those built before the war.³⁰ Bevan informed the Cabinet that he was in the process of negotiating with the Chancellor of the Exchequer the appropriate rent to be charged for these houses and that this would form the basis for the proposed subsidies.

The fear of escalating costs was to be addressed primarily by the refusal of tenders where prices were felt to be too high.

The success of the programme rests on the establishment of a proper range of building prices. Building has to begin at a time of high prices but I propose to make it clear that these must be regarded as the peak. I shall refuse to approve tenders which appear to me to be too high and I shall by my administrative action make it clear that a reduction of prices must be secured in the months ahead. My colleagues will appreciate that this action may for a time keep down the figure of approved tenders and that therefore the gap between programmes and actual construction may widen. But we must begin as we mean to go on.³¹

In addition, Bevan felt means such as bulk ordering of materials and improved efficiency of building operatives would be necessary to alleviate costs. In his opening remarks, he stressed that "it was important that some system

of standardized house construction be devised, if only as a stimulus to the efficiency of the building industry."³²

The policy proposals also referred to the measures required to avoid the impending crisis of accommodation during the forthcoming winter months. An appeal would be made to all persons with any room to spare to share their homes with the homeless. Additional relief could also be expected from the quick repair of war damage, the conversion of larger homes into flats, and the requisitioning of unoccupied houses. Bevan wished to downplay the use of requisitioning powers and said he would delegate these powers to the local authorities only in extreme circumstances. He also wished to minimize dependence on conversions.

I do not propose however, to embark on elaborate conversion, which could absorb an immense amount of building labour, until new building is well under-way.³³

Finally, the policy paper concluded by mentioning two items where early legislation would not be introduced. The first was, as mentioned above, control of the selling price of houses. The second was the provision of grants for the repair of rural houses. Bevan had asked a subcommittee of the Central Housing Advisory Committee (the Hobhouse Committee) to look at this issue and he wished to delay any action until a report was submitted.³⁴

The response of his colleagues to his proposals was not positive. The Minister of Agriculture & Fisheries began by condemning the proposed statement for its insensitivity to rural housing concerns. He raised the point that his department had not been consulted about subsidies before the Minister of Health began his discussions with the Chancellor on the matter. As for the statement "contractors must look for less profit on more houses and not to more profit on fewer houses" - which Bevan had made in his paper - the Minister of Agriculture said this had no application to rural housing.³⁵ Finally, concerning the default powers which Bevan was prepared to use, he said "it was well-known that such powers were ineffective in practice."³⁶

The architect of the 1919 housing policy, the Secretary of State for Dominion Affairs, Lord Addison, concurred with the views expressed by the Minister of Agriculture. He felt that "default powers would prove unavailing" and the Central Government would likely have to build the houses in many rural areas.³⁷

The Foreign Secretary, Mr. Bevin, stated that the Ministry of Works should be given the power to build houses in all areas. Not only would this ensure that houses were built where needed, but that "such a power was necessary in order to force building costs down".³⁸ He also suggested that the Co-operative Permanent Building Society should be

consulted as they could play a valuable role in the postwar programme.

The Lord President, Mr. Morrison, also raised several issues. He pointed out that the targets mentioned did not differ from those of the Coalition which had been the subject of heavy criticism when they were produced. As well, he felt that the tone of the programme was too negative. It did not make "any provision for the man who wished to own his house" and failed "to give Building Societies any part of the programme".³⁹ In his role as Leader of the House, he did not want to see two days of valuable Parliamentary time wasted in a debate of a general statement. Rather, he preferred such a statement be made in conjunction with a Housing Bill. Overall:

The present statement would, he feared, give the impression that the housing policy of the new Government had no distinctive feature and was nothing more than a collection of miscellaneous expedients.⁴⁰

In summing up, the Prime Minister suggested that any statement should wait until the required legislation was ready to be introduced. He added:

The discussion had shown that there was still a good deal of ground to be cleared before a general statement on policy could be made. In particular, further efforts should be made to reconcile the outstanding differences of view between Departments; and there should be a further definition of the legislation

required... He suggested that the Minister of Health should consider the matter further in the light of the various points which had been raised in the discussion, and should arrange for further consideration of these issues by the Housing Committee before the question was brought up again to Cabinet.⁴¹

Bevan had not discussed his policy statement with his colleagues on the Housing Committee. Now it was proposed that he should take the time to discuss the issues with them while the required legislation was drafted. The Opposition thwarted this plan, however, by introducing a motion of censure condemning the Government's lack of initiative in the area of housing. Debate on the motion was scheduled for 17 October.⁴²

In order to consider the points raised by Cabinet and arrive at an agreed policy prior to this date, a special meeting of the Housing Committee was convened. Under the urging of Francis Williams and Douglas Jay, the Prime Minister had sent Bevan a "Personal Minute" concerning a target for housing completions.⁴³

I am quite sure that you should reconsider your proposal not to announce a definite target for the construction of permanent houses to which I see certain serious objections. It seems quite likely that the Opposition and the Opposition Press will try to convince the public that private enterprise could build houses rapidly if Government restrictions did not stand in the way. Part of such a campaign would undoubtedly be a hypothetical target figure which they would claim to be easily attainable by private enterprise. To anticipate this we must, I am sure, have our own target figure, and in any case the public have a right to know when new houses will be available.⁴⁴

The Housing Committee disposed of this item first. Bevan argued that under the circumstances, it did not seem feasible to exceed the target set by the late government of "300,000 houses built or building" within two years of the end of the war. Thus, that figure, or a lower one, could be the only reasonable target. But, as he put it to the committee, "if they adopted the target of their predecessors, they were open to the charge that they were unable to do better".⁴⁵ Following a discussion of how the target had been set by the Coalition, the committee accepted Bevan's reasoning and agreed a target should not be published. They did, however, adopt for programming purposes the target of 300,000.⁴⁶

At committee, Bevan continued to support the main thrusts of his previous paper. While he agreed to consult with the Minister of Agriculture & Fisheries on increased subsidies for rural housing, he still proposed that the reconditioning of rural cottages be postponed for the present. Though Bevan saw a possible need for a central organization to build houses in the future, he felt any immediate action in this regard might reduce the number of houses built by the local authorities. Such action would only confuse the local authorities as to the Government's real intentions.

Bevan could see no substantial role for Building Societies in the Government's housing programme. However, he proposed to address Morrison's concern for aspiring home owners by increasing the maximum loan available under the

provisions of the Small Dwellings Acquisition Act. The new level was to be £1,200, a figure equal to the maximum value for houses built under license. The committee concurred with the views put forward by the Minister of Health.

Having received assent from the committee for his proposals, Bevan was ready to go back to the Cabinet. The new draft of his paper was quite different in style, but not in substance.⁴⁷ On the major points, his position remained unchanged. Six days after the first attempt, only this time with better arguments, agreement from his committee, and the pressure of time on his side, Bevan received the approval of his colleagues in Cabinet. Ministers there agreed that no target for the completion of houses in England and Wales should be made public.

Further discussions focussed on the pitfalls which should be avoided during the debate and not on substantive policy issues.⁴⁸ Ironically, a debate in the House, brought on by a motion from the Opposition, had thwarted the possibility for further deliberation of the matter in the Cabinet, the supreme policy-making body. The policy, save for the outcome of the negotiations with the local authorities and the Chancellor over the level of subsidies, was decided.

GAINING TREASURY APPROVAL

Negotiations with the Treasury did not proceed at such a rapid pace. The prime issue to be determined was the amount

of the subsidy to be provided by the Central Government. Related issues included: the length of time the subsidy would be paid (40-60 years); the length of time it would remain at the agreed level (1-3 years); the ratio of contributions between the Central Government and local authorities; the rate of interest charged on the loans; and, the variation in subsidies for rural areas or other more costly housing developments.

The initial discussion focussed on the issue central to many of the above concerns as well as being the major purpose of any subsidy, namely, the rent to be charged for the new houses. Most of the communication took place between the Finance Officer in the Ministry of Health, Mr. George, and his counterpart at the Treasury, Mr. Hale. The deliberations and negotiations ranged up and down the parallel hierarchies of the two organizations. However, discussions between the departments were generally conducted either through George and Hale or at the level of ministers.

Formal negotiations began on 19 September with a letter from George to Hale.⁴⁹ George reported that his minister had decided the size of the new homes would be based on the Dudley specifications.⁵⁰ The cost for this house was estimated at £1,082.10s and was expected to fall to £900 when the building industry settled down.⁵¹ His minister wanted the rent for these houses set at 10s. per week. With knowledge of estimated cost and revenue, the Treasury was now

able to determine the required subsidy for various interest rates and amortisation schedules. They could also foresee the total cost of the housing programme.

The proposal from the Ministry of Health was passed up through the Treasury to the Chancellor. The advice given by Treasury officials was that rents should be, at a minimum, 12s. They reasoned that the standards of these new houses were much higher than either the houses built before the war or the temporary houses which were being erected and which were renting at 10s. As well, if the long term programme over the next ten years - which called for a total programme of 4,000,000 houses at 400,000 per year - was to be pursued, it was impossible to conceive that rents for these would be in a similar proportion to the actual cost of construction. It just could not be afforded. Rents higher than 12s would likely be required shortly, so Treasury officials felt it would be wise to start in that direction now.⁵²

On 27 September, George again wrote to Hale. He reported that his minister was prepared to raise the amount of the contribution made by local authorities. George also raised the issues of special subsidies for rural regions and poorer local authorities.⁵³ Hale responded to both letters on 2 October. He said the Treasury could not accept a rent of 10s. They must ask for 12s. and expect a further increase to 15s. in the near future. With regard to George's last

letter, Hale said the Treasury was not prepared to discuss other issues until the general one of rent was solved.⁵⁴

The positions of the departments were fixed. If there was to be a change, it would have to be negotiated by the ministers. On 12 October, Bevan wrote to Dalton asking that the matter of rents be settled quickly so that other concerns could be addressed.

I think that we must make some progress quickly. If you are not able to agree 10s. at once perhaps we should have another talk. Alternatively, I could put the question up to be determined by the Cabinet. I should be glad if you would let me know which course you prefer.⁵⁵

On the 13th, the minister responsible for housing in Scotland also wrote to Dalton.⁵⁶ While he did not agree to the rent of 10s., he did stress the need for a quick decision. On the bottom of this letter, Dalton scribbled a short note to his officials:

Quick reply to both of these please. I am inclined to agree to 10/ - or shall we say 11/?⁵⁷

Treasury officials once again advised the Chancellor that the cost and quality of these new houses justified the higher rent. It was also noted that the Ministry of Health would not accept 11s. and that the decision was between 10 or 12.⁵⁸ Dalton accepted this advice and wrote a flattering letter to Bevan. After suggesting that he would be able to give more help to Bevan in the future he concluded, "Let's

agree to call it 12/, and have a talk next week about the other possibilities."⁵⁹

The two ministers agreed to meet on 26 October. Two days prior to this meeting, Bevan approached his Housing Committee for an endorsement of his view that rents should be no higher than 10s.⁶⁰ On the Treasury side, officials prepared a brief outlining the major arguments for the Chancellor.⁶¹ The outcome of the meeting was that Dalton agreed to a rent of 10s.

Round one had gone to the Ministry of Health. However, that just signalled the beginning of the next round. On the same day the rent was agreed, Sir Bernard Gilbert wrote to Hale:

Where do we go now on the subsidy? I think we must still press for 2:1.⁶²

For present purposes, it is not necessary to follow these subsequent negotiations in detail. Suffice to say that they followed a similar pattern, except for the added complication of additional negotiations with an external third party, the local authorities. Once again, the ministers had to meet to settle the issue and again it was Sir Bernard Gilbert who put the case eloquently and concisely to the Chancellor as shown by the following excerpts.

The Ministry of Health have not succeeded in getting the agreement of the Local Authorities to the proposals on housing subsidies which we had agreed with them...

There are two sources of trouble. First, the effect of a series of statements by the Minister of Health and of a circular from the Ministry as regards the size of houses is that the house of 900 square feet, which was taken as the average, is now regarded as a minimum, and the actual average is about 950 square feet. This means £50 on the cost. The second is the rise of wages, under discussion for some time and announced a day or two ago, of 4 d. an hour. This means another £50 on the cost...

Coupled with these two points is the question of rents. We have agreed that the rent for these next two years shall be taken as 10s/-, but this is an average and some Local Authorities will be ready to charge more. Whether, however, they can do so really depends on how much the Minister says in public about the 10s/- rent level, and, if he gives it high authority, he will undoubtedly establish it as a maximum for new houses and by this means remove from Local Authorities the possibility of easing the burden of costs by charging a bit more on the rent..

The upshot is that local authorities do not regard £15 plus £5 as enough and are asking for £18 plus £6. The Ministry think that they could get away with £15:15:0 plus £5:5:0 (which adds up to the same as the present subsidy but has a smaller rate burden) if a certain amount of decent obscurity surrounded the rent and left authorities free to charge a bit more if the cost proves to be as high as they fear.⁶³

Sir Bernard concluded by voicing his concern on the mounting cost of the housing programme and recommended that the Chancellor raise this issue with the Minister of Health.

At a meeting on 18 December the two ministers reached agreement in principle and instructed their officials to work out the final arrangements. Bevan agreed that the subsidy would be based on a maximum size of 900 square feet and that local authorities would have to pay the additional cost for any increase in the size of homes above this figure.

Bevan also committed himself to reducing building costs and cutting the amounts of admissable tenders. For his part, Dalton agreed to a ratio of 3:1 for the central/local contribution to the subsidy.⁶⁴

After these two exchanges between the ministers, the path that officials should follow became clear. Not only was this a case where "the mind of the minister was known", but, also, once the ratio for the subsidy was established, past experience provided sufficient precedent to sort out the other issues.⁶⁵ During the winter, subsidies for housing in rural areas and for local authorities with high rate burdens were agreed. Special subsidies for flats on expensive sites were also to be provided.⁶⁶

Though The Economist has suggested that the Ministry of Health was pushing for a subsidy arrangement similar to the Addison subsidy of 1919, such a proposal was not prominent during the negotiations with the Treasury.⁶⁷ Indeed, such an arrangement had been summarily dismissed in the early stages of Coalition postwar planning because it provided little incentive for local authorities to be efficient and resulted in administrative arrangements which were "extremely tortuous and complex" and highly centralized.

The financial arrangements for subsidy [1919] between the Government and the Local Authorities left the Local Authorities with no financial interest in the cost of houses; and the measure of central direction left them with little local interest.⁶⁸

The subsidy to be paid by the Central Government was to be fixed for any given set of circumstances. The adoption of different subsidies for rural or high rate areas introduced some degree of equity without producing the mass amount of central control which had accompanied the 1919 efforts. However, if the central contribution was to be fixed to avoid excessive controls, then it followed that the contribution from the rates and/or the rents had to be free to rise according to the final cost of the home. This was the outcome which was accepted.

The negotiations with the Treasury had taken considerable time. The main issues introduced in September were only finally resolved the following April. Discussions had proceeded along a straight line of reasoning: the cost minus the rent equalled the subsidy. Hence, the initial focus on the rent to be paid. Once that was determined the major issue became the portion of the subsidy which would be paid by the Central Government. After these were settled, precedent served as a guide for the remainder.

In general, the Treasury confined itself to the issues directly related to the level of public expenditure. The fear that escalating costs would lead to a demand for higher subsidies did result in the expression of some concern to keep the costs down. But the Treasury did not involve itself in determining how this might or should be done. That was left to the Ministry of Health. Once the amount of the

subsidy had been agreed, it was up to that ministry to ensure that the cost did not exceed the ability of the "working classes" to pay the balance through the rents charged. This method of control permitted the Minister of Health the maximum amount of freedom to develop his policy and, at the same time, protected the level of expenditures.

THE ROLE OF LOCAL AUTHORITIES

As can be seen from the foregoing, local authorities were expected to play a central role in the implementation of the postwar policy. This was not, however, a totally novel concept. Local authorities had been actively involved in the housing field since 1919. In the interval between the wars they had been expected to assist in the implementation of a number of different housing policies designed by the Central Government.

From 1919 to 1931, they had been encouraged through a variety of incentive schemes, to build houses for rent to the working classes. In the 1930's, the Central Government had replaced its policy of meeting the general housing needs of the working class with a policy aimed at the removal of slums and the elimination of overcrowding. Once again, local authorities had been given the responsibility of implementing this policy.⁶⁹

Though the sanitary policy of the 1930's had placed a greater reliance on the "filtering up" process as the primary means of providing improved housing for the working class, the number of houses built by local authorities in the 1930's still averaged more than 60,000 houses annually. In total, local authorities had erected more than 1,100,000 houses in the interwar years.⁷⁰

Of course, not all local authorities had been involved in these housing schemes. For some, particularly the small rural authorities, the role they were asked to play in 1945 was a novelty. Even for those with much experience, such as the London County Council or other large urban centres, there were new factors and new duties brought about by the postwar situation which had to be taken into account. For in 1945 local authorities were to be the main agents Central Government would employ to implement the policy. Not only were they to build and manage the vast majority of the houses, but, they were also expected to approve and control the construction of houses built for private sale or rent and decide whether to grant permission for the repairs to existing homes.

Such a broad role brought with it a substantial list of duties.⁷¹ To begin with, local authorities had been asked by the Coalition Government to locate and purchase land suitable for housing. Many had already identified and obtained the necessary land. Having accomplished this task,

local authorities were then expected to plan housing estates to acceptable density standards, including the design and layout for the houses or blocks of flats that would make up these estates.

If the land acquired was not serviced or was without proper access, the provision of services and extension of roadways had to be planned, appropriate approvals obtained, and tenders called. Installation then had to be undertaken in the midst of severe shortages of all the necessary input factors. For those local authorities receiving temporary housing, suitable sites had to be prepared in considerable haste.⁷²

Approval from the Ministry of Health was required at each stage of site acquisition, planning of density and layout and the design of the dwellings. Upon receiving approval for the design, the local authority was then free to seek tenders from contractors to get the houses built or, with some controls, to build them with their own labour force.⁷³ The tendered prices had to be submitted to the ministry and approved before the contracts could be signed and work could commence.

As noted above, the ministry planned to use the rejection of unsuitably high tenders as the major means of keeping prices down. This vigilance on their part and the shortage of men and materials promised to make the construction process from submitting tenders to completing houses much

more complex than usual. Early experience had already demonstrated that the circumstances called for a certain degree of caution on behalf of contractors. This was reflected by increased inclusion of escalation clauses in the contracts.⁷⁴

Once the houses were constructed, local authorities would have to confront another series of difficult tasks. There would be the responsibility for managing and maintaining the estates - including the recruitment of the necessary staff and the purchase of equipment. For some local authorities, this would be a completely new experience. Local authorities were also required to determine a suitable (i.e., equitable) means of selecting the most needy tenants for the houses and trying to match these with an appropriate balance of cost recovery between rate contributions and higher rents. With such a list of responsibilities, it is not surprising that some persons feared that many local authorities, particularly the small rural authorities, would not act quickly in assuming their duties for building houses to let.⁷⁵

The first hurdle at the local level was clearly going to be acquiring the necessary staff to design the layout and plans for these houses. Efforts were already well underway to get skilled personnel out of the Armed Forces and back into the employment of local governments.⁷⁶ This would help

those authorities that had built houses prior to the war; they, for the most part, had the opportunity to locate former staff members. For those without previous employees to reassemble, or for those small local authorities not requiring the services of draftsmen, architects, engineers, or housing estate managers on a fulltime basis, the problems were somewhat greater.⁷⁷

As previously mentioned, another responsibility was to be the granting of licences for the construction of private residences, whether for sale or for rent. In addition to the historical role of ensuring conformity with local by-laws, local authorities were expected to consider issues of a less precise nature before granting permission to private interests to build.

Local authorities were required to ensure some degree of fairness in granting permission to build houses for private ownership. Since the shortage of labour and materials would not allow everyone who wanted to construct a house to do so, it was necessary that those granted permission to build their own houses be among those, and be seen to be among those, most in need of housing. There were obvious complications in ensuring that this responsibility could be adequately met, not the least of which was having inadequate power over the final disposition of the dwellings.⁷⁸

As noted elsewhere, the local authorities were also expected to relate the number of permits granted to the number

of public housing starts according to a prescribed ratio, as set by the Central Government, between the two housing sectors (initially 1:4). In this way, the local authorities were placed in the unenviable position of balancing local demand for the private purchase of new housing against the demand for public housing to let.

Local authorities also had a role to play in controlling the use made of building materials and labour for essential repairs to existing buildings. If total costs for such repairs were under £100, they could provide the licences directly. Otherwise, they would issue certificates which, upon presentation to the Regional Officer of the Ministry of Works, would result in a licence being issued. In carrying out this duty, they were to take into account, not only the type of repairs to be undertaken, but the availability of labour within the area to do the repairs. The duties and responsibilities of the local authorities with respect to the licensing of repairs were to undergo several transformations in the first two years of the programme.

The broad outlines of the responsibilities to be assumed by local authorities in the implementation of the postwar policy had been formulated and negotiated during the development of the policy under the Coalition Government. As can be seen from the previous section, one feature which had not been agreed at that time was the amount of subsidy to be

provided for each home constructed by local authorities, and the ratio of the contribution between the two levels of government.

The Ministry of Health conducted the discussions with the local authorities in parallel with its discussions with the Treasury. The negotiations over these points started with an initial offer by the Minister of Health which was circulated to all local authorities. It was impractical, if not impossible, for the Central Government to consult with each and every local authority on this issue. Hence, negotiations were conducted through the various local authority associations. At the outset of these discussions, the associations appointed a group of financial officers to begin consultations with officials from the Ministry of Health. These negotiations culminated in a meeting with the Minister of Health and representatives from all the associations on 11 January 1946.⁷⁹

At that meeting, the ratio of 3:1 for central versus local contribution was accepted by both parties. However, there was disagreement over the amount of the subsidy, with the local authority associations seeking a central contribution of £22 10s and a local contribution of £7 10s. Local authority associations thought the £15 15s/£5 5s put forward by the ministry would be too low given the expected costs of construction. Bevan chastised the associations for being so

pessimistic in their view that productivity would not rise. He suggested that if it became widely known that the authorities held such views, productivity would likely remain low, prices would rise further, and the housing programme would be ruined. Though the Treasury had considered going as high as £18/£6, the eventual compromise arrived at with the local authorities was £16 10s/£5 10s. for a period of 60 years.⁸⁰

The duties and financial arrangements being agreed, it only remained to be seen whether the local authorities would live up to the expectations of the Minister of Health. His most fervant hope was that most local authorities would begin to erect houses to let immediately, and that these would be built quickly and economically. If that was not the case, the policy would need to be completely redesigned.

POTENTIAL PROBLEMS

Except for stricter controls on the construction of houses for private sale and the absence of any subsidies for these, the policy adopted by the Labour Government appeared to be the same as that developed under the Coalition. This policy provided something for all the major interests associated with housing.

The small building firms would have renovation work and opportunity to build some houses for sale. Large builders

would have substantial contracts for public housing developments. While Building Societies might be excluded from most of the new housing market, sales of the existing stock would provide them with more than sufficient opportunity to place their money.⁸¹ Manufacturers and suppliers of building materials were assured of markets for their goods. For those in need of low cost housing, the policy promised they would receive the highest priority. For others, there still remained the chance to buy or build a house. Finally, the proposed subsidy arrangements, while not as generous as those introduced after World War I, did assure the local authorities that the Central Government would provide substantial assistance so as to reduce the burden on the rates.

However much the policy may have served the interests of all, it did have some potentially serious flaws. One of these, which was raised in Cabinet discussions, was the reliance on, and the means available to ensure compliance from, local authorities. The controls wielded by the Ministry of Health were primarily designed to prohibit building rather than to make sure houses were built where needed. But for the onerous power of default, no means were available to direct local authorities to erect houses. Thus the policy was visibly dependent on the decision and the ability of local authorities to construct houses.

One means of manipulating the pressure to build houses to let was available. For local authorities that refused to

build such houses, the Ministry of Health could prohibit them from issuing further licenses for private housebuilding until public housing schemes were undertaken. This might cause some pressure to be exerted on the recalcitrant local authorities by those who wanted to own as well as those who might only be able to rent a home. This could only be used, however, in areas where there was considerable demand for privately owned housing.

The feeling that total reliance should not rest with the local authorities was widespread. The Times expressed the concern that most local authorities were "still not well equipped for large-scale responsibilities for housing and planning."⁸² There were calls from a number of quarters for provisions to supplement their efforts. Shortly after Bevan announced his policy proposals, The New Statesman and Nation called for changes.

We have argued before, and we return to our contention, that the housing problem will not be solved unless the work of local authorities in canalising private building enterprise is supplemented by a National Building Corporation, run directly by the Minister of Health and charged with the task of mobilizing, with the tempo of a military operation, all available building resources in manpower and machinery not absorbed by local authorities' needs. ⁸³

For several reasons, the Minister of Health was not anxious to see the development of alternative means to build houses.⁸⁴ However, having placed his fate in the hands of

local authorities, Bevan was also ready to ensure that they would do what was expected of them. He embarked on a round of meetings with local authorities across the country exhorting them to build houses. He also actively sought the cooperation of the local authority associations.⁸⁵ From these, Bevan received the promise that "the Associations would do their best to press the local authorities" which refused to cooperate with the Ministry.⁸⁶ Some members of the Cabinet felt these measures still would prove insufficient for getting houses built in some areas. In this, they would be proven right.

There was the additional concern that a serious imbalance could arise in the building industry itself. The growth of both the building labour force and the building materials industry was to be encouraged by creating demand. Tenders for construction would be let in all areas regardless of the availability of labour. It was also expected that building supplies would be ordered in large quantities to create a demand for labour in that sector. Noticeably absent was a means to see that growth in these two sectors took place in a concerted fashion.

Improved controls and better planning may have offset the potential for imbalance. However controls did not apply to renovations under £10 and responsibility for construction above this limit was dispersed among a number of depart-

ments. As Rosenberg pointed out, for work under the £10 limit:

The drain on building labour and materials arising from small maintenance and repair jobs on some twelve or thirteen million houses simply could not be measured with any pretense of accuracy; nevertheless, the aggregate figure for such works, having been postponed through six war years, was bound to be enormous.⁸⁷

The allocation processes for timber and steel provided some means of planning and controlling the activities of the various government departments. However, it did not follow that if one had sufficient amounts of steel or timber that one also had adequate supplies of other vital materials. Just as Labour took office, departments had agreed they were unable to devise a regional breakdown of building requirements.⁸⁸ This created a high probability that the labour supply in certain parts of the country would be insufficient to undertake all the construction begun in that region. Consequently, severe problems for the housing programme, and all other building activities, threatened to arise.

Notes for Chapter 3

1. Jean Copeland, A Guide to Postwar Housing Policy, (Rochester, Stanhope Press, 1948). Quote is from Introduction by A. Bevan, p.3.
2. Cmd. 9230, 1918, p. 6, Report on the Machinery of Government as quoted in H. Heclo and A. Wildavsky, The Private Government of Public Money. (London: MacMillan, 1974.) p. 264.
3. CAB 128/1. C.M. 39(45) 9 October 1945, H. Morrison.
4. The Economist, 27 October 1945. p. 590.
5. Bowley, Housing and the State. p. 239.
6. Ibid. p. 241.
7. Ibid. p. 241.
8. The need for a subsidy by the Treasury was well recognized inside and outside of Government. The outstanding issues were how much should it be, for how long, and who should be eligible to receive it.
9. The relevant Labour Party documents are: These Things Shall Be (1941); Your Home Planned by Labour (1943); Housing and Planning After the War (1943); Houses for the People (1945); Let Us Face the Future (1945).
10. Labour Party. Let Us Face the Future. pp. 8-9.
11. Supplies and Services (Transitional Powers) Act, 1945, 9 & 10 Geo. 6. Ch.10.
12. A good account of the measures adopted can be found in Rosenberg, op. cit. For primary sources see HLG series 102 files 104, 105, 106, 115, 134, 135, 143. For Cabinet Committee discussion of controls see CAB 87/35, meetings 2-11, September to November 1944.
13. Rosenberg, op. cit. p. 31.
14. Housing starts were generally related to the allocation of timber--so many houses for so many standards (the number varied as economies were introduced). However, availability of timber was not a guarantee of sufficient quantities of other factors such as labour, bricks, etc..

15. CAB 87/37. H (45)51. Private Building, 3 September 1945.
16. Ibid. A ratio of one private house for every four public houses constructed became the adopted standard. However, this did vary throughout the period under consideration.
17. Ibid.
18. Ibid.
19. The Times criticized the Government for maintaining the same policy as the coalition after the premature end of the war with Japan. The Times, 25 September 1945. p.5.
20. Central Housing Advisory Committee, Private Enterprise Housing (1944).
21. CAB 124/464. The conclusions from a meeting of Reconstruction Committee, 10 July 1944, where grave misgivings are noted.
22. CAB 124/468. Attlee memorandum, 7 February 1945.
23. Cmd. 6620. Selling Price of Houses (1945).
24. CAB 128/1. C.M. 29(45), 6 September 1945. See also HLG 68/74, CAB 129/2, C.P. (45)183, 19 September 1945.
25. Cmd. 6221. Report of the Inter-Departmental Committee on Rent Control (1945).
26. CAB 128/1. C.M. 24(45), 20 August 1945. C.M. 29(45), 30 August 1945. C.M. 38(45), 6 September 1945.
27. CAB 129/3. C.P. (45)208, 6 October 1945. p. 1.
28. Ibid. p. 1. The three stages were: first, houses to alleviate immediate shortage caused by war; second, completion of slum clearance begun in the 1930's; third, building for general purposes.
29. Ibid. p. 2.
30. Bevan had opted for a design set out in The Design of Dwelling (CHAC 1944). The Dudley design, as this was called, replaced the smaller Tudor Walter house of the interwar years. The Economist, in particular, was very critical of the decision to upgrade the standards. The Economist, 27 October 1945. pp. 590-91.
31. Ibid. p. 3. Underlining of final sentence is mine.

32. CAB 128/1. C.M. 39(45), 9 October 1945.
33. CAB 129/3. C.P. (45)208, p. 3.
34. Ibid. p. 4. Bevan continued attempts to delay the provision of grants for the repair of rural houses for several years.
35. CAB 128/1. C.M. 39(45), 9 October 1945.
36. Ibid.
37. Ibid.
38. Ibid.
39. Ibid.
40. Ibid.
41. Ibid.
42. 414 H.C. DEB. 5s, Col. 405 (Business of the House) 11 October 1945.
43. PREM 8/228. Notes from Jay to Attlee and Williams to Attlee, 11 October 1945.
44. Ibid. "Prime Minister's Personal Minute", M105/45, 11 October 1945.
45. CAB 87/36. 12 October 1945.
46. Ibid.
47. The new draft was CAB 129/3, C.P. (45)224. 13 October 1945.
48. CAB 128/1. C.M. 41(45). The public reason given for not stating a target was to avoid the possibility, at a time of great uncertainty, that building costs might increase further if a firm commitment to build a specific number of houses was announced. The Times. 18 October 1945. p.5 and p.8.
49. T161 1301 s 54574. George to Hale, 19 September 1945.
50. Ibid. As will be seen, the size of many of the new homes would be larger than those specified by Dudley.
51. Ibid.

52. Ibid. Sir Bernard Gilbert to Sir Edward Bridges, 26 September 1945. The figure of 4,000,000 houses comes from the long term, ten year forecast of housing needs which is mentioned in this letter. Further discussion of long term targets and needs can be found in HLG 71/1019.
53. Ibid. George to Hale, 27 September 1945.
54. Ibid. Hale to George, 2 October 1945.
55. Ibid. Bevan to Dalton, 12 October 1945.
56. Ibid. Buchanan to Dalton, 13 October 1945.
57. Ibid. Dalton notation to his officials, 13 October 1945.
58. Ibid. Gilbert to Trend (Dalton's Private Secretary), 16 October 1945.
59. Ibid. Dalton to Bevan, 18 October 1945.
60. CAB 87/36. 24 October 1945.
61. T161 1301 s.54574, Gilbert to Trend, 25 October 1945.
62. Ibid. Gilbert to Hale, 26 October 1945.
63. Ibid. Gilbert to Trend, 13 December 1945.
64. Ibid. Trend to Gilbert outlining the agreement reached between Dalton and Bevan at their meeting of 18 December 1945. The Economist refers to the battle that went on behind the scenes and gives the victory to the Treasury. However, it bases this decision on the erroneous view that the Ministry of Health was seeking a subsidy similar to the Addison subsidy of 1919. The Economist, 9 February 1946 pp.203-04.
65. In addition to precedent, another factor reduced the need for bilateral negotiations between the Ministers. Previously, except for full Cabinet, the Chancellor had not been directly involved in the development of housing policy. By mid-December, he sat on the new Housing Committee as well as having a seat on the Legislation Committee which was studying the proposed Housing Bill
66. Ibid. Communications from 20 December 1945 to 6 March 1946. See also T161 1301 54574/02/1.

67. Economist, 9 February 1946. p.203.
68. CAB 87/35. Report of the Official Committee on Housing Costs, December 1944. P.2. See also M. Bowley, op.cit. pp.15-35 and P. Wilding, op.cit.
69. The best description and analysis of the various inter-war housing policies are to be found in M. Bowley, Housing and the State:1919-1944.
70. Bowley, op.cit., Table 2, p.271.
71. For a brief description of the role of local authorities and the necessary interaction between central and local government see P.M. Johnson, "The Regional Housing Organisation of the Ministry of Housing and Planning," in Public Administration, Vol. XXIX, Autumn 1951, pp. 237-44.
72. The role of the local authorities was developed and negotiated early on in the policy process. See the minutes and papers of the Housing Committees of the Coalition and Caretaker Governments. These are found in CAB 87/35, 36 and 37.
73. For a description of the conditions imposed by the Ministry of Health on the use of Direct Labour to build homes see HLG 102/171.
74. P.M. Johnson. op.cit., p. 39. See also a discussion on housing costs in The Economist, 10 July 1948, pp. 67-8.
75. See report of Cabinet discussion above. The Times also expressed some doubts as to the abilities of some local authorities. The Times, 15 September 1945, p.5.
76. CAB 87/36. Minutes of Housing Committee. 12 February 1945.
77. See The New Statesman and Nation, 25 August 1945. p. 118, and 17 November 1945. p.327, where the lack of staff at the local level is identified as the first major bottleneck of the postwar programme. See also The Times, 15 September 1945, p.5.
78. HLG 102/108, HLG 101/3.
79. HLG 101/216 contains the minutes of this meeting.
80. T161 1301/s 54574. Note, Sir Bernard Gilbert to Mr. Trend. 13 December 1945.

81. For the effects of this policy on the Building Societies see E.J. Cleary, The Building Society Movement. (London, ELEK Books, 1965.) pp. 236-243.
82. The Times. 15 September 1945, p.5.
83. The New Statesman and Nation, 17 November 1945, p. 327.
84. Some of these reasons have been stated above, others will become more evident in the following chapter when the issue of a housing corporation is considered.
85. Reports of Bevan's efforts in this regard can be found reported in The Times on 10 October 1945, p.2, 24 November 1945, p.7, and 1 February 1946, p.2.
86. HLG 101/216. Minutes of meeting of 11 January 1946 between Bevan and the Association of Municipal Corporations. Words attributed to Sir Miles Mitchell, Chairman of the Housing Committee. See also The Times 1 February 1946 p.2.
87. Rosenberg, op. cit. pp. 28-9.
88. CAB 124/630. At a meeting of 26 July 1945, the inter-departmental committee decided that it was not possible to breakdown their building programme by region.

67. Economist, 9 February 1946. p.203.
68. CAB 87/35. Report of the Official Committee on Housing Costs, December 1944. P.2. See also M. Bowley, op.cit. pp.15-35 and P. Wilding, op.cit.
69. The best description and analysis of the various inter-war housing policies are to be found in M. Bowley, Housing and the State:1919-1944.
70. Bowley, op.cit., Table 2, p.271.
71. For a brief description of the role of local authorities and the necessary interaction between central and local government see P.M. Johnson, "The Regional Housing Organisation of the Ministry of Housing and Planning," in Public Administration, Vol. XXIX, Autumn 1951, pp. 237-44.
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77. See The New Statesman and Nation, 25 August 1945. p. 118, and 17 November 1945. p.327, where the lack of staff at the local level is identified as the first major bottleneck of the postwar programme. See also The Times, 15 September 1945, p.5.
78. HLG 102/108, HLG 101/3.
79. HLG 101/216 contains the minutes of this meeting.
80. T161 1301/s 54574. Note, Sir Bernard Gilbert to Mr. Trend. 13 December 1945.

CHAPTER 4

REVIEWING THE POLICY

This analysis has, I suggest, three implications for central government machinery. First, it stresses the importance of departments in the policy-making process as against the tendency in some theoretical discussions to treat departments as being mainly there to carry out decisions made by some super central body of Ministers and officials.¹

Because he knows more, the Prime Minister would be able to undertake a few more initiatives. Since he is likely to be blamed when things go wrong, he might as well have an initial say in putting them right. But his time, energy and resources are sufficiently limited to keep his direct interventions selective.²

On 5 December, 1945, Bevan informed the members of the Housing Committee that the Prime Minister had decided to disband their committee.³ Henceforth, major policy issues and problems would be dealt with by a new committee. The announcement was formally made in a note outlining a revised committee structure.⁴ In this memorandum, Attlee stated:

I propose myself to hold periodical meetings of Ministers to review the progress of the housing programme, and questions of major policy can be handled at those meetings.⁵

The membership of the new committee was quite different from that of the old. In addition to the Ministers of Health, Works, Supply, Labour & National Service and the Secretary of State for Scotland - all of whom were directly involved with the housing drive - membership also included

the Prime Minister (chairman), the Lord President, the Lord Privy Seal, the Chancellor of the Exchequer and the Secretary of State for Dominion Affairs.⁶

The memorandum gave no reasons for adopting these changes other than that it was part of a general review of the smooth functioning of the Cabinet Committee System. Why was this change made when just four months earlier, the Prime Minister had rejected the idea of involving senior ministers in the deliberations on housing? Certainly this structure suggested that the housing programme would be subject to more intervention from those at the centre of government. But what elements of the policy did the Prime Minister and others wish to see changed?

THE PRIME MINISTER'S COMMITTEE

The pressure for a major review of housing policy had been mounting throughout the autumn of 1945. Much of this pressure was provided by advisors to the Prime Minister, Douglas Jay being one of the sharpest critics. Jay had been pressing for changes in the policy since Bevan first brought it before Cabinet in early October.⁷ For each statistical report on housing, Jay wrote an accompanying memorandum for the Prime Minister. In early November, Jay alerted Attlee to the seemingly slow start of the housing programme.⁸ He

suggested that the Ministry of Health was in a complete state of disorganization with respect to housing and that the necessary expertise was not available in the regions where it was sorely required. Picking up on a point raised at Cabinet on 9 October, Jay said there was still no "organized scheme for supplementing the efforts of local authorities which prove unable or unwilling to build".⁹ Jay concluded his memorandum with an ominous warning:

It cannot be denied that the picture is gloomy, and that the building of permanent houses is likely to remain the weak point in the Government's record for many months.¹⁰

On 23 November, Jay wrote a covering memorandum to the "Housing Report" for October. He drew the Prime Minister's attention to the slow progress, stated the reasons for this, and, once again, put forward the suggestion for a central building agency.

The chief removable reasons for this slow progress seem to me to be: (a) the lack of Ministry of Health organization at the start, and (b) the fact that we are relying entirely on local authorities and leaving aside both private enterprise, and (in England and Wales) state-organized building. Shortage of building labour is not at present the bottleneck. It seems to me therefore that there is no further justification for delay in setting up some organization similar to the Scottish Housing Association... to supplement in England and Wales as a whole the efforts of local authorities unable or unwilling to do the job quickly enough.¹¹

Jay attached a draft "Personal Minute" which he suggested

the Prime Minister might wish to send to Bevan. The Minute urged the Minister of Health to establish an organization similar to the Scottish Housing Association.¹²

If Jay did have a role in the structural changes adopted in December, it was that of alerting the Prime Minister that all was not well in the area of housing. Jay did not advocate the creation of a new coordinating mechanism at the centre of government. He tended to prefer mechanisms such as "Prime Minister's Personal Minutes" or meetings between the Prime Minister and the minister directly in charge of a programme as the means of controlling the direction of the policy.

The advisors to the Lord President were also expressing some concerns with the housing programme.¹³ On 6 November, A. Johnstone had prepared a memorandum to the Lord President outlining some of the problems with housing.¹⁴ Morrison expected to be able to raise these and other concerns when the monthly progress report for October was considered by Cabinet. However, Sir Norman Brook had decided not to have the report placed on the agenda. Johnston passed the Lord President's strong objections to this action on to Brook and the latter agreed to schedule the item for discussion at a subsequent meeting.¹⁵

Both the Lord President and his staff were concerned about the slow progress of the housing programme and the

continually escalating costs of erecting houses. Yet, outside of full Cabinet meetings, Morrison did not have the opportunity to express his concerns or exert any influence on housing policy. While Morrison, like Jay, did not recommend structural change with respect to housing, his attitude and level of frustration regarding this matter became well known at the centre of government.

In early November, Attlee had asked Bridges to review the workings of the committee structure with a view to assessing the demands it made on ministers. On 23 November, Bridges sent a memorandum to Attlee giving his assessment of the changes which might be adopted to improve the committee structure. Major changes were recommended for housing.

The Minister of Health could, I think, dispense with the present Ministerial Committee on Housing. There is a Committee of senior officials, and at the Ministerial level the Minister holds informal meetings at frequent intervals with those of his colleagues who are most directly concerned with the housing programme. The real need here is for machinery to keep senior members of the Cabinet in touch with the progress of the housing drive, in view of its great political importance; and this need is not being met by the existing Housing Committee, which includes no senior Ministers.¹⁶

To remedy this situation, Bridges recommended:

That, on the basis of the progress Reports for which you asked, you should yourself hold monthly meetings to review progress (on the model of the "Battle of Atlantic" meetings of the Coalition Government) attended by some of the senior members of the Cabinet as well as the Departmental Ministers concerned.

Questions of major policy could be taken at these meetings; and the Housing Committee could be abolished.¹⁷

The Prime Minister accepted this advice and created the new committee. If the situation in housing was as bad as the critics maintained, then swift action was called for by the new committee. It would have to identify the problems and consider new proposals quickly if the potential for housing to become a major problem was to be defused. The difficulties, real or expected, seemed to be divided into two broad categories. The first was related to the provision of the necessary building supplies and materials. The second area was concerned with the means of erecting houses throughout the country.¹⁸

With respect to the latter, the policy placed responsibility for building houses very much with the local authorities. As previously noted, certain members of the Cabinet and the Prime Minister's staff did not feel that this mechanism was sufficient to ensure houses were built in all regions where the need for these existed.¹⁹ The number of houses under construction was quite low in proportion to the number of tenders which had been approved.²⁰ And, though the number of tenders accepted was growing rapidly, so too was the interval between an agreed tender and the commencement of construction.

Compounding this problem was the number of local authorities which had not yet had tenders approved or had not even submitted plans for approval.²¹ For these authorities, the start of construction of new permanent houses seemed at least one year away, with completion perhaps another year after that. These factors provided sufficient motivation for some ministers to demand other means of erecting houses.

The lack of building materials and components was also affecting the housing drive. Completion of temporary houses was being delayed due to a shortage of internal fittings.²² A firm view was taking shape that unless some new measures were put into effect, the shortage of building materials would be worse once the number of traditional houses under construction began to increase. There was a very real danger that if this view became widely held, the housing drive would stall before it ever got off the ground.²³ Thus, the new Housing Committee could be expected to give serious study to the available means of increasing the rate of housebuilding. At the same time, in order to increase this rate, it would have to find a way to improve the production of the necessary materials and components.

BUILDING MATERIALS AND SUPPLIES

In many ways, the concepts of bulk purchase and distribution of materials were tightly linked - though conceivably

either could operate quite independently of the other. In an ideal system, the necessary materials for housing would have been standardized and manufactured in quantities which provided for the most efficient economies of scale.²⁴ These goods would then have entered a distribution network that would have led to the delivery of the necessary materials to the building site at the most appropriate time. Situations such as a surplus of a good in one area and a shortage of that good in another would have been avoided. In case of a general shortage, materials would always have been delivered to the most strategic or highest priority area.²⁵

The primary purpose of bulk purchasing was to ensure the required goods were produced and thus available when needed. The secondary purpose was to ensure long production runs and standardization, thereby lowering costs as economies of scale were achieved. The primary objective of a distribution system was the rapid or timely, least cost delivery from the producer to the user. A secondary objective was improved control of goods in the system, with a high possibility of directing or redirecting materials to high priority areas.

Bulk purchasing had been considered by some to be an important element in the plan to move from a wartime to a peacetime economy.²⁶ Bulk purchasing was designed to serve as the means of enticing producers to switch from the production of war goods to other goods such as components for

housing. However, to order a large quantity of goods, one must also have a means of storing or disposing of these. Hence, the link between bulk purchasing and distribution - and the problem of employing bulk purchase in any effective manner without dealing with distribution as well.

Under the Coalition Government, except for the government's own purposes in building temporary houses, bulk purchasing of housing materials and components had not been employed in a major way. The Ministry of Works did not have sufficient storage capacity to do more than that. Efforts had been made to circumvent the storage problem by getting other groups to order and store the goods.

The Ministry of Works had asked the Ministry of Health to encourage local authorities to order building supplies in anticipation of the postwar building programme. Initially, the Ministry of Health had refused to make this request to the local authorities. Eventually, however, the ministry's position changed and local authorities were asked to place orders for materials and components which they could store until the building programme got underway.²⁷

In addition to the local authorities, the Government also asked the builders merchants to begin restocking in anticipation of the postwar housing programme.²⁸ Consequently, bulk purchase had given way to other methods of creating the necessary demand and had not been developed further.

The utility of bulk purchasing in assuring availability and lowest price had been raised at the Cabinet meeting of 9 October when the policy was discussed by the Labour Government.³⁰ At the first meeting of the new Housing Committee on 11 December, the issue was raised once more. In the discussion, the two well known concerns of where to store such a large quantity of goods and how to distribute these afterward were raised. By the end of the meeting, although some ministers expressed doubt that bulk purchase could be used effectively, others still felt that such a scheme should be devised and adopted.³¹

One very telling point against the Government's adoption of bulk purchase was not mentioned at the committee meeting. Just days before the first meeting of the new committee was held, the Clerk of the London County Council had written to the Ministers of Health and Works asking the Government not to institute bulk purchasing. It was the view of the LCC that the building materials industry was already operating at the limit of its slowly growing capacity. Any rearrangement of ordering procedures as a consequence of a bulk purchasing scheme would only result in delays in the delivery of the LCC's (and other urban governments') substantial backlog of ordered goods. This, in turn, would wreak havoc with the housing programmes of these bodies. A major bulk purchasing scheme seemed to threaten the very groups it was supposed to assist. 32

With respect to distribution, the problem was construed to be that of finding a suitable halfway measure which provided a role for the Government but still left a place for the network of builders merchants. The concern of the Minister of Works was that:

If the usual methods of distribution through the builders' merchants were abandoned the Government would have to create an organization in each area to store materials and components, and to sell them to contractors.³³

Subsequent to the meeting, he wrote to the Prime Minister saying that, with respect to distribution he saw no way other than one which relied primarily on builders merchants.

The only question that arises is whether the buffer stocks should be operated by the people accustomed to handle that business, namely the builders merchants, and the answer to this is that they are the people who understand the business and if we completely threw them over and tried to do the whole job ourselves, I am sure there would be confusion and loss of efficiency.³⁴

In a covering memorandum to the Prime Minister, Jay concurred with this view but said there was a requirement for some measure of control on the actions of these merchants.

On distribution of materials, I agree that it would be foolish to try to dispense with the builders merchants. What is necessary is a system by which the activities are known and supervised by the Ministry, and I think an explanation of how this is to be done should be supplied by the next meeting.³⁵

Consequently, bulk purchasing and government distribution of materials were dismissed as possible solutions to the building materials problem. Instead, attention was directed to the means of controlling the flow of materials as they moved through the system of builders merchants.

At the second meeting of the committee, on 23 January 1946, the Ministers of Works and Supply informed their colleagues that there seemed to be no alternative to working through the builders merchants in the distribution of materials. However, they announced that they were working on a coding plan that would allow building materials to be traced from the point of production to the final purchaser.³⁶ They hoped this would curb the unofficial use of the materials. The Ministers of Health and Works also announced that they were investigating the possibilities of stronger sanctions and improved enforcement of licensing regulations to curtail the illegal use of materials.³⁷ The search for a solution to improve the supply position had now completely shifted from one of government displacing the private sector to one of further controlling and regulating it.

At the third meeting of the Committee on the 13 February, the Minister of Supply told his colleagues "that the scheme for giving priority in the distribution of building materials and components to housing and other high priority jobs had now been settled."³⁸ On the 15 April, 1946 a building materials priority scheme would come into effect.

The rejection of earlier solutions and the adoption of a better procedure for controlling materials did demonstrate an improved ability to isolate and solve new problems in the housing programme. In part, however, the priority scheme could also be seen as a demonstration of the Committee's inability to solve the essential problem of the building materials industry, that of increasing the supply of those materials. If supplies could not be significantly increased, tightly controlled rationing was a logical and necessary next step.³⁹

BRICKMAKERS

The chief obstacle to an improved supply position was manpower. While housing was to have been "regarded as having the same sort of urgency as military operations in the war years" the requirements for labour in the building materials industries led it into direct conflict with the manpower plans of the military.⁴⁰ The Housing Committee expended considerable energies trying to solve this problem, with limited success.

The Government's general manpower policy had just been reaffirmed at a meeting of the Cabinet the week before the new Housing Committee had been formed.⁴¹ At that meeting ministers had agreed to the proposals put forward by the Minister of Labour & National Service.⁴² His position had

been that the strong enforcement of labour direction could be maintained only if the scope of the regulations were substantially reduced. This reduction in the coverage of the regulations was to be accomplished by lowering the age of compliance to those under 30 for the Essential Work Order and the Control of Engagement Order. In addition, the number of industries covered by these measures would need to be kept at a low level.

As part of the overall manpower policy the Minister of Labour & National Service had also tried to get his colleagues to accept the cancellation of the special deferment from conscription granted to workers in the building materials industry.⁴³ On this point, however, Cabinet had agreed with the counter argument put forward by the Minister of Health and had decided that the deferments should continue for several more months until the number of persons returning from the forces increased. The ministers responsible for the housing programme had also tried to get Cabinet to agree to a faster rate of demobilization.⁴⁴ Even though it was evident that the end of the war in the Pacific had slowed the rate of release under "Class B" dramatically, the Cabinet had supported the "no change stand" of the Minister of Labour & National Service and the Foreign Secretary (the Chairman of the Manpower Committee) on this issue.⁴⁵

The Prime Minister's Housing Committee provided a new forum to debate the manpower problem; another opportunity

for the ministers concerned to seek concessions. The Minister of Works, in particular, was very anxious that labour controls be applied to the industries under his direction.

Coming now to building materials, the whole problem at the present time is one of labour recruitment. It has been going too slowly, and I gave warning at a very early stage that without rigorous use of directions we could not be sure that adequate recruitment would be provided. I hope that the more vigorous use of labour controls and directions recently decided upon will ensure the recruits that are wanted...⁴⁶

At the meeting of 13 February, the Minister of Works announced to the members of the committee that he had requested the Minister of Labour & National Service to designate all building materials industries under his direction as essential industries subject to labour controls.⁴⁷

The conflict between manpower policy and the building material industries surfaced again when a shortage of bricks threatened to bring the housing programme to a standstill. Brick production was running at less than one quarter of what was required to support a building programme of prewar proportions. Most of this shortfall in production could be attributed to a severe shortage of skilled and unskilled labour. The poor working conditions found in the brick-making industry and the continued presence of a high number of skilled brickmakers in the Armed Forces were resulting in labour shortages.⁴⁸

On 13 March 1945, the Housing Committee held an emergency meeting to consider means of improving the situation. Measures designed to provide incentive for persons to work in brickyards were approved. These included: improving working conditions; increasing the cheese ration; and, providing a travel allowance so as to increase the catchment area of potential employees. The Minister of Labour & National Service also agreed to be firm in the use of labour controls for brickyards. Other measures were a guarantee of fuel priority for brickyards; the rationing of the use of bricks for buildings other than housing; and the granting of permission to the Minister of Works to requisition any brickyard which had not yet resumed production.⁴⁹

The manpower issues which involved the Armed Forces did not fare quite so well as these other measures. The suggestion that newly conscripted recruits be given the choice of accepting work in brickyards instead of National Service was rejected by the Committee. The key issue, that of getting trained brickmakers out of the armed forces, was the subject of considerable controversy. The initial proposal was to grant a "Class A" release to all experienced brickmakers still in the services. This was rejected outright. However, a compromise was developed whereby all brickmakers would be offered leave up to the time when they would be eligible for a "Class A" release on the condition they accepted employment in brickyards. This means of release,

which was designated "Class W", had been suggested as a compromise by the Minister of Labour & National Service.⁵⁰

If one accepts the division of labour as defined by the Cabinet Committee structure, the Housing Committee was not the proper forum for deciding on "Class W" releases. This type of release was a major variation from a well-defined and established policy for demobilization. Regardless of who proposed it, "Class W" release, with its extensive leave provisions was hardly very different from the initial proposal to grant an immediate "Class A" release to all brickmakers. The decision to adopt such a major deviation from normal policy surely belonged to the Manpower Committee. It was not surprising, therefore, when that committee decided to review the decision on 15 March, and that in this review it was agreed that such a plan could not be implemented.⁵¹

W.S. Murrie had informed the Prime Minister that the ministers on the Manpower Committee were not in favour of the "Class W" release. He recommended that Attlee should speak to Bevin before the committee met and tell him that if the Manpower Committee rejected this release procedure it would have to come up with a viable alternative.⁵²

The Manpower Committee did eventually propose another means of making brickmakers available.⁵³ The Services would again offer "Class B" releases to brickmakers. If not enough men volunteered to accept a release on these grounds then all the Services agreed to post Servicemen to the

brickyards until they either accepted a "Class B" release or their time for "Class A" arrived. Servicemen would, however, have the choice of refusing such a posting without fear of punishment.⁵⁴ Bevin also recommended that Cabinet authorize the purchase of bricks from Belgium. In a letter to the Prime Minister explaining the decision of the Manpower Committee, Bevin once again suggested the problem was less one of a shortage of manpower and more one of domestic mismanagement.

My opinion is we ought to get bricks from Belgium in millions. This will stir the whole brick trade. The whole business is too complacent.⁵⁵

Bevin's proposals were considered by Cabinet on 28 March. At that meeting Cabinet agreed to import 2,000,000 bricks from Belgium. However, concerns were expressed about the manpower proposals. Some members of the Cabinet did not wish to see a Labour Government make extensive use of Service personnel in what were obviously civilian (and unionized) jobs. While recognizing that brickmakers were desperately required, in the eyes of some, this did not legitimize the use of military disciplinary measures to compell Servicemen to perform civilian work.⁵⁶

In the end, Cabinet agreed to the procedure recommended by the Manpower Committee. However, in trying to satisfy all concerns, it was decided that the right to refuse posting to a brickyard would be retained but not emphasized.

Or, as Murrie stated the agreement:

The revised proposal should lay less stress on the willingness of the men to go (to the brickyards) and should proceed on the assumption that they would go to work to which they were posted.⁵⁷

Bevin was charged with arriving at an acceptable resolution of this with the Armed Forces. The Air Ministry and the War Office were prepared to accept a formula stated as follows:

Men who refuse release in Class B will be posted as Service men to the brickyards concerned for a stated period, during which time they will work in uniform and on Service pay. If, however, a man so posted refused duty under these conditions, such refusal would not be dealt with as a military offence.⁵⁸

The Admiralty was not prepared to accept this compromise. They insisted they must be able to punish those who refused such a posting under the provisions of the Naval Discipline Act. Furthermore, they would not agree to a situation where a member of the Navy was subject to punishment while persons in the other Services would not be subject to such measures.⁵⁹

A further meeting of Bevin and the Service Ministers was convened in order to seek an acceptable solution. At this meeting Bevin convinced the Parliamentary Secretary to the Navy to allow Navy personnel to refuse postings to brickyards without prosecution. Thus, as of 2 April, it seemed

that a compromise had been worked out and action would be taken with respect to labour shortages in the brickyards.⁶⁰ Such was not the case.

Two days after the compromise was reached, the Prime Minister sent a "Personal Minute" to Bevin which upset the entire agreement.

I observe that in your proposals for the release of brickmakers, you have included under (c) a proposal that men refusing duty when posted should be merely retained or returned to their unit. I pointed out that this was in fact putting officers in the position of giving orders and acquiescing in disobedience. This is subversion of discipline and I could not agree with it. I understand that the Admiralty have expressed their strong feelings on the point. I am not prepared to agree to the proposals in (c) for the reasons I gave.⁶¹

After a further exchange of notes between Attlee and Bevin, it was finally agreed that the Admiralty would not be required to post men to work in the brickyards. Rather, they were only required to offer "Class B" releases to qualified brickmakers still in the Navy.⁶² By mid-April, more than one month after the crisis meeting of the Housing Committee, the Services commenced the offer of "Class B" releases to all the brickmakers in the forces. The Government's general manpower policy remained unaltered, while housing struggled along.

A HOUSING CORPORATION

Some senior members of the Government were in favour of developing the capability, within Central Government, to construct homes across the country. There were a number of reasons for this. Some mistrusted the motives of certain local authorities and did not think they would build an adequate number of houses to let. Others thought that some local authorities, particularly the smaller ones, did not have the skills or personnel to build and manage public housing. Still others saw the main problem to be overcome as that of local labour shortages and saw a mobile, direct labour force as the only way of getting houses built in some areas. Finally, some saw a direct labour force as an instrument which would provide reliable cost data and help keep prices down.⁶³

Opposition to a total reliance on local authorities and the call for provisions which would allow the Central Government to build houses started with the first major discussion of policy at the Cabinet meeting of 9 October. Bevan did not reject the proposal of his colleagues outright but he did suggest that such an approach might cause more trouble than it solved.

I have every reason to think that most Local Authorities will build as many houses as they can with the building resources available in the district. I cannot but think that, apart from the difficulties

which could be involved in working out arrangements for building large numbers of houses in small groups by a central organization, an announcement of direct building by the Government would be a deterrent to progress by confusing the minds of Local Authorities and leading them to delay their own proposals.⁶⁴

Cabinet Ministers did not have another opportunity to raise this issue with the Minister of Health for a number of months. But the thought of alternative arrangements did not disappear. Douglas Jay, for one, had continued to raise this issue before the Prime Minister.

As could be expected, Jay was quite anxious that the new committee apply pressure on the Ministry of Health to give serious consideration to the idea of a Housing Association. In a note on 7 December, Jay said that the adoption of this building mechanism was necessary if the situation was going to improve in the next year.⁶⁵ In his briefing for the first meeting on 10 December, Jay suggested a number of questions be put to the Minister of Health.

(5) How does he propose to get enough permanent houses built quickly where local authorities are backward or inefficient...? (6) Could not the backward areas of England and Wales profit by the vigorous efforts being made in Scotland, through the Scottish Special Housing Association, to supplement local authority efforts by agreement through a State-financed and State-controlled central housing agency? (7) Is there not a case for an organization under the Ministry of Health in each Region similar to the Scottish Housing Association and North-Eastern Housing Association...?⁶⁶

At the committee meeting, the Prime Minister told the Minister of Health that "there seemed to be a need for a Government organization to supplement local authority

building".⁶⁷ Bevan gave a positive response to this suggestion, but implied no commitment on his part.

He agreed that there should be a Government building organization, provided that it was made clear to local authorities that any such organization was intended to supplement local authority building. Such an organization would be specially useful in rural areas and in areas where there had been heavy war damage. It should not be subject to close Departmental control and would require to be a live organization capable of vigorous action.⁶⁸

The Minister of Works announced that he planned to take over the Fairmile Corporation to build houses. He also said there was "a need for flying squads of building workers" to build houses in regions where labour was scarce.⁶⁹

This exchange left Jay confused. The Minister of Health had not made any commitment to act, and the Minister of Works was taking over a boat-building organization to build houses. Jay was quite certain that a housing association under the Ministry of Health was what was required. However, it was decided that clarification of departmental intentions could await the next meeting of the committee.⁷⁰

At the next meeting, the Chancellor of the Exchequer announced that he had agreed that a building corporation be set up under the Minister of Works. Immediately following this announcement, the Prime Minister suggested:

It would be advisable to establish also, under the Ministry of Health, a Housing Association which would have powers to arrange for the building of houses and to own and manage houses, in cases where the local authority were unable or unwilling to discharge their housing functions adequately.⁷¹

According to the minutes of that meeting, Bevan replied:

He was anxious to have powers to establish an Association of the kind suggested by the Prime Minister and that it should be possible to include the necessary provision in the Housing (Financial Provisions) Bill.⁷²

It seemed, therefore, that the consistent application of pressure on the Minister of Health - made possible by the Prime Minister's Committee - would bring an end to the total reliance on local authorities for the building of houses to let. However, where before there had been no alternative, now there were two options being developed. But, there was other evidence that Bevan had not really changed his views on who should build the houses and in this he had an important ally.

Treasury officials had some concerns regarding the Ministry of Work's Building Corporation. Though the Government's solicitor assured Treasury officials that the Corporation was permitted under the Building Materials and Housing Act (1945), they still felt the action required more explicit legislation.⁷³

But without criticizing the policy the fact that the Housing Association would be set up by statute seems to me to reinforce the arguments that the proper course is to establish the Ministry of Works Housing Corporation by statute.⁷⁴

Of course, the heart of the matter was that the Treasury officials were highly critical of the policy decision to have a Building Corporation. The financial prospects of

this Corporation were considered to be poor and cost for the houses built by the Corporation were expected to be high. Perhaps a greater problem to the Treasury, however, was the supposed relationship between the Housing Association and the Building Corporation.

The accounting complications are bad enough as they stand in the Bill, but will be added to as the result of the decision of the Minister of Works to set up a Housing Corporation, which may presumably act on behalf of the Housing Association, when the Association in turn is acting on behalf of a local authority.⁷⁵

At the bottom of the note which contained the above quoted passage, Sir Herbert Brittain wrote:

It is certainly pretty grim. We can only say that we had to fit the finance to the policy and that given the policy, this was the best we could do by way of putting financial responsibility where it ought to be at each stage.⁷⁶

The Treasury's concern with the relationship between the two proposed agencies led the officials to direct several enquiries to the Finance Officer at the Ministry of Health. The initial clarification, provided by Mr. George, did not give great comfort to Treasury officials.

We have considered with the Ministry of Works the respective functions of the two bodies, and they and we are of the opinion that the less we say on our Bill about the Building Corporation the better. We may, of course, be forced into giving an explanation of the relationship; if we are, it will be to the effect that the intention of our Housing Association is to function in place of a local authority whereas the Ministry of Works Building Corporation will function in place of a contractor.⁷⁷

Treasury officials pointed out to Mr. George that the Parliamentary Secretary to the Minister of Health had stated that the Housing Association might also act as a contractor, thus confirming the confusion on the role of each. When confronted with this contradiction, George was able to give Treasury Officials more heartening news.

Mr. George freely admitted this, but said that he doubted whether either body would in fact be set up. The Housing Association was not proposed by his Minister, but rather thrust upon him by his colleagues, and the need for it was really removed by the action being taken under Clause 17, under which special arrangements are being made to facilitate the erection of houses by nontraditional methods.⁷⁸

The Treasury response to such news was "for letting sleeping dogs lie if by so doing (they could) avoid the creation of either the Ministry of Works Housing Corporation or the Ministry of Health Housing Association".⁷⁹

But how could Bevan hope to avoid both the Housing Corporation and the Housing Association? The Association was, of course, the easiest. He could assume the authority to establish this, then, he would postpone taking any further steps until or unless he was forced to act. Indeed, at the subsequent meeting of the Housing Committee he announced he was disbanding the North East Housing Association.

The Minister of Health said that, while he was willing to encourage the use of housing associations in appropriate cases, he felt that in many areas the intervention of a housing association would lead to difficulties and to dissipation of effort. He was in fact winding up the North Eastern Housing

Association, which was unpopular with the local authorities in Durham.⁸⁰

It required the personal intervention of the Prime Minister after the meeting to ensure the continuation of the NEHA.⁸¹

The above example, the statements of Mr. George, as well as the other actions of the Ministry of Health provide ample evidence to show Bevan did not want any major actors in housing other than the local authorities. He, by himself, could delay action on Housing Associations. Forestalling the advent of the Housing Corporation required slightly different tactics.

The Minister of Works began to assemble the required people for his Corporation in the spring of 1946. Given the nature of the Corporation, he had great difficulty attracting representatives from the building contractors to sit as directors. The Ministry of Health was not very supportive of the effort required to get the Corporation going either. A Treasury report of 25 April sums up the progress made to that time and the views of the Ministry of Health.

The Minister of Works has been developing his plans for a National Building Corporation, though as this file shows there is a good deal of doubt about what the Corporation will do, and very little enthusiasm in the Ministry of Health as to its usefulness to the housing programme. The Federation of Building Trade Employers were approached confidentially as to names for the Board and refused to play on the ground that the Corporation would certainly be a flop.⁸²

Later in the memorandum it was stated that the Ministry of Health saw no need for such an agency to build permanent

houses as "all the houses for which during that period labour and materials will be available are broadly speaking already contracted for."⁸³ The Ministry tried to tie the start of the Corporation to the creation of the Housing Association which they controlled and had no intention of starting. This strategy permitted them to build a case against the Corporation based on insufficient clients and materials.

On 8 May 1946, at a meeting of the Informal Committee of Housing Ministers, Tomlinson announced that Luke Fawcett, General Secretary of the Amalgamated Union of Building Trade Workers, had been appointed Chairman of the Board of the Building Corporation. Employers had refused to join. Bevan said the present bottleneck in the housing programme was materials, not labour, and that the Corporation should concentrate on prefabricated rather than traditional houses.⁸⁴

The matter did not surface again until midsummer. At that time, on the advice of his Permanent Secretary who was having grave misgivings on the matter, the Minister of Works wrote to Bevan asking for his assurances that the Ministry of Health would work with the new Corporation.⁸⁵

Before I take the final step of creating the Corporation and making a financial agreement with them, I must be clear that such a programme can be found and I should, therefore, wish to know whether you think you will be able to arrange with local authorities such extensions of programme and whether you would be able to arrange for any residual cost to be borne on the vote of the Ministry of Health... If so we can proceed with the launching of the Corporation.⁸⁶

Bevan's response to this question was not unexpected.

I have come to the conclusion therefore that it would be unwise at the present time to launch a Government building organization for the building of traditional houses.⁸⁷

Tomlinson accepted this decision and, when informing the Prime Minister of this turn of events stated:

In the circumstances any decision other than one of postponement would, I am sure, be a fatal mistake.⁸⁸

The Housing Corporation and the Housing Association had been averted. The concepts would emerge again in the near future as possible alternatives to particular problems. But in the summer of 1946, they were no longer considered to be appropriate policy responses, much to the relief of some.

THE TERMINATION OF POLICY REVIEW

The Prime Minister's Housing Committee met from December 1945 to March 1946. After four regular meetings and one emergency meeting to consider the brick shortage, regular meetings were terminated. As can be seen, these were not suspended due to the absence of any major problems in the housing programme. Rather, for a number of reasons, it was decided to forego a continuous check on its progress.

One reason was the development of the Housing Production Executive. This "Executive" was a formalized version of the old "informal ministers committee on housing" which had con-

tinued meeting every two weeks.⁸⁹ It had an added feature, more a case of form than function, of a special unit of officials charged specifically with the responsibility for interdepartmental coordination. The ministers, following Attlee's example of using precedent, had suggested a body similar to the Radio Production Executive which had been set up during the war to control the production of radio equipment and to solve interdepartmental disputes over limited resources.⁹⁰ After conferring with Sir Edward Bridges, Attlee agreed that the Housing Production Executive should be established.

Another contributing factor to the decision to end regular meetings was the ability of the Ministry of Health to successfully convince others that the nature of the problem had changed. The matter of where the problems rested in the housing programme was largely a matter of interpretation. The Ministry of Health was able to show that local authorities were willing to build houses in numbers which exceeded available supplies. Thus, in their estimation the problem no longer rested with their part of the housing policy but with the supply side of the building programme. This problem, which relied more on rationing and allocation, was best suited to an "executive function" rather than a "policy function".⁹¹

Undoubtedly the major cause for the sudden end to the regular meetings was the direct appeal to W.S. Murrie of the

Cabinet Office, by both Bevan and Sir John Wrigley, to have the meetings stopped.

On 6 May 1946, just prior to a forthcoming committee meeting, Wrigley suggested to Murrie that the meetings were no longer necessary as the conditions had changed substantially. Wrigley pointed out that the number of tenders approved had risen to the point where the main problem was one of supply of materials. He also reminded Murrie that the Prime Minister had approved the creation of the Housing Production Executive to oversee the proper allocation of building materials. Given these conditions, Wrigley wondered whether the Prime Minister needed to continue with these committee meetings.

Had the time not come when we should advise the Prime Minister either to discontinue these meetings altogether or to hold them at much longer intervals?⁹²

Wrigley also told Murrie that the production of the monthly report was a great inconvenience to the department.

Bevan, as well, approached Murrie just prior to a meeting of Cabinet and suggested that the meetings were no longer necessary and should be curtailed.⁹³ As Murrie told Brook, he was under no delusions as to why the request was made.

As I have indicated to you before, the Ministry of Health have always been restive about these meetings of the Prime Minister and have disliked the way in which Mr. Jay and I have tried to get them and other departments to report back to the meetings whether they have taken action on matters left outstanding at earlier meetings.⁹⁴

On the other hand, Murrie was not convinced the committee was sufficiently effective to warrant insistence on his part that the meetings should continue.

My own view is that I could not conscientiously advise the Prime Minister to discontinue these meetings altogether though it is difficult to judge how much good has come of them and the furthest that I would be prepared to go would be to suggest that the meetings be held less frequently.⁹⁵

The committee did not meet in May. It effectively ceased regular meetings and might not have ever met again had not Morrison and others requested a meeting eight months later in order to review the size of the housing programme for 1947. The committee ceased to function, for all intents, within four months and five meetings.

In his essay on "The Wartime Machine", D.N. Chester aptly describes such a situation.

It was almost uncanny on occasion to see the rise and fall of particular committees, almost as though they had a life of their own. Some would start out with apparently rosy prospects, with a flourish of announcements, perhaps even with a public statement; they would have several regular meetings, minutes and papers would be circulated, and then even though the work for which they were originally set up still continued they would become less active, they would cease to meet, to all intents and purposes they were dead even though not formally wound up.⁹⁶

Chester's explanation for such failures is applicable in this instance as well.

Broadly speaking if the Ministers (and their advisers) who really held the power were in agreement, the precise committee machinery was of little importance; if they were not in agreement, then the committee would not work anyhow.⁹⁷

The Prime Minister's Housing Committee provides an example of the difficulties of "supervising" the implementation of a specific policy which depends on the coordination and cooperation of many departments. If a minister and his officials willingly cooperate with their colleagues, or, through some weakness on either part, can be forced to follow the direction of a committee, then the arrangement may be successful. However, neither of these was the case with respect to postwar housing. Hence, regardless of the composition of these, committees were not effective in guiding the policy.

The cessation of regular meetings of the Prime Minister's Committee marked the end of a discernable stage in housing. No longer was there a specific forum visibly active in its attempts to direct the housing drive. If, as it seems, Bevan had attempted to stop the active involvement of some of his colleagues with housing, he had succeeded. However, since his colleagues could no longer occupy themselves with how to get houses built faster, they would soon start to question the number of houses the country could afford.

Notes for Chapter 4

1. D.N. Chester, "The Wartime Machine" in Richard Rose, ed., Policy-Making in Britain: A Reader in Government. (London, Macmillan, 1969.) p. 352.
2. H. Heclo and A. Wildavsky, op. cit., p. 370.
3. CAB 87/36. 5 December 1945.
4. CAB 129/5. C.P. (45)333, Standing Ministerial Committees of the Cabinet: Memorandum by the Prime Minister, 7 December 1945.
5. Ibid.
6. Ibid.
7. PREM 8/53, and PREM 8/228, Douglas Jay provided his initial views on housing policy in early October and promised further substantive consideration would follow. These began in November, as housing statistics became available. W.S. Murrie from the Cabinet Office usually provided the "official" briefings which generally consisted of a series of questions the Prime Minister might wish to pose when Cabinet considered the monthly housing report. These went directly to the heart of the problem and generally pointed in the same direction as Jay's briefing notes.
8. PREM 8/228. Jay to Attlee, 2 November 1945.
9. Ibid.
10. Ibid.
11. Ibid. Jay to Attlee, 23 November 1945.
12. Ibid. The Prime Minister did not send this Minute. On that same day he received advice from a different quarter that recommended internal structural changes be adopted.
13. CAB 21/2260, CAB 124/450, CAB 124/485. These files contain numerous briefs for Morrison on the subject of housing and provide indications of the attempts the Lord President made to influence the policy.
14. CAB 124/450. Johnstone to Morrison, 6 November 1945.

15. Ibid. Johnstone to Morrison outlines these events which took place, 12 November 1945.
16. PREM 8/434. Bridges to Attlee, 23 November 1945.
17. Ibid.
18. There are, of course, other ways of grouping the problems in housing. The manpower issue, of which much is said in this chapter, was a constant source of irritation. However, as will be seen, it was an essential element of both the categories identified and is best examined in this light.
19. See preceding chapter, "Developing Housing Policy."
20. CAB 129/5. C.P. (45)330. Progress Report on Housing: November 1945. Memorandum by the Minister of Health, 6 December 1945.
21. Ibid.
22. CAB 21/2023, CAB 87/36. Minutes of both the formal and informal housing committees in late November, early December demonstrate the increasing importance of shortages to progress on housing.
23. That this was potentially the case can be seen from the remarks made by Bevan at the first meeting of the new committee. "The Minister of Health said that, although the housing programme was not at present being held up for lack of building materials and components, he feared that there would be a hold up in the spring when there would be a large number of houses under construction." CAB 134/320. 11 December 1945.

Jay's worst fears were that expectations of shortages would begin to affect present actions, and become self-fulfilling prophecies. "If he goes slow in fear of shortages later, or excuses inactivity by forecasting them, the programme will fall seriously behind, and each Department will go on blaming the others." PREM 8/228. Jay to Attlee, 14 December 1945.
24. Standardization was a major part of Bevan's policy paper of 6 October 1945. CAB 129/3, c.P. (45)208, 6 October 1945. However, standardization was not achieved to the degree hoped for at the outset.
25. At least something approximating this had been promised by the Labour Party in their many references to their approach to postwar housing. See, in particular, Housing and Planning After the War.

26. See preceding chapter, "Developing Housing Policy." See also CAB 87/35, in particular, the Minutes of the 7th meeting on 23 October 1944, where the utility of bulk purchase was discussed. The Economist urged the Government to adopt some scheme which would improve the quantity and balanced flow of standardized components. The Economist, 1 December 1945. p. 800.
27. HLG 102/134. The request was received at the end of April and finally agreed to by the Ministry of Health at the end of May, 1945.
28. CAB 134/320. In the Minutes of the first meeting on 11 December, Tomlinson stated that the previous Government had asked the Builders Merchants to stock up in anticipation of a rapidly expanding programme.
29. The extent to which the Labour Government ignored potential cost savings on the building materials side of the housing programme is one of the major criticisms in R.A. Sabatino's book, Housing in Great Britain: 1945-49. (Dallas, Southern Methodist University Press, 1956.) See pages 44-50.
30. CAB 128/1. C.M. 39(45). 9 October 1945.
31. CAB 134/320. 11 December 1945.
32. HLG 101/3. Letter, Clerk, LCC to Tomlinson. 4 December 1945.
33. CAB 134/320. 11 December 1945.
34. PREM 8/228. Tomlinson to Attlee. 12 December 1945.
35. Ibid. Jay to Attlee. 14 December 1945.
36. CAB 134/320. 23 January 1946.
37. Ibid.
38. Ibid. 13 February 1946.
39. The issue of tighter controls on materials was being given careful study long before the Prime Minister's Housing Committee was created. The problem was being considered by ministers and officials for two reasons. First there were problems in getting many materials in some regions of the country. (See HLG 71/916.) Second were the flagrant violations of licensing procedures. (See HLG 102/100.) The rejection of bulk purchasing was followed by the introduction of production agreements.

"Under a production agreement a manufacturer would make a specified number of articles or a specific quantity of material over a given period at a fixed price. The product was distributed through normal trade channels and the Government guaranteed to purchase any goods produced under the agreement which at the end of the period were unsold."Cmd. 7279 (December 1947), Summary Report of the Ministry of Works for the period 9th May 1945 to 31st December 1946, p.25. As the report mentions, the building materials fund was only used to cover the expenses for the purchase of Belgian bricks, temporary and prefabricated houses.

40. CAB 134/320. 11 December 1945. Excerpt from the Prime Minister's opening remarks to the Housing Committee.
41. CAB 128/2. C.M. 58(45). 3 December 1945.
42. CAB 129/4. C.P. (45)288. Labour Controls: Memorandum by the Minister of Labour and National Service. 16 November 1945.
43. Ibid.
44. CAB 129/4. C.P. (45)320. Releases from the Forces: Memorandum from the Minister of Health. 30 November 1945.
45. With the sudden end to the Japanese war, Bevan and others had asked that the demobilization policy be revised. The suggestion was rejected and the old policy reaffirmed by Cabinet on 30 August 1945. See CAB 128/1. C.M. 26(45). 30 August 1945. For debate throughout the autumn of 1945 see HLG 102/135. The memorandum by E.A. Sharp, 26 October 1945, provides good synopsis of route the issue took; from Housing Committee to full Cabinet, from there to Lord President's Committee, then to Manpower Committee from whence it was sent back to Housing. For events in December see CAB 128/2. C.M. 58(45). 3 December 1945. See also F. Williams, A Prime Minister Remembers pp.123-27 which gives Attlee's version and contains text of letter from Bevin who was threatening to resign if demobilization policy was modified.
46. PREM 8/228. Tomlinson to Attlee. 12 December 1945.
47. CAB 134/320. 13 February 1946.
48. CAB 129/8. C.P. 46(103). Brick Production: Joint Memorandum by the Secretary of State for Scotland, the Minister of Health and the Minister of Works. 8 March 1946.

49. CAB 134/320. 13 March 1946.
50. Ibid.
51. PREM 8/229 and CAB 21/2021. Both files provide information on the events which followed.
52. CAB 21/2021. W.S. Murrie to Prime Minister, 15 March 1946.
53. Ibid. The Manpower Committee asked the committee of officials to come up with an alternative to "Class W" within a week.
54. CAB 128/5. C.M. 28(46). 28 March 1946.
55. CAB 21/2021. Bevin to Attlee. 28 March 1946.
56. CAB 128/5. C.M. 28(46). 28 March 1946.
57. CAB 21/2021. Murrie to Bevin. 30 March 1946.
58. Ibid.
59. Ibid.
60. Ibid. GEN 129 1st meeting, 2 April 1946.
61. CAB 21/2277. Prime Minister's Personal Minute no. M. 122/46. 4 April 1946.
62. CAB 21/2021. Part of the compromise led to a disagreement, among officials, concerning the number of brickmakers in the Navy. The Navy was released from these conditions because they supposedly only had 75 brickmakers, of which almost half were to qualify for "Class A" releases by May. Murrie made queries to check which of the two figures was correct, the 75 quoted by the Admiralty or the 500 as put forward by the Ministry of Works. As was often the case, both figures were correct. There were 500 brickmakers in the Navy, but, only 75 of these had been sought to return to their old place of employment. The matter went no further.
63. CAB 128/1. C.M. 39(45). 9 October 1945. All these ideas were put forward at the Cabinet meeting on that date when the first policy proposals were discussed. See chapter 3.

64. CAB 129/3. C.P. 45(224). Housing: Memorandum by the Minister of Health. 13 October 1945. This was Bevan's second paper which refuted the concerns expressed by many of his colleagues at the meeting of 9 October.
65. PREM 8/228. Jay to Attlee. 7 December 1945.
66. Ibid. Jay to Attlee. 10 December 1945.
67. CAB 134/320. 11 December 1945.
68. Ibid.
69. Ibid.
70. PREM 8/228. Jay to Attlee. 14 December 1945.
71. CAB 134/320. 23 January 1946.
72. Ibid.
73. T161 1249/s 52616/01, R.W.A.S. to Sir Thomas Sheepshanks re legal interpretation concerning Housing Corporation. 25 January 1946.
74. Ibid. C.E.I. Jones to Sir Herbert Brittain. 28 January 1946.
75. Ibid. Jones to Brittain. 7 February 1946.
76. Ibid. Brittain to Jones.
77. Ibid. Memorandum, H.A. George to A.E.L. Parnis. 21 March 1946.
78. Ibid. Memorandum, E. Hale to Jones and Brittain. 25 March 1946.
79. Ibid. Memorandum, Jones to file. 25 March 1946.
80. CAB 134/320. 13 February 1946.
81. CAB 21/2277. Prime Minister's Personal Minute No. M. 63/46, 20 February 1946. After discussing any possible case which Bevan might have for terminating the NEHA Attlee concluded with "Is it wise, at a time when we are seeking to create some such organization for England and Wales, to liquidate the only nucleus of the kind which is actually in being?"

82. T161 1249/S 52616/01. Notes of a meeting of Ministry of Works, Ministry of Health and Treasury Officials, plus comments on the meeting. 25 April 1946.
83. Ibid.
84. CAB 21/2023. 8 May 1946.
85. PREM 8/228. T161 1249/S 52616/01. The Permanent Secretary at the Ministry of Works was, by now, aware of the complete absence of any allies in Whitehall on the issue of the Building Corporation. As such, he advised his Minister to write to Bevan to see if he would receive any support from that quarter. We learn of these actions through a note from Bridges to Rowan, the Prime Minister's Private Secretary, 25 July 1946. The purpose of the note seemed to be the start of the strategy as to how this outcome should be presented to the Prime Minister. Tomlinson sent his letter to Bevan, 26 July 1946.
86. PREM 8/228. Tomlinson to Bevan. 26 July 1946.
87. Ibid. Bevan to Tomlinson. 2 August 1946.
88. Ibid. Tomlinson to Attlee. 10 August 1946.
89. PREM 8/232. The Prime Minister gave his consent to the establishment of a Housing Production Executive in Prime Minister's Personal Minute No. M 140/46, 15 April 1946. The Economist hoped this new arrangement would result in improved coordination. The Economist, 20 July 1946. p. 107.
90. Ibid. Letter from Bevan, Tomlinson, Buchanon and Wilmot to Attlee. 11 April 1946.
91. CAB 21/1745. These views are set out in a letter from W.S. Murrie to Sir Norman Brook, 6 May 1946. In this letter, Murrie is presenting the arguments put forward by Sir John Wrigley.
92. Ibid. As reported in letter, Murrie to Brook, 6 May 1946.
93. Ibid. This was included as postscript to letter.
94. Ibid.
95. Ibid.
96. D.N. Chester, op. cit. pp. 347-348.
97. Ibid. p. 348.

PART TWO

PROBLEMS OF IMPLEMENTATION

CHAPTER 5

THE DEMAND FOR LABOUR AND MATERIALS

Immediately after this war there is, we know, going to be an immense demand for building resources. In contrast to this accumulated and abnormal demand the resources of the building industry will be a good deal smaller than before the war.¹

The enforcement of the Government's building priorities required a swift and co-ordinated expansion of the building and building materials industries and a strict regulation of building demand. Not only was it necessary to prohibit outright many types of unessential building work; of equal importance for the orderly progression of the Government's program was the requirement that the total amount of building work undertaken be limited to the availability of building resources.²

It does not seem to have been sufficiently recognized, when plans were formulated and developed, that the organization of building supplies must take precedence over the organization of building.³

There can be little doubt that one of the essential roles for government in the postwar period was to maintain balance or equilibrium in the building industry. Even if one accepts that the explicit overall goal of housing policy was the provision of a large number of houses for let to the working classes, the lessons following World War I and the position of housing in the overall framework of government policy demanded major efforts be made to ensure that the construction of houses took place in an appropriately planned and programmed fashion.

From the previous chapters, it can be seen that the focus on a balanced programme had already started to recede behind

the concern over the number of houses to be constructed and the rate at which these would be erected to meet the demand. This new emphasis on "targetry" magnified the weaknesses of the policy design and the administrative machinery and, very swiftly, resulted in the replication of the events of 1919-1922, that is, an inadequate supply of labour and materials for the building undertaken. One must ask how the Government, with all the forewarning and foreplanning, arrived at such a position.

HOUSES TO LABOUR OR LABOUR TO HOUSES?

A major question to be resolved in the implementation of housing policy was whether contracts for houses would be let only where labour was readily available to build these, or whether contracts would be let where labour was scarce in the hopes that workers would be attracted into these areas. Both sides of this issue were put forward during the formulation of the postwar housing policy. In general, the departments involved in the discussions adopted positions directly related to the way their responsibilities would be effected. This, in turn, had implications for the distribution of power over the housing programme. Disagreement was evident in the very early stages of policy development.⁴

Officials from the Ministry of Health, while concerned

about the possibility of overloading the building industry, generally favoured the awarding of contracts for houses in every part of the country. They based their position on the need for housing in all areas and the need for workers employed on war damage repairs, and for those being demobilized, to have some tangible incentives to leave the major centres. They felt that until employment opportunities existed everywhere, building labour would be denied to many of the regions and would stay in the southeast.

Officials from the Ministry of Labour felt that if contracts were let to builders who had insufficient labour to build these houses then there would be strong demand for the Government to employ its powers of labour direction. Not only was there great doubt that the Essential Work Order could be sufficiently focussed to redistribute labour among contractors and regions, but the other costs, both financial and political, of attempting such a feat were considered to be too high. The Ministry of Labour was keen, therefore, to see some connection between the available labour force in an area and the amount of building permitted.⁶

Officials from the Ministry of Works were the strongest proponents of limiting building to the available labour force in any given region. Their starting point was that "it was intended to have a building programme equated to the amount of labour available."⁷ They wanted the programme to

be controlled regionally and sub-regionally - by the Ministry of Works, as the ministry responsible for "building" in general - with labour being allocated to projects on the basis of agreed priorities. As far as Works was concerned, housing should definitely have the highest priority.

These positions were neither unexpected nor unreasonable. From the Ministry of Labour's point of view, since they would be saddled with the burden of solving any problems of labour shortages and labour market imperfections, they wished to see the chances for this to occur minimized. As for the Ministry of Works, since they were responsible, in various forms, for the building industry, some control over the demand for labour would make their task much more manageable. Some, like the "Official Committee on Housing Costs" had even argued that such a step was imperative.⁸

For the Ministry of Health, however, to have yielded to the imposition of strict controls on labour as proposed would have meant delivering up some measure of control - if not an absolute veto - over the housing programme to another body. For what was at stake was the right to say whether or not the construction of houses could begin in any particular area based on an assessment of the demand for, and supply of, labour. The Ministry of Health did not consider such an arrangement possible and felt that no minister or department could "abdicate its functions in this way."⁹

Should house construction have been geared to available labour, or was it necessary for a surplus of contracts to be let in all areas in order to entice workers out to these areas to build these houses? There seemed to be no easy way to resolve this fundamental question. As in many such instances, the ends to be attained were not the problem; rather, the disagreement centred on the means necessary to achieve the desired end. Overloading of the building industry through an excess demand for building labour was, all agreed, to be avoided. Finally, it was a combination of the difficulties of doing otherwise and the verbal assurance from the Ministry of Health that overloading would be avoided that allowed the "Labour to Houses" side to win the round.¹⁰

In the end, the decision taken was mostly the result of the lack of any acceptable alternative. The committee charged with finding a suitable means of allocating labour on a regional basis was unable to arrive at a workable consensus. The effort faltered because the departments could not agree on a reasonable number of building priorities. It also faltered because the Ministry of Works was not able to develop an adequate means to implement regional building programmes.

One Whitehall official described the memorandum that set out the plan of the Ministry of Works as, "the wooliest

document I have ever read."¹¹ The shortcomings of the paper, which advocated the use of labour ceilings for each department, were that it gave no indication of the current size of the labour force, the size it was expected to achieve, or the rate at which this growth would take place. It also gave no indication that the proposed "departmental ceilings" bore any relation to the actual size of the labour force at that time or to what this was expected to become in future years.

But its most serious shortcoming was the proposed system of priority classifications. There were to be two categories, priority 'A' and priority 'B'. However, housing alone, which was only one of many in the 'A' category would have been able to use up all the available labour that was foreseeable for years to come. On the whole, both the priority scheme and the departmental ceilings were meaningless and could not be implemented.¹²

In addition to the inability to design a system for allocating labour, the slow, deliberate approach to reconstruction received another shock. With the sudden end to the war with Japan, some persons in Whitehall became concerned that unemployment could swiftly develop in numerous parts of the country. Departments were asked to initiate construction projects rapidly throughout the country. While there was little, if any, guarantee that labour would be available for

these projects, it was considered urgent that unemployment be avoided.¹³ Given this emphasis on starting construction in all areas of the country and the absence of any system of labour controls, it is not surprising that the "agreed end" of avoiding an excess demand for labour in the building industry was not attained.

LABOUR SHORTAGES

The shortage of labour posed different kinds of problems for the housing programme in various parts of the country. The problems were related to the way in which the Government reacted to the shortage. Broadly speaking, there were two ways to approach the situation. One was to take the shortage of labour into account when formulating the building programme. The other was to ignore its existence, design an ambitious building programme, and strenuously compete to attract the available labour. Examples of both approaches were evident in the postwar period.

In rural areas, the shortage of labour constrained the number of traditional houses that could be built. As could be expected, most of the unskilled labour that might have been available was engaged in agricultural pursuits. The limited building labour was not sufficient to allow a major housing programme and, at the same time, perform much needed

maintenance on existing structures or erect new buildings for agricultural purposes. Aside from providing the necessary labour by means of a "mobile labour force" as some ministers would have liked, the only other means of providing new housing in rural districts was the use of prefabricated homes.¹⁴ After some pressure from the Minister of Agriculture for more attention to rural needs, Bevan offered this as a palliative.

The main difficulty in the rapid provision of houses in the rural districts is the shortage of building labour. There are one or two systems of non-traditional building which I hope will prove specially suitable for rural areas, and I intend to press upon the rural authorities the adoption of these forms of building and to work out arrangements in consultation with those for facilitating their erection and for providing the necessary technical guidance.¹⁵

Most rural housing authorities took the labour situation under advisement and linked their housing programmes to the availability of prefabricated homes. Under the assumption that labour would be difficult to find, fewer traditional homes were started, hence fewer were left languishing at various stages of completion. The cost of building houses in the rural areas - whether prefabricated or traditional - was high, but not as high as it might have been had the scarcity of labour not been taken into account.¹⁶ On the other hand, this scarcity did lead to a chronic shortage of homes for agricultural workers.¹⁷

Though the concern for homes for coal miners did not come about until sometime after that for agricultural workers, the problems and the response were largely the same. The difference was in the suddenness with which the problem developed and the evident consequences if the housing shortage for coal miners could not be met. Given the constant shortage of miners, most of the unskilled labour in the mining districts was employed in the mines. Many of the skilled tradesmen normally found on building sites also found a need for their services in mining. Hence, labour for building homes for miners was an extremely scarce commodity in the mining districts while the demand for coal and coalminers grew.

Once again, prefabricated houses were seen to be the only viable solution to the scarcity of building labour. High cost aluminium houses, which significantly reduced the need for on-site labour, were selected for these areas.¹⁸ However, there was the added complication that even the small amount of labour needed to prepare the sites and erect these homes had usually to be imported from elsewhere. Often accommodation of any sort was unavailable in the mining districts so the building workers had to stay in adjacent towns and commute long distances daily.¹⁹

Thus far, the areas considered have been examples where the labour shortages were expected and were taken into

account so as to avoid the problems flowing from an excess demand for building labour. However, there were a number of instances where such was not the case.

In the Greater London Region, the building programme was continuously overloaded in the early years of the programme. The situation steadily deteriorated and by November of 1946 special measures had to be devised to avert a major crisis which threatened to arise.²⁰ It was estimated that a labour shortage of 70,000 plus workers would develop by June of 1947 unless departments were able to agree on labour ceilings. This tight supply of labour led to pressure for a reconsideration of the 60% quota for building labour to housing. The first attempts at reducing the labour quota allocated to housing were defeated. Also turned back was the attempt to establish a starting date procedure in the London area. However, the situation demanded a more satisfactory resolution for it threatened to develop into a major embarrassment for the Government.

Officials in the Ministry of Health were quite concerned that housing retain its right to 60% of the building labour force. They also strenuously opposed the other measures put forward.²¹ With respect to the control of starting dates they argued these would just add another level of controls to an already complex problem. Either such controls would not be used often, in which case, why

adopt this measure; or, these would be used too often and would only demonstrate that programming was bad as too many things had been allowed to go to tender and now could not be started. They argued, instead, that the right thing was to strive to get a good programme --the very thing they seemed to be doing their utmost to avoid.²²

Wrigley's major concern appeared to be that housing retain the 60% allocation of building labour in the London area. He felt quite strongly that if the quota of labour was reduced they "ought to have it made clear that housing is not a priority service as it is difficult to see over what it is getting priority".²³

The Ministry of Health had been a major contributor to the problem of overload in the London region. Not only did it refuse to see itself as part of the problem, it strongly objected to absorbing any cuts as their part in the solution. Given this intensity of feeling, it was inevitable that the issue would have to be settled by ministers.

Had it not been for the severe winter and the resulting coal shortage of 1947, the Ministry of Health might have been able to avert a cut in its labour force and continue to deny it too had a role to play in solving the labour problem in London. However, as a consequence of the actions taken by the Prime Minister in March with respect to the fuel and power situation, the Lord President's Committee was able to

agree on a reduction of the demand for labour in London, improved control over starting dates, and a reduction in the quota for housing to 58% of the building labour force.²⁴

In addition to London, the other regions where the housing and/or building programme vastly exceeded the supply of building labour were the Development Areas (DA's), in particular the Northeast of England. The problems in these areas differed from the London region in that it was widely known or expected that whereas labour might be plentiful, the necessary skilled building labour would be scarce in these regions and care would have to be taken to avoid overloading the construction industry.²⁵ It differed from the other regions where labour was in short supply in that the programmes undertaken did not take this scarcity into account.

The DA's, which had been a major focus of the Barlow Report on the Distribution of the Industrial Population and the object of the subsequent Distribution of Industry Act provided an unfavourable set of circumstances for reconstruction.²⁶ The housing in these areas tended to be among the most unsuitable in the country. Hence, there was a need to replace the existing housing stock as well as to provide homes for new factory workers expected to arrive in these areas. In addition to houses, however, it was also necessary to build factories for the new industries they wished to attract. All this construction was to be done with a

pool of skilled labour that was readily conceded to be much too small for the task.

As early as April, 1945, solutions which, by now should be familiar, were being put forward. The Ministry of Health, aware of the labour shortage, suggested that the DA's be given a greater share of the temporary and prefabricated houses in the early years of the programme. Ministry of Labour officials felt that the situation seemed to warrant the creation of a special mobile labour force to erect houses in these regions. Once more, regardless of the differing means of overcoming the problem, the desired end of getting the houses built without overtaxing the local labour supply was accepted by all parties.²⁷

A key source of the difficulties that developed in the DA's was the absence of any coordinating mechanisms between the Board of Trade and the Ministry of Health. The former, responsible for the implementation of the distribution of industry policy, was eager to get factories built while the latter, responsible for housing, was busy encouraging all the local authorities to construct houses. Since departments had been unable to agree on a means of determining regional demands for labour and establishing a means of regional allocation, it seemed essential that there be close liaison between the two departments that would be making the heaviest demands on labour in these areas.²⁸ That this was not the case is amply evident from the following:

PL10 laid it down that the WBA priority should be given to new factory buildings and extensions in DA's, on request by the sponsoring Department...I wonder if the full effects of this ruling on the balance of the building programme in DA's are appreciated. In the NEDA, for instance, the amount of factory building and housing alone are between them more than enough to absorb the whole of the building labour and materials resources which are capable of being used on other than maintenance and repair work; and these automatically carry top priority to labour and materials. Hence, slow progress, delays and dislocations; many schemes on hand, few finishing, all taking far longer than they should. This is the very negative of programming.²⁹

In the Spring of 1947, the Northern Regional Office of the Ministry of Works reported a shortage of 1,400 bricklayers and 400 carpenters for that region and requested that the controls over starting dates be instituted for factories.³⁰ Whether the labour shortage in the DA's was due to the construction of too many factories or too many houses is a moot point. There was a great deal of pressure to remove automatic granting of a priority for factories in order to reduce the demands on labour. The Regional Director in Wales was quick to point out the other side of the story.

We are of the opinion that there is an excessive amount of building work budgeted for, but point out that the Post War Development Programme is at present absorbing 20% of the labour engaged on factory erection and housing, whereas the Housing Programme is utilizing the remaining 80%. In the face of this it can be readily understood that the Board of Trade are strongly resisting any suggestion of reducing or slowing down their programme.³¹

From the foregoing it can be seen that a shortage of building labour was a pervasive problem for the housing

programme in many parts of the country. Furthermore, it is clear that building labour remained a serious bottleneck long after the spring of 1946 when the Minister of Health suggested that labour was no longer a problem. In some parts of the country the shortages were foreseen and taken into account. In other areas, the building programmes far surpassed the supply of labour, leading to costly delays in the completion of projects. Whether taken into account or not, there was a price to be paid for labour shortages.

THE SHORTAGE OF BUILDING MATERIALS

The plight that evolved with respect to building materials was, in large part, the result of a series of unexpected and unforeseen circumstances. Postwar housing policy had been predicated on a set of assumptions which did not take into account the probability that certain events might arise. No contingency plans were developed should these prove necessary. With hindsight, it seems reasonable to surmise that the policy was based on a very unrealistic set of expectations.

The successful pursuit of the housing policy proposed by the Coalition Government and adopted by Labour became an impossibility before it could be put into effect. That is not to say that the problems that developed from material

shortages as the policy was implemented could not have been avoided. Most of the critical events had occurred and their implications were known well before the Cabinet was asked to consider the housing policy in October, 1945. There were ample indications of the need for changes along the way.

The event which changed many of the assumptions of the policy was the sudden end to the war with Japan. Many have observed that the state of Britain's finances in the summer of 1945 was extremely precarious. As Eatwell has suggested:

The coalition's planning for the transition to peacetime assumed that these problems would be eased by continuing American aid, especially as the war against Japan was expected to last eighteen months after the end of the European war. It therefore came as a shock when on 21 August, six days after the Japanese surrender, the Americans announced the immediate end to Lend-Lease aid.³²

The end of Lend-Lease had several implications for housing. It resulted in the abrupt termination of the importation of American prefabricated houses. Lost, as well, were the fittings which were to come from American sources, thus putting even greater pressure on the foundries and factories at home. In addition, the cancellation drastically reduced the quantities of raw resources for housing, most notably, timber. Finally, the terms and conditions attached to the loan that Britain was subsequently required to negotiate seriously hampered her ability to acquire the necessary

materials from elsewhere, particularly in dollar areas such as Canada and Sweden.³³ This meant that if the Coalition's targets for the first two years after the war were to be met, the domestic components of the programme would have to be both accelerated and enlarged.

All but the conditions which would be attached to the American loan were known to the government by early September. Yet, though the assumptions of the policy had been altered considerably, it remained virtually the same. Not only would more have to be done at home, but it would have to be done with less!³⁴

The sudden end to the war with Japan also perversely effected the availability of skilled labour. It has been noted above that some building material shortages could be attributed to the lack of labour to man the industries which produced these. Demobilization was divided into two streams; class 'A', which was essentially a "first in - first out system" and, class 'B', which allowed persons to jump the queue in order to take up civilian employment. Those who accepted a class 'B' release had to forego substantial furlough and pay entitlements. The incentive for accepting a class 'B' release was the increased chance of retaining life and limbs in civilian rather than military employment. With the end of the war that incentive vanished and was replaced by the likelihood of a speedier approach of a class

'A' release. As a consequence, fewer persons with skills much in demand were accepting premature release from the forces and more key positions in the building materials industries remained unfilled.³⁵

Hence, by the end of August, 1945, the basis of the plans for the post war recovery in the building materials industry had been significantly eroded. The demands on domestic industries and supplies had been increased by an untold amount. At the same time, the labour which might have helped to fill the gap caused by the sudden withdrawal of American aid lost its major incentive to do so. Thus it might be argued that the fault did not lie in what took place in 1946 and beyond, rather, the fault occurred when the policy was not revised in the summer of 1945. But as some writers have noted, the changes of 1945 - serious as they were - were overshadowed by the events which followed.

There were three contributing factors to the excess demand for building materials. First, it appears that the need for repairs and maintenance to the existing stock of housing (or, at least the householders' demands to have repairs and decoration carried out) was far beyond the expectations of government. Second, though the legitimate demands for materials were sufficient, in themselves, to cause serious shortages, the supply position was further aggravated by the degree to which people were prepared to

ignore building restrictions and make illegal repairs on their homes and other buildings. Compliance with Defence Regulation 56A was not as high as the government wished nor as the situation demanded.

The third factor was the disregard shown by government departments and agencies to the supply of building materials when authorizing or embarking on new building projects. By the autumn of 1945, in the absence of effective mechanisms for coordinating the actions of the departments, the amount of building under contract had surpassed the ability of the building materials industry and it remained in that position until the spring of 1948.³⁶

There was little that could have been done to curb the demand for the permitted amount of repairs. It did not seem feasible to reduce the limit below the £10 every six months which would mean nearly all work would have to be licensed. Since licensed work was restricted to several categories of essential work such as sanitary purposes or damage which endangered the structural integrity of a building, lowering the £10 limit would have virtually prohibited elective, non-essential repairs.

It was obvious that the electorate would not have been prepared to accept such a situation.³⁷ Under these circumstances, the only option was to ensure that all licensed work was necessary while keeping the limit below which a

license was not required as low as possible. In the interim, officials at Whitehall could only hope that bomb damage repairs would soon decrease and fewer homeowners would exercise their right to repairs under £10.³⁸

The abuse of the licensing system received considerable attention in Whitehall. The problem was widespread and, as the following excerpt demonstrates, it was proving difficult to check.

There is a substantial volume of cases where private work infringing the Regulations is undertaken by small builders; the public on their part show no great diffidence about breaking the law, partly because they do not understand it and partly because they neither respect nor sympathise with it. In particular, they do not understand how employing a man in his spare time can be held to harm the national interest, and they are not encouraged to respect the law by the considerable delays frequently experienced in securing a licence in the authorized manner. Similar considerations tend to prejudice magistrates and judges in favour of offenders.³⁹

As early as December, 1945, the Minister of Works sought to increase the sanctions for those contractors who breached Defence Regulation 56A. In particular, he wanted to see a maximum penalty that would allow builders that undertook illegal repairs and construction to be deregistered. Some of his colleagues, most notably the Attorney-General, argued against this. They felt that the Regulation was not popular and pointed out that one of the problems was that the courts were being far too lenient and would not likely impose

harsher sentences even if these were available.⁴⁰ Eventually, the Minister of Works won his case. In order to circumvent the problem with the courts, minimum penalties were prescribed while power to deregister builders was given to the Minister in March, 1946.⁴¹

As a further supplement to these measures and in response to the pressure from the Prime Minister's committee concerning bulk purchasing and distribution, the building materials priority system was put in place in April of 1946. All licensed building was assigned a priority and builders were issued with a certificate which allowed them to purchase building materials. Since only builders engaged in priority work had such a certificate it was expected that the flow of materials to unauthorized work would be substantially curbed.

While more will be said of the priority system below, it can be noted here that it did little to curb unauthorized building.⁴² Further measures were adopted in the winter of 1947. These included the improvement of the wording of licenses issued by the local authorities so as to enhance the chances for a successful prosecution and the delegation of the authority to prosecute offenders to the local authorities. This latter step significantly increased the degree of surveillance and the possibility of charges being laid.⁴³

The misuse of building materials was never seriously thwarted by the actions of government. It continued at a

high level throughout the critical period of shortages, much to the chagrin of the Minister of Health who desperately wanted to see the labour and materials expended in this fashion diverted towards the construction of new houses.⁴⁴ In part, this failure could be attributed to the lack of public sympathy for the Government's position. Misuse was also difficult to stop because of the nature of the construction industry and the blurred distinction between authorized and unauthorized construction under different priorities.⁴⁵

The extent to which repairs made demands on the supply of building materials was largely determined by persons external to the Government. Another major contribution to the supply shortage, however, was completely within the power of the Government to control. Yet, this aspect of the postwar building programme proved to be as uncontrollable and/or uncontrolled as the other areas.

As has been noted, the Government's building programme encompassed many things, and housing was not alone in making demands which could not be met by the building materials industry. This does not suggest, however, that the housing programme was an innocent bystander in the events leading up to an overloaded building industry. The number of houses under construction rose continuously throughout 1946. By December of that year, 251,000 houses had been approved of

which 188,000 were under construction. Building materials did not exist in sufficient quantities to complete the number of houses then underway and the resulting shortages caused costly delays.⁴⁶

It was clear that the housing programme was overloaded. Yet, for the first half of 1947, the number of tenders approved continued to exceed completions by a sizeable amount, adding more to the number of houses under construction. According to Sir John Wrigley, "A smoothly working programme ought to ensure at least twice as many completed houses per year as there are houses under construction at any time during the year".⁴⁷ By his own criteria, housing was far from a smooth operation.

The surplus of starts over the availability of materials made the building materials priority scheme virtually meaningless. The possession of a priority certificate did not guarantee access to the required supplies for there were more of the former than the latter.⁴⁸ The problem was further exacerbated by the means of distributing these scarce goods. Some contractors received their materials far in advance of their being needed and stockpiled them away. Others had to stop construction while awaiting these very same supplies. This added directly to the cost of building in several ways.⁴⁹

It can be seen that, from the beginning, the housing programme set off on the wrong path. It started with the

reliance on continuous demand to spur on the production of building materials and fitments. With Lend-Lease or a more normal world trade situation, excess demand might have been met by imports. Though both Lend-Lease and the availability of imports were assumed in the design stage of the policy, neither were available during implementation. The decision to allow the building programme to pull the building materials industry along with it was the thin edge of the wedge.⁵⁰ Since nobody knew, or at least nobody articulated how much demand could "safely" exceed supply, the size of this wedge was indeterminate. In the end, it turned out to be a very wide wedge indeed!

Ironically, the greatest force pushing the housing programme towards this state was supplied by the Prime Minister and his advisors. The Prime Minister's Housing Committee, established to solve the problems plaguing the programme, was instrumental in getting it deeper into the quagmire of unfinished houses. Pressure from the Prime Minister to get houses started in all areas; the general criticisms of other ministers concerning the "slow start" of the housing programme; and, the efforts to create a Housing Corporation to cope with the shortage of labour in certain regions: all these certainly gave Bevan great incentive to continue approving tenders and licenses until the materials situation became impossible.⁵¹ How else could he demonstrate that his

that his decision to work exclusively through the local authorities was the correct choice?

On 28 March, 1946, Bevan told the Prime Minister that although more than 30% of the rural local authorities did not have tenders for houses approved, he did not feel he could pressure them to get moving due to the shortage of supplies.⁵² By this time, as far as he was concerned, the local authorities had demonstrated that they could build all the houses that could possibly be erected and thus were a perfectly adequate instrument on which to base the housing programme. On 8 May, he told the Minister of Works that a large mobile labour force, as proposed by the Building Corporation, was no longer viable as there would be insufficient materials to supply such a force.⁵³

The most apt words to describe the resulting situation and the driving forces which led it there were provided by Douglas Jay, the prime behind-the-scene instigator of these pressures.

Thanks to the pressure on the Ministry of Health and local authorities over the last few months, the initial difficulties of the housing programme have been fairly overcome; and we now have reached the stage (as we ought) at which it is not so much organization at the centre as supply of building materials which is the limiting factor.⁵⁴

As Rosenberg pointed out:

In contrast to the Government's success in recruiting labor into the building industry, it was singularly unsuccessful in recruiting labor into building materials industries. But given its inability (or unwillingness to take the necessary steps) to bring about a more rapid expansion in the output of building materials, what was required on the part of Government was (1) a drastic scaling down of the total volume of work undertaken and (2) an allocation system which would, at the very least, eliminate the use of building materials on unapproved projects.⁵⁵

While there were alternative means to maintain balance in the building industry, it was clearly the responsibility of the Government to ensure that balance was obtained. However, early in the process of implementing the policy, those elements of the policy designed to avoid an overloaded building industry had been superseded by the efforts to increase the rate of housing starts.

Notes for Chapter 5

1. Bowley, op. cit., p. 239.
2. Rosenberg, op. cit., p. 135.
3. The Times, 26 March 1946. p. 5.
4. There are many places where these positions are documented. See CAB 87/35, CAB 87/36 and CAB 87/103.
5. CAB 87/36. Meeting 28 March 1945 is one of many places this is raised.
6. CAB 87/103. Deliberations of the Official Committee on Housing Costs, October-November 1944.
7. CAB 87/35 and CAB 124/630. These files contain the many discussions on this point. Quote comes from meeting of 14 Nov. 1944 in CAB 87/103.
8. CAB 87/103. Report of the Official Committee on Housing Costs.
9. CAB 124/635. Note from A. Johnston to J. Maud, 25 May 1945, outlining the position of the departments on the issue of building controls.
10. CAB 128/1. C.M. 39(45), 9 October 1945, CAB 87/36. 24rd meeting, 12 October 1945 and HLG 36/19.
11. CAB 124/630. J. Jewkes to J. Maud, 3 July 1945.
12. Ibid. Minutes of meeting to decide on regional allocation, 26 July 1945.
13. HLG 68/116. The need to speed up start of housing programme to avoid unemployment is discussed. CAB 124/475. On the 27 August, A. Johnstone advised the Lord President that the permanent housing programme should be increased immediately due to the sudden end to the war.
14. For view of Minister of Agriculture, see CAB 128/1, 9 October 1945, and CAB 87/36, 26th meeting, 21 November 1945. The Ministry of Town & Country Planning was against the use of prefabricated homes in rural areas. (See HLG 71/916.) Of course, Bevan always argued against the use of a mobile labour force to build traditional homes in rural areas. His view was

that transportation and other overhead items would make such an approach too costly. The solution was to reduce the need for labour in these areas by moving much of the labour to the factory floor.

15. CAB 129/3. C.P. (45)224, Housing: Memorandum by the Minister of Health, 13 October 1945.
16. T161 1301 s. 54574/02/1 and T 161 1301 s. 54574 both contain references to costs and special subsidies payable in rural areas due to labour shortages.
17. Aside from the above notes re housing for agricultural workers, the files pertaining to key workers and miners invariably seem to make mention of farm workers as well. See following footnote for major citations.
18. The housing for coal miners issue is found in many files. The most important of these are; PREM 8/531, HLG 101/43, HLG 101/561, CAB 124/453, CAB 124/739, T161 1301/s.54754/02/1, T161 1367/52591/04 and T229/234.
19. PREM 8/531. Bevan to Prime Minister, 3 July 1948.
20. HLG 102/266, HLG 102/267 and HLG 102/268. Correspondence from November 1946 to February 1947.
21. HLG 102/266. In November 1946, departments were asked to submit a value for all building under contract in the London Region. The Ministry of Health figures for hospitals being built by the local authorities fell between divisions in the ministry and were not reported. This oversight tended to damage their case to protect the supply of labour for housing somewhat. Officials in the ministry of Works noticed these omissions.
22. HLG 102/267. Ministry of Health paper to priority sub-committee, 29 November, 1946. Also, HLG 102/115. A modified starting date procedure was finally agreed to but this only covered issuance of licenses for repairs and erection of private houses for sale.
23. HLG 102/268. Wrigley to Permanent Secretary, 3 March 1947.
24. CAB 21/2243. Brook to Attlee, 18 March 1947, re C.P. (47)92 and its effects on decisions on housing. See also CAB 21/2261. This file contains an excellent brief by Sir Bernard Gilbert as well as all the papers for this committee meeting. Of course, the Ministry of Health was not the only department fighting these cutbacks and controls. See also HLG 102/268.

25. HLG 71/47. Discussed on 26 April 1945 and again on 28, 29 March 1946.
26. Cmd. 6153. Report of the Royal Commission on the Distribution of the Industrial Population
27. HLG 71/47. HLG 71/48.
28. It will be recalled that the Board of Trade had withdrawn from the Housing Committee. See chapter 3 above and PREM 8/53.
29. WORKS 45/93. Unknown author in Ministry of Works, dated 30 July 1946.
30. Ibid. Note to Sir Harold Emmerson, author and exact date unknown. circa end of May 1947.
31. WORKS 45/93. Mr. Roberts to Mr. Newis, 29 August 1946.
32. R. Eatwell, The 1945-1951 Labour Governments. (London, Bastford Academic, 1979.) p. 70. See also Sabatino, op. cit., pp. 32-36.
33. Problems of trade with Canada and Sweden were related to the dollar area versus sterling area exchanges. Since agreement to full convertability was part of the terms of the American loan, foreign currency reserves and dollar expenditures had to be closely monitored and restricted.
34. HLG 68/116 and CAB 124/475. The recommended response at the end of the war with Japan and the termination of Lend-Lease seemed to be in the opposite direction as the demands to increase the pace of construction starts would seem to show.
35. This has been raised elsewhere above. For details see PREM 8/228, CAB 134/320, CAB 21/2023. For major cabinet discussion see CAB 128/2, C.M. 58(45), 3 December 1945 and the Cabinet Papers related to this discussion.
36. For a thorough description of the outward manifestations of this problem see N. Rosenberg, op. cit., and M. Bowley, "Housing and the Economic Crisis in Great Britain" in International Labour Review LIX, February 1949.
37. HLG 102/100. HLG 102/104. Both files contain numerous minutes and memoranda on this issue.

38. HLG 102/104. Officials realized that if every home owner decided to undertake repairs under the £10 limit, all resources would be stretched well beyond capacity.
39. Ibid. Note of meeting held at the Home Office, 12 December, 1946.
40. CAB 21/2023. Meeting, 5 January 1946.
41. These measures were decreed by Order-In-Council S.R.&O. 1946, No. 371.
42. Sabatino argues that this was due to the voluntary nature of the priority scheme. In brief, the scheme did not provide sanctions against builders that withdrew duplicate supplies on the same certificate thus enabling some to obtain supplies for the "black market" as well. Though his point seems to be quite reasonable, from the Government's perspective, unauthorized building was already illegal under D.R. 56A. It did not seem to make much sense to make the same act illegal twice over in order to curb abuses. Eventually the Government did introduce further sanctions for the improper use of the priority certificates.
43. HLG 102/104, HLG 102/105, HLG 102/10, HLG 102/114, and HLG 102/202. All of these files deal with the attempts to tighten up on the supply of building materials and curb unauthorized use.
44. Bevan expressed these sentiments on a number of occasions. See CAB 21/2023 and CAB 87/36.
45. The difficulties the Government encountered in its attempts to be consistent in its approach are discussed in the next chapter.
46. Rosenberg. op. cit. pp. 54-5, 83.
47. CAB 124/449. Excerpt comes from paper prepared by Wrigley, November 1944.
48. Sabatino. op. cit. pp. 24-8. Rosenberg. op. cit. pp. 50-3.
49. Sabatino. op. cit. pp. 25-27. Rosenberg. op. cit. pp. 139-40. Bowley, "Housing and the Economic Crisis in Great Britain".
50. As early as October, 1944, the issue of bulk purchase was proving difficult to resolve. In the end, the Government avoided major intervention into the building

materials industry. For early discussions see CAB 87/35, the meetings for October and November of 1944. For later resolution see chapters 3 and 4 above and CAB 134/320 for 1st and 2nd meetings of the Prime Minister's Committee in January and February of 1946.

51. CAB 134/320. Minutes of 1st meeting, 11 December 1945. These points were raised at that and every subsequent meeting until the last regular meeting of the Committee on the 28 March 1946.
52. CAB 134/320. 28 March 1946.
53. CAB 21/2023. Minutes for meeting, 8 May 1946.
54. PREM 8/231. D. Jay to Attlee, 8 May 1946. Underlining mine.
55. Rosenberg. op. cit. pp. 50-51.

CHAPTER 6

OTHER POLICY PROBLEMS

The striking feature of the structure of the industry is the very large proportion of small firms and the small proportion of very large ones.¹

What progress has been made in the construction of houses for key workers, without which many schemes of new factory development will fail of their purpose?²

All my information is to the effect that the difficulty of accommodation is now the main bottleneck to a rapid expansion in the mining labour force and that men volunteering to enter the industry are already having to be kept waiting for this reason.³

One of the policy areas having a direct impact on housing policy was manpower. All parties in the Coalition Government had given a commitment to "full employment".⁴ As might be expected, the building industry had a key role to play in attaining this objective. Before the end of the war an accord had been reached between the Government and the trade unions with regard to the role of the industry and the required size and training opportunities for the building work force.⁵ Stabilization of employment prospects was a major component of this accord.

In addition to its role as a major form of employment, housing was also seen as an essential element in achieving industrial dispersion and aiding in the more general concern of economic recovery. The prime manifestation of these

groups of employees. Among those identified were "key workers" for new industrial developments, coal miners and agricultural workers.

Meeting the demands of other policies, such as that of full employment, while pursuing other priorities of the housing programme, posed certain problems. Often these demands pointed in contradictory directions where one objective could only be met at the expense of another prized objective. Nontraditional forms of building also provided mixed results. These methods allowed for some needs to be met that would not have been met otherwise, but, at the same time, they proved slower and more costly than expected and took resources away from the traditional housing programme.

DISTRIBUTION OF THE LABOUR FORCE

The building labour force grew rapidly, as expected, during 1945 and 1946. By December of 1946, there were 953,000 men employed in the construction industry.⁶ Though this growth was sufficient for government to maintain its employment goals, it did present policy-makers with certain problems in that only 200,000 of this number were involved in the construction of new, permanent houses. Of the rest, 132,000 were still repairing war damaged houses while 229,000 were engaged in repairs, renovations or conversions

to the existing stock of houses.⁷ This distribution of the building labour force had major drawbacks.

By far the most damaging consequence of the way the building labour force was distributed was that the manpower engaged in repairs or maintenance was consuming vast quantities of building materials and fittings - legally or illegally - that were sorely required for the new houses. Officials in the Ministry of Health recognized that as long as the distribution of workers remained as it was, there would be material and labour shortages and further problems and delays in the housing drive.

Realizing the nature of the problem was one thing; solving it was another matter. We have seen that the government made persistent attempts to tighten up the controls on building materials and labour between August, 1945, and April, 1947. The value of repairs not requiring a license was kept quite low during this period and Bevan fought all attempts to see it raised in the hopes that the supply of materials for his housing programme would improve.⁸ In the interim, other licensing conditions were changed to reduce the loopholes in the regulations and improve enforcement. However, a serious obstacle to any significant improvement in the distribution of the labour force away from repairs was the strong commitment to full employment.

It was agreed that definite steps would have to be taken to bring about a redistribution of the labour force. The

primary means adopted to achieve this was the implementation of a zonal ceiling on licenses issued for repairs.⁹ This called for an assessment to be made of the labour requirements for new housing or other building projects at the beginning of each quarter. If these requirements were low, then the total amount for repairs in a zone could be set high enough so as to maintain employment. On the other hand, if major new building was to be undertaken, then repair work could be constrained, forcing the workers out of repairs and making them available for the construction of new houses.¹⁰ Naturally, the Ministry of Health wanted to see very low zonal ceilings set so as to curb the use - or as they saw it, the frittering away - of valuable building labour and materials.

On the other hand, the Ministry of Labour & National Service, as the sponsor of employment policy, was most keen to ensure that the measures adopted did not result in unemployment. The initial draft of the "Housing Circular" which laid out the plans for the zonal ceilings did not receive the approval of the Ministry of Labour & National Service. Officials in that Ministry were concerned that the building programme of many local authorities could not absorb all the labour which would become available and, therefore, would result in unemployment. At a meeting to consider this matter, Ministry of Health officials agreed to add a warning

that local authorities should keep in close touch with Regional Employment Officers so as to avert any possibility of unemployment.¹¹

The procedures and criteria for granting licenses were further relaxed over subsequent months. The policy was modified so that any contractor or builder who claimed that the refusal of a license would result in unemployment would be referred by the local authority to the Regional Licensing Officer of the Ministry of Works. If the case seemed plausible, notwithstanding the fact that the zonal labour ceiling had been reached, the license would be granted.¹² In addition to this measure it was also decided that a number of activities were to be granted licenses automatically and not to be counted in the zonal ceilings. These included items such as painting, laying of cork or rubber floors, cleaning of exterior stone or painted surfaces, insertion of plate glass windows, and weather-stripping.¹³ In part, this list reflected the surplus of some materials and/or personnel with specific skills. As certain materials became more available it became necessary to allow or often encourage their use in order to prevent unemployment in the producing industries (e.g., glass, plasterboard, and, ironically, bricks by 1948).¹⁴ This often increased the use of labour for maintenance and renovations and made it more difficult to obtain any significant improvement in the distribution of the building labour force.

Concern over unemployment consistently took precedence over the needs for labour and materials of the housing programme. Though some shift in the distribution of labour did take place in 1947, this was due, for the most part, to the reduction in the need for repair of war-damaged houses. During that year, the number of men repairing war-damaged homes decreased by more than 30,000, while those engaged in the construction of new homes, including temporary housing and site clearance rose by less than 20,000. Yet, in 1947, Ministry of Health officials had hoped that the building labour force involved in the construction of new houses would grow by 100,000.¹⁵ As Rosenberg notes:

Although a substantial fall in employment on "War damage repairs to houses" occurred during 1947, this was very largely offset by the increase in employment on ordinary "Repair and maintenance of houses". The movement in employment figures for the latter category, in fact, made a shambles of the entire housing "program". During the year when the greatest emphasis was placed on moving labor into the new housing program and on finishing as many as possible of the houses already under construction, the increase in employment on repair and maintenance of houses was itself greater than the increase in employment on the new housing program.¹⁶

THE STRUCTURE OF THE INDUSTRY

The structure of the building industry and the type of employment opportunities open to small building firms were at the root of the problems confronting the Government. Both had to be modified if the labour force was to be redis-

tributed to favour the construction of new houses. The Ministry of Health undertook a campaign to change both of these factors in order to alleviate what appeared to be an obvious misfit between the demands of the housing policy and the structure of the building industry.

Housing policy reflected the need to provide a large number of houses to let at rents below market value. It also reflected the need to control the flow of building materials and supplies to those projects identified as necessary or desirable. Hence, the restrictions on the building of private houses for sale and the priority for the construction by local authorities of homes to let.¹⁷ Consequently, most of the publicly owned houses were built for local authorities in large quantities while the restrictions on private housing often favoured contractors that had previously assembled, or within the price limits set for licenses could acquire, the necessary land for new housing. These factors tended to favour the larger building firms.¹⁸

The structure of the building industry did not reflect these postwar priorities. A high percentage of the building labour force was organized into small building firms. As a survey in 1949 showed:

Of the total of slightly more than 1,000,000 building operatives, 242,000, or almost 25% of the number employed, worked for firms employing ten men or less; one-third of the total, about 333,000 operatives, worked for firms employing no more than nineteen men.¹⁹

In general, most of these small firms performed maintenance and renovations to existing houses. Few were employed in the construction of homes for prospective homeowners.

At the time that the above figures were collected, 72% of the firms with five or less employees were engaged in repairs and maintenance. Firms with under twenty employees accounted for 46% of the value of all repairs to homes and 42% of all war-damage repairs and conversions.²⁰ As such, the small building firms and single operators bore the brunt of the Government's attempts to increase the number of men engaged in the construction of houses for the local authorities. As noted above, these invariably included measures designed to curtail repairs and renovations. Often they included the suspension of licenses to build houses for sale.²¹ Both these actions represented a serious threat to the employment of persons in these small firms.

As well as the negative sanctions mentioned, the Ministry of Health also attempted to improve the fit between the policy and the industry by increasing the participation of small firms in the building programmes of the local authorities. When the building materials priority scheme was introduced, Ministry of Health officials were hopeful that the amount of repair work would decrease substantially. In order to avoid unemployment of single operatives and employees of small sized firms, suggestions were sent to local authorities on how these firms could be better integrated

into the housing drive.²² As the Government became more determined to tighten the controls on nonessential building, it also tried once again to divert the building activities of small firms into more productive areas. Early in 1947, another circular defining further means of involving the small building firms was dispatched.

Difficulties may, however, arise in towns and villages with the smaller firms who have formerly been engaged solely upon repair and maintenance work and who are, therefore, not strictly within the scope of Circular 92/46 inasmuch as they have never built houses. Nevertheless some of these building firms may be able to build houses by themselves or in association with one or more similar firms. If, therefore, local authorities receive complaints from such firms that they are being put out of business, they should explore these possibilities with them.²³

Aside from joint ventures or persuading builders that they were able to erect houses, the local authorities were also asked to encourage more extensive sub-contracting.

A more promising field is on sub-contracts... Every effort should be made to bring such small firms into contact with the main contractors. The overriding consideration should be that where there is a general shortage of skilled craftsmen the fullest possible use should be made of small firms as sub-contractors.²⁴

Conditions for involving small building firms in the housing drive were less than ideal. The actions required of local authorities as outlined in Circular 19/47 called for a major intervention in the building process. That such

actions were neither forthcoming nor successful should come as no surprise. As well as the unlikely prospect of local authorities assuming many of the responsibilities of a general contractor, there was also the existing shortage of building materials to contend with, as shown in the following note.

I am bothered about a problem to which I see no answer. As you know, we have been actively encouraging local authorities to rope in small builders on their housing schemes, and in one or two places, such schemes have developed. I find myself running into difficulties at Croydon, and my Progress Officers tell me that these are likely to be reproduced elsewhere. At Croydon, they got a number of small contractors to offer to undertake to build the number of houses they could do in 6-12 months... Presumably because they are operating on small contracts within their labour capacity, their rate of erection is pretty rapid. This brings them up immediately against the problem of other supplies. In so many things now the normal period of waiting after the placing of an order is about nine months... With these small builders, however, the period is too long, and I am told that six months is really the maximum period to which they can work. As these small builders are very heavily tied up in these jobs financially, they will produce that kind of trouble as well. Is there any possibility, do you think, of our laying on a small special priority for these cases?²⁵

Of course the general answer to such a query was contained in the first sentence of the above letter. With a nine month backlog on orders a priority system based on the size of the contracting firm could only turn a difficult situation into utter chaos. There really was no answer to the problem of supplies or to the general concern of how to

divert small building firms towards the construction of new houses. The structure of the building industry could not be changed in such a short time to accommodate the demands of the policy, particularly when repairs and maintenance, which had been deferred for seven years, offered such substantial employment opportunities.

HOUSES OR FACTORIES

As noted in the preceding chapter, the demand for skilled building labour and materials in the Development Areas far exceeded the supply. This situation resulted in costly delays in the construction of houses and factories. Both the Ministry of Health and the Board of Trade carried on with ambitious building programmes long after the shortages and their effects were evident. Each asserted that it was the activity of the other that should be curtailed (except in the case of the houses for key workers discussed below).

The Government was unable to decide which of the two, houses or factories, should have priority. Housing had been assigned a substantial, fixed portion of the building labour force, but this was not of much use in the Development Areas where it was easy to exceed such a limit. On the other hand, every factory was automatically assigned a priority for labour and materials, giving it equal call with housing.

When supplies were insufficient to meet the demand, the Cabinet was unable to decide which should be given priority. This inability to decide was particularly evident during the brick shortage of 1946. At that time, the Prime Minister sent out a "Personal Minute" to all departments asking that they curb their use of bricks as much as possible.²⁶ At a meeting of the Housing Committee one week later when Bevan raised the point that factories were still being constructed of brick, he was informed that factories shared the same priority as houses.²⁷

On 26 April 1946, a memorandum from the Board of Trade noted:

It is necessary that factory building in the development areas should enjoy not only the same priorities for materials as housing, but that the flow of materials should be maintained even where this may temporarily prejudice progress on the housing programme, including the temporary house programme.²⁸

This notion of equal priority was further emphasized several weeks later at a meeting of the Lord President's Sub-committee on the Distribution of Industry. At that meeting the Minister of Works said that "Ministers had ruled that factory building in the development areas should have equal priority with housing".²⁹ The President of the Board of Trade explained that he had no wish for an overriding priority.

All that he desired was that, if in any area there were not enough facilities for housing and for factory building, the position should be examined, in the first instance at the regional level.³⁰

The choice between houses or factories was not an easy one to make. The Development Areas provided examples of some of the worst housing conditions and deserved radically improved standards. At the same time, good housing could not compensate for the absence of employment opportunities. Or, as Bevan put it, "No sense housing the people if they were unemployed".³¹

Like many issues in the postwar Labour Government, this one was resolved indirectly when, with the onslaught of the economic crisis, the Board of Trade sharply curtailed its construction of factories in the Development Areas, changing its focus to the expansion of export producing industries. The Ministry of Health was left to pursue its housing objectives on its own or a short while longer. But the inability to come to some agreement on numbers and priorities earlier was costly and resulted in both programmes being set back unnecessarily.

LARGER HOUSES FOR MANAGERS

The Distribution of Industry Bill presented to the War Cabinet in February, 1945, contained a provision for the Board of Trade to construct houses so as to encourage industrial dispersion. The Ministry of Health had objected to

this provision on the basis that local authorities in the Development Areas would not take any action on their own if they felt that the Central Government would assume total responsibility. The War Cabinet asked the President of the Board of Trade, Dalton, and the Minister of Health, Willink, to work out a compromise.³²

Dalton and Willink agreed that, while the Board of Trade would retain the authority to build houses in these areas, it would agree to do so only as a last resort and only for key workers. Parliamentary Counsel advised that it was not possible to draft the Bill in a manner which would reflect this agreement. However, Dalton offered to make it quite clear during the Debates in the House that these powers would not be used to provide for the general housing needs of the Development Areas.³³ In a letter outlining this agreement Dalton also directed the attention of Willink to the need for certain types of houses in these regions.

I shall be very glad to make it quite clear during the Debates in the House that the Board of Trade only intend to exercise this power for the provision, in suitable cases, of houses for key workers, including managers, for whom, as you yourself pointed out, a different type of house, from that provided by the local authority, would sometimes be required.³⁴

Larger homes for managers was to remain a topic of discussion among officials for almost a year. During that time, Ministry of Health officials opposed the idea on the

basis of the expected shortage of materials. They argued even more strongly against the use of any public funds to support the construction of these larger homes.³⁵

At the end of August, 1945, Douglas Jay, who was then an official at the Board of Trade, wrote to inform Ministry of Health officials that the Board was preparing to exercise its power to build houses for key workers.³⁶ Health replied that this would be acceptable as long as these houses did not exceed 1,000 super feet or cost more than £1,200.³⁷ The Board proceeded to form a working arrangement with the North Eastern Housing Association which agreed to build houses in conjunction with the factories being built in that region.³⁸ The issue remained at this level until early in 1946.

On 2 January 1946, the President of the Board of Trade, Sir Stafford Cripps, wrote to Bevan insisting some action be taken with respect to larger houses for managers.

There is an urgent need for houses suitable for the executive staffs of the manufacturers. I think, therefore, that we shall have to proceed to provide houses of both classes under the powers conferred on the Board of Trade by the Distribution of Industry Act, 1945, and I am accordingly asking my Department to discuss the matter with officials of the Ministry of Health with a view to finding out how the problem, which is now most urgent, can best be tackled.³⁹

Some senior officials in the Ministry of Health were inclined to allow the construction of larger houses for

managers even though building materials and labour were scarce.

I am in favour of allowing the construction of a larger house, say up to 2,000 superficial feet, where the Board of Trade specifically ask us to do so, in order to encourage a manufacturer to establish a business in a Development Area. I see the snags and the trouble we shall get into from other people who want a similar concession; but I am disposed to think that this is one of the anomalies we have got to allow if the Government is to get the things it wants to get; and I think that we could hold the position long enough to see us through.⁴⁰

Officials from the Ministry of Health and the Board of Trade met on the 22 January, 1946 and agreed that "where they (Trade) sponsor the erection of a house up to 2,000 feet in superficial area as being necessary for the manager or director of an industry which they are trying to attract to a Development Area, we (Health) will exceptionally authorize the local authority to grant a licence".⁴¹ Bevan agreed to this arrangement on 25 February on the proviso that the number of such houses be kept quite small.⁴² Final agreement to proceed was reached in the 3rd week of March, 1946.⁴³

The matter of larger houses for managers was not an easy decision for the Labour Party. That this decision was taken just when the shortage of materials seemed almost certain to become quite severe added to the difficulty - particularly for a minister so closely identified with the left wing of

the Party. Yet, it was quite clear where most of the senior ministers, in particular Hugh Dalton, stood on this issue; especially when the argument was cast so that it seemed the dispersal policy would fail without these larger houses. Given that the Board of Trade had both the authority to proceed on their own in this regard and the support of senior ministers, the Minister of Health and his officials could not have blocked this initiative in any event.

Perhaps, under the circumstances, the Ministry of Health felt that compliance with the general wish was the best strategy. At least as a player they could argue the need and the numbers with the Board of Trade. However, they did have to pay a price for this stance. Several local authorities refused the request to grant the necessary licenses. Consequently, Ministry of Health officials had to ask the Ministry of Works to issue the licences for these larger homes.⁴⁴

THE NEEDS OF OTHER CLIENT GROUPS

"Houses for managers" was a small item which attacked the equity principles of the Labour Government and the housing policy more than it distorted the distribution of resources. On the other hand, houses for key workers, miners, and agricultural workers attacked some of the broad premises of

housing policy including the notions of central control and the reliance on local authorities to meet housing needs.

The short term housing programme adopted by the Labour Government paid little attention to regional distribution for housing. There was an implicit agreement that for the first two years of the programme, houses would be allocated on a first come, first served basis to the local authorities that submitted plans. The supposition was that if local authorities were prepared to build or issue licences for houses, the need for these must exist. In addition, it was assumed that most if not all local authorities would build some houses. 45

The shortcomings of this approach were evident from the beginning and led some ministers to demand a means other than local authorities to construct houses in certain areas or for specific groups.⁴⁶ As the programme progressed, this lack of directive capability became more visible and important. Not only were certain needs being ignored, but the limits to the number of housing starts due to material and labour shortages could now be discerned. Houses for key workers, in addition to the larger houses for managers, were being demanded by the Board of Trade. Mining areas and rural districts had anticipated labour shortages and, therefore, had not come forward with plans to build houses in sufficient numbers to satisfy the growth in these indus-

tries. By the time these deficiencies in accommodation had become a major issue, more houses than could reasonably be built had already been started or approved in other locations.⁴⁷

Pressures to remedy the situation slowly built up. The case for agricultural workers had been argued since the autumn of 1945. Concern for key workers had increased in the early months of 1946. Though the agreement between Health and the Board of Trade in March of that year had remedied the situation of key workers momentarily, Dalton continued to press for faster action in this direction; urging the Board of Trade to exercise their authority to build houses.⁴⁸ Finally, in 1947, a coalescence of several incidents forced these concerns more out into the open. In early January, the Economic Planning Committee recommended that special efforts be made to increase houses for miners and agricultural workers.⁴⁹

On 17 January, Cabinet recommended that Bevan "take all possible steps to provide additional housing accommodation for miners and agricultural workers".⁵⁰ These warnings were ignored until the severe storms of that winter erased the coal reserves of the nation. More coal was desperately required. That, in turn, required more miners, which required more houses for miners. On 17 February 1947, the Prime Minister instructed the relevant ministers to submit a

programme to provide 55,000 additional new homes for miners over the forthcoming eighteen months.⁵¹

At a meeting of the Fuel Committee called to discuss the instructions of the Prime Minister, Bevan was forced to defend his exclusive jurisdiction in housing. Primarily, he had to fend off the notion that the Coal Board should build their own houses.

He (Bevan) was not in favour of housing construction being undertaken by the National¹ Coal Board and thought that better results would be achieved by employing local authorities.⁵²

Bevan argued that the shortage of labour was the main problem and that this would apply for whomever undertook the construction of houses. He offered, as the only solution, to deliver aluminium houses to the coal areas at the expense of other regions.⁵³

The Minister of Health submitted his proposal for miners' houses on 31 March. Gorell Barnes was not favourably impressed by Bevan's submission. He informed Attlee that nowhere in the report was it stated how many houses were needed or where these were needed. He suggested the Coal Board should determine where they would expand production. Then, the Ministry of Health could assess the requirements. He noted that nothing had yet been done to start the programme for aluminium houses. From his concluding remarks,

it was quite obvious he felt it would take a concentrated effort to obtain any results.

It is absolutely essential that this bottleneck should be broken; and, if it is to be broken, it seems that a great deal of pressure will have to be brought to bear upon the Ministry of Health.⁵⁴

This was followed by several months of the two parties involved working at cross-purposes.⁵⁵ During this period the Fuel and Power Committee decided to conduct its own investigation of the housing issue and appointed Sir Edwin Plowden and Hugh Gaitskell to consult with the Minister of Works and to make recommendations on how best to meet the housing needs of miners and agricultural workers.

Gaitskell and Plowden submitted their report on 1 September, 1947. Among the recommendations were ways to deal with both the materials and labour shortages. For the former they suggested that traditional houses already under construction for these groups be given priority for building materials. In order to increase the supply of local labour, they recommended all licensed repair work in these areas that was not absolutely essential be stopped. They also felt the presence of a large, mobile labour force merited further examination. Tentatively, they proposed as one of their announcements that:

A national organization will be created as soon as possible to undertake the building of houses in certain rural (and mining) areas for the accommodation of recruits to the mining and agricultural industries from outside areas.⁵⁶

In his briefing note to the Prime Minister prior to the discussion of this report, Norman Brook said the main recommendations were acceptable to the Minister of Health. However, there was a problem with respect to a central building organization.

There are obvious difficulties about this suggestion, which is not acceptable to the Minister of Health. The alternatives for Cabinet are to reject it outright or to remit it for study by an official committee as proposed in paragraph 13.⁵⁷

Approving this measure outright was not considered.

Once it became evident that all that could reasonably be done was being done, the pressure for greater Central Government control over the location of houses receded.⁵⁸ However, this concern was quickly replaced by another important issue, namely who should control access and who should have access to these new houses.

LOCAL CONTROL OVER ACCESS TO HOUSING

Control over the allocation of the new houses to suitable tenants was vested in the local authorities that constructed them. They were, of course, operating under a broad directive from the Central Government that these houses should go, and

be seen to go, to those families with the greatest need. Central Government did not have any direct authority in the process of allocation. Its only means of influence was to cajole or exhort local authorities to act in a certain manner.⁵⁹

As early as February, 1945, the difficulties presented by this position with respect to the pursuit of other objectives had been noted.⁶⁰ At a meeting of the Officials Committee on the Development Areas in May, 1945, Ministry of Health officials mused out loud that local residents and local authorities would not be keen to see houses allocated to newcomers to the region.⁶¹ The potential for problems was certainly there, but would it materialize?

During the negotiations with the Ministry of Health over the provision of homes for managers and key workers, officials from the Board of Trade had asked what steps Bevan was prepared to take to ensure that designated workers received houses. Ministry of Health officials argued in the first instance that this was an unlikely scenario. However, if the need should arise, use could be made of the new provisions to establish Housing Associations to erect the necessary houses.⁶²

In August, 1946, the Board of Trade made further inquiries with regard to this matter.

Mr. Sadler Forster enquired what would happen supposing a local authority refused to allocate any houses to the factory workers, as Cardiff were refusing at the moment. We explained that local authorities were vested with full control of their own houses and that we could not directly force them to accept any particular tenant. If the authority were not providing houses at all, the special housing association under Section 18 of the 1946 Act would do the work: if, on the other hand, they were providing houses as fast as they could but would not make any available for factory workers we should exercise pressure by refusing to allow them to go to tender for any more houses and employ the threats of refusal to sanction loans, which we had always in the background. We rather discounted the likelihood of ever having to proceed to such extremes, but we advised them to convert the Trading Estate Company, which was building for them, into a housing association.⁶³

The Ministry of Health agreed that the Board of Trade be allowed to designate key workers requiring priority housing in any region of the country. In general, the Board expressed satisfaction with the results obtained in acquiring houses for the workers they had nominated.⁶⁴

Key workers were usually quite recognizable as persons having special skills which were required by local industry, new or established. As such, it was easier to gain the cooperation of local authorities when it came time to allocate houses to these individuals. The circumstances were quite different with respect to miners and agricultural workers. In most of these cases, the only substantive difference between the "designated person" and those already on the housing list was that the designated person was like-

ly to be a new recruit to the industry and a newcomer to the region as well.

In most mining communities, where many families lived in housing conditions that were far below the standards of the new postwar houses, being a new recruit into the industry did not seem sufficient to warrant priority access to these new homes. As one Ministry of Health official described the attitude of many local authorities, they "tended to view problems locally and were oblivious or heedless of national requirements".⁶⁵

The two perspectives inside the Cabinet were quite distinct. Morrison and others held that the recruitment of miners and agricultural workers was being adversely effected due to the lack of suitable accommodation. If the situation was to improve, new houses would have to be built quickly and some of these would have to be made available to the new recruits.⁶⁶ Bevan, on the other hand, felt "It would not be reasonable to require local authorities to let houses to miners or agricultural workers without regard to the claims of other applicants".⁶⁷ Both Morrison and Gorell Barnes attacked Bevan's stand that old miners would be hard done by if new recruits received some of the new houses. They recommended that an arrangement be made with the local authorities so that a set portion of the new houses could go to new miners.⁶⁸

By 1 July, the Prime Minister still had not received the report outlining the programme for new homes for miners that he had requested on 2 April. He dispatched a note to Bevan asking for the report within the week.⁶⁹ The report arrived two days later, but it was not well received by Gorell Barnes. He was neither impressed with the scope of the proposed programme nor with the efforts to ensure that some of the new houses went to miners.

I am still far from convinced that the Ministry of Health are making any real attempts to discriminate in favour of miners - a process which, of course, goes against all the traditions of the local authorities with whom they have to work.⁷⁰

At meetings which took place during the summer further refinements were made to the programme. The problem with respect to allocation was not raised or dealt with. Finally, on 18 August, Attlee sent a "Personal Minute" to Bevan asking him what action he proposed to take in order to comply with the decision of Cabinet that houses were to go to miners and agricultural workers. In particular, he wanted to know what instructions would be given to the local authorities.

This will, I presume, require some form of order to Local Authorities.⁷¹

Bevan's response was as terse and as vague as it could possibly be given the circumstances. He replied that the future allocation of aluminium and other kinds of houses in

mining and agricultural areas would "be contingent on undertaking from local authorities as to their letting".⁷⁴

Less than two weeks later, Gaitskell and Plowden, in their report mentioned above, recommended an arrangement similar to this. They argued there was little the Government could do to influence the rules of access in those houses where construction had already been approved.

We are advised that in these cases it would not be practicable to require local authorities to give preference in letting to workers in special occupations.⁷³

With respect to new undertakings, however, they recommended:

Permission to proceed to tender should, in future, be conditioned by a clear undertaking that a stated number or proportion of the houses concerned will be let to workers of one or the other specified classes.⁷⁴

Cabinet agreed with these recommendations and the matter was laid to rest on that basis. It should be noted, however, that the agreement made no mention of houses for new entrants or recruits to these industries. Rather, the waiting lists of local authorities would be the prime factor in the determination of access to the houses. Secondly, at no time was a figure set and agreed as to what would be a "just proportion" for the number of houses to be allocated to these specific occupations. Some could view this as a means of providing maximum flexibility for the minister and his policy. Others could say that nothing had changed.

NONTRADITIONAL FORMS OF CONSTRUCTION

In the very early stages of planning for the postwar recovery, it was recognized that some alternative means would have to be found to supplement the efforts of the traditional means of building houses. The state of the economy, the shortage of labour, and the immediate requirements for housing demanded that these means be sought. The result of these efforts was a housing programme having three streams, the prefabricated, temporary housing component, the prefabricated, permanent housing component, and the traditional, permanent housing component.

It was originally believed, in some quarters, that the first two components would account for the bulk of the houses provided in the first two years after the war. Churchill was one of those who held high hopes for the prefabrication process.

In my view there are three parts to the Housing Scheme. First, the re-conditioning of damaged houses; second, the planning of a general re-building scheme of permanent dwellings on a 10-years basis so as to spread an even flow of demand for employment over the whole building trade during that period and not to have to use it up in a wild spurt to build 1 or 2 hundred thousand houses in the first two years. Third, to fill the gap before the permanent houses can be built by perhaps 500,000 pre-fabricated dwellings to be prepared and erected as if it were a military operation during the first two years of the transition period, preparations being begun now and pushed forward as fast as possible without detriment to the war effort.⁷⁵

As it turned out, the limited progress made on methods of prefabrication resulted in a housing programme of almost the inverse proportions.⁷⁶ However, there remained a high degree of dependence on the success of alternative forms of house construction to meet the housing needs of the nation.

In general, these elements of the postwar policy met with mixed success. The temporary housing programme, for instance, was considerably slower in getting started and proved much more costly than originally predicted. The average all in cost of the vast majority of these houses was over £1,000 - a figure substantially in excess of the estimates put forward when the programme was conceived.⁷⁷ Some of the difficulties and increased cost were related to imperfections in the flow of construction.

During its first year, the programme was plagued by shortages of internal fittings, throwing production schedules out of line.⁷⁸ In other cases, houses were completed before the local authorities designated to receive these were ready. Cases such as this usually implied extra transportation costs, as when Bevan proposed the diversion of 2,000 houses to London, where site preparation was running ahead of the delivery of houses, from locations not yet ready in Scotland.⁷⁹ If diversion was not possible, the only other alternative was storage and double handling.⁸⁰ Six months after the end of the war in Europe, with problems on both

the producing and receiving ends, only 9,000 temporary houses had been erected in England and Wales. By the end of 1946, the number had climbed to approximately 80,000 homes provided. The final total of 124,455 was reached "When the last bungalows were handed over to local authorities shortly before the end of 1948."⁸¹

The other component, prefabricated, permanent housing, also experienced a myriad of problems in the translation from concept to reality. Like the temporary housing programme, this type of housing was seen as a cost-reducing, labour-saving means of building homes. In general, there was an inverse relationship between these two concepts. The aluminium home, for example, required very little "on-site" labour, but cost more than a traditional, permanent home. On the other hand, the cost of an Airey (Rural) Home was about that of a traditional home, but required more "on-site" labour than the aluminium home.

Alternative forms of house construction did allow for a more rapid response to certain housing needs, but this was not without incurring serious repercussions in other areas. One problem was the necessary diversion of many supplies and fittings away from the traditional building programme. Because of attempts to maintain an orderly process of production in the factories producing these houses, temporary and prefabricated housing received priority access to building supplies and materials. Many received their supplies

direct from government ordinance factories. Given the shortage of many fittings, this first call on supply operated to the detriment of, and aggravated the shortages plaguing the traditional building programme. Eventually, as the supply of some materials and goods became more routine, the inventory of fittings at the factories producing these houses was substantially reduced. This, in turn, increased the flow of supplies to the traditional housing programme.⁸²

It has been noted above that prefabricated homes were frequently used to address particular problems, e.g., aluminium homes were ideal for countering the acute building labour shortages in the mining districts. Unfortunately, though all of these houses could have been put to good use in the mining districts, the means of producing these prohibited such an option. The rate of production at the factory was far in excess of the ability of the mining areas, with their shortage of labour, to prepare sites for these homes. At the same time, it was not advantageous, financially or politically, to store these homes after they were completely assembled. Hence, many of these had to be distributed to other areas where the need for houses, while it existed, was not so pressing as in the mining areas.

The Airey (Rural) Home, which, as its name implies was used extensively to meet the housing shortage in rural areas, encountered different problems. This kind of house

consisted of a prefabricated concrete shell which obviated the dependence on scarce bricks and bricklayers. However, to finish the interior required a similar amount and type of finishing tradesmen as a traditional home. This type of labour, as well as many of the materials and fittings used by these skilled tradesmen, were often in short supply in rural areas. Additionally, due to the unfamiliar process of construction, the small rural contracting firms frequently demanded high prices to erect these homes, or exhibited no interest whatsoever in the construction of these houses.⁸³

Perhaps if nontraditional housing had not been entangled in such a web of interdepartmental and personal controversy from the start, the efforts of the government could have been better focussed and the results might have proved more satisfactory.⁸⁴ Even with the problems which were encountered, it can be seen that this type of housing served a necessary function in the postwar policy. Though the cost proved to be greater than expected, and the speed of construction proved to be less, there is no doubt that these types of homes met legitimate needs which could not have been met otherwise.

Notes for Chapter 6

1. Sabatino, op. cit., p. 39.
2. CAB 124/672. Note by Dalton, 30 April 1946.
3. CAB 124/739. Lord President to Prime Minister, 1 April 1947.
4. See Cmd. 6257. Employment Policy, (HMSO 1944). Also Sabatino, op. cit. There was little doubt that the construction industry was seen as a major source of employment in many areas of the country, especially D.A.'s, see HLG 71/915.
5. Cmd 6428. Training For The Building Industry, (HMSO 1943). For a major discussion of the benefits and effects of this agreement, see Sabatino, op. cit.
6. Monthly Digest and Statistics (M.D.S.), May 1948, as quoted in Rosenberg, op. cit., p. 56.
7. Ibid. pp. 56-7.
8. HLG 102/104. December 1946. HLG 102/108. March, April, May 1948.
9. HLG 102/104. Negotiations over the wording of the announcement took place August-September 1946. The system was quite simple in design. A "man-month" of labour was assessed to be the equivalent to about £60 of repairs. Based on an evaluation of the labour situation in any given region, a total amount for repair work could be calculated and allocated among the various authorities that granted licences. The outcome could be observed and modified on a quarterly basis.
10. Ibid. 7 August 1946.
11. Ibid. Minutes of Meeting, 27 August, 1946.
12. HLG 102/105. January 1947. Unfortunately, in some cases, this resulted in contractors which had been refused licenses by the local authorities on the grounds of the infringement of byelaws, were still, through misunderstandings, given licenses to proceed by the Regional Licensing Officers.
13. HLG 102/105. Housing Circular 19/47; 4 February 1947.
14. CAB 128/13. C.M. 16(48), 23 February, 1948.

15. Rosenberg. op. cit., p. 63.
16. Ibid. p. 75.
17. See chapter 3 above. The inclusion of the cost of land was removed as a condition in 1948.
18. HLG 101/408. The problems facing small builders were raised at a meeting between Bevan and the National House-Builders Registration Council, 16 January 1946. See also I. Bowen, "What Policy for the Building Industry," pp 16-17.
19. Rosenberg. op. cit., p. 25.
20. Ibid. The figures were derived by him from the "Working Party Report on Building" (HMSO 1950).
21. Licensing privileges were withdrawn from over 100 local authorities in March, 1946 (HLG 31/13, Circular 24/46). In August 1947, all licensing except houses for miners and agricultural workers was suspended. See HLG 102/107, discussions leading up to Circular 137/47.
22. HLG 31/13. Circular 92/46, 30 April 1946. Among the means suggested in the circular were: letting contracts for smaller groups of houses; buying houses that had been built by small builders under licence; and, accepting designs that small builders had built before and hence were more comfortable with. See also HLG 101/408. These efforts received positive notice in The Times and The Economist during the weeks preceding the circular. The Economist, 23 March 1946. p.709. The Times, 2 May 1946. p.3.
23. HLG 102/105. Circular 19/47, 4 February 1947.
24. Ibid.
25. HLG 102/143. S. Mayne to A. Michaels, 17 December 1946.
26. CAB 21/2277. Prime Minister's Personal Minute 94/46, 27 March 1946.
27. CAB 134/320. Minutes of Meeting, 28 March 1946.
28. CAB 124/672. Memorandum to Lord President's Committee, 26 April 1946.

29. Ibid. Minutes of Meeting, 1 May 1946.
30. Ibid.
31. HLG 71/48. Bevan quoted at meeting of Lord President's Committee, 12 November 1945.
32. Conclusions of War Cabinet, W.M. 15(45), 7 February 1945.
33. HLG 102/70. Letter, Dalton to Willink, 13 February 1945.
34. Ibid.
35. HLG 71/1309. At a meeting on the 4 May 1945, Titherly argued that subsidies should not be paid on homes for key workers. He also said that during times of shortages, large, middle-class housing should not be built.
36. HLG 102/70. D. Jay to Titherly, 31 August, 1945.
37. Ibid. Titherly to Jay, 10 September, 1945.
38. HLG 71/3109. Minutes, Regional Distribution of Industry Panel, Northern Region, 12 November 1945.
39. HLG 104/5. Letter, Cripps to Bevan, 2 January 1946.
40. Ibid. E. Sharp to Sir John Wrigley, 9 January 1946.
41. Ibid. Sharp to Wrigley, 28 January 1946.
42. Ibid. Sharp to Kerwood, 26 February 1946.
43. Ibid. Sharp to Summers (Private Secretary to Minister), 25 March 1946.
44. Ibid. Minutes of Meeting between officials from Ministry of Health and Ministry of Works, 26 July, 1946. Works was not pleased to be handed the politically sensitive matter of issuing licences for the construction of larger homes. In exchange for this cooperation, Health agreed to take back responsibility for asking Local Authorities to grant licences for larger homes for doctors as well as shoulder the blame for any questions in the House.
45. HLG 71/915. The minutes of a meeting held on 28 March, 1945 contain the most accurate, concise summary of the policy for the first two years after the war. See also HLG 71/1019. February 1945.

46. See CAB 128/1. C.M. 39(45), 9 October 1945. See also chapter 3 above.
47. CAB 128/9. C.M. 9(47), 17 January 1947. "The location of all the houses which could be completed in 1947 had already been settled". Bevan to his colleagues during the discussion of houses for miners.
48. T161/1367/52591/04. January - July 1946.
49. PREM 8/533. Briefing for Housing Committee meeting from W.L. Gorell Barnes to Attlee, 13 January 1947.
50. CAB 128/9. C.M. 9(47), 17 January 1947.
51. PREM 8/531. The relevant paper was F.C. (47)8, 17 February 1947, Memorandum by the Prime Minister to the Fuel Committee.
52. Ibid. Minutes of 4th meeting of the Fuel Committee, 24 February 1947.
53. Ibid.
54. Ibid. Gorell Barnes to Attlee, 1 April 1947.
55. Ibid. Each agency accused the other for the delays in developing the proposal and for the faults when it was finally submitted.
56. PREM 8/531. Memorandum by the Chairman of the Materials Committee and Chief Planning Officer, 1 September 1947 (henceforth, Gaitskell and Plowden). The report also contained a number of recommendations with respect to access to these new houses by new recruits to the industry. This issue will be dealt with in the following section.
57. CAB 21/2243. Brook to Attlee, 9 September 1947.
58. That is not to say that everything decided upon was actually implemented. For example, many of the aluminium houses slated to go to mining areas eventually went elsewhere. see HLG 101/43. Houses for specific client groups did arise once more when the currency crisis forced the government to focus on key workers in certain export industries. See HLG 104/5, minutes of meeting Housing for Dollar Export Workers, 2 January 1950.

59. According to reports in The Times, 25 January 1950, p.2 and the Manchester Guardian, 21 January 1950 p.7, the Ministry of Health may have been too successful in influencing the allocation of homes to Labour M.P's and others in Wandsworth.
60. HLG 71/915. Development of Interdepartmental Report, February-May 1945.
61. HLG 71/1309. 4 May 1945.
62. HLG 104/5. Minutes of meeting, 22 January 1946.
63. Ibid. Letter, A. Michaels to file, 20 August 1946.
64. Ibid. And subsequent exchange of letter re this point in early 1947.
65. Ibid. 4 July 1946.
66. CAB 124/739. Morrison to Attlee, 1 April 1947.
67. CAB 128/9. C.M. 9(47), 17 January 1947.
68. PREM 8/531. From several briefing notes from Gorell Barnes to Attlee.
69. Ibid. Attlee to Bevan, 1 July 1947.
70. Ibid. Gorell Barnes to Attlee, 4 July 1947.
71. CAB 22/2278. M317/47, 18 August 1947. The Cabinet decision referred to was that taken back on the 17 January 1947, C.M. 9(47).
72. PREM 8/531. Bevan to Attlee, 19 August 1947.
73. Ibid. Gaitskell & Plowden.
74. Ibid.
75. HLG 68/32. Prime Minister's Personal Minute. Churchill to Willink, 27 February 1944.
76. PREM 8/228. C.P.(45) 274. Progress Report on Housing contains targets for houses as follows: permanent traditional, 300,000; temporary prefabricated, 165,000; prefabricated permanent, 100,000. 8 November 1945. Foot describes Bevan as being critical of the temporary housing programme - "These 'rabbit hutches' as he occasionally called them ... used up sites, materials and labour which could better have been devoted to perma-

nent building."- but in favour of the permanent prefabricated programme. See Foot, op.cit., p. 81.

77. CAB 87/37. Draft White Paper on the Temporary Housing Programme. October 1945.
78. See CAB 21/2023 and CAB 87/36 for numerous references to the existence and effects of shortages of various materials for this programme.
79. CAB 21/2023. Minutes of meeting of 11 April 1946.
80. Ibid. Minutes of meetings of 30 October, 28 November 1945.
81. Report of the Ministry of Health for the year ended 31 March 1949, p. 324. Earlier figures cited were taken from D. Donnison, Housing Policy Since the War, p.36.
82. HLG 101/494. Minutes of Housing Production Executive, 28 March 1947.
83. HLG 36/21. Minutes of CHAC Meeting, 2 May 1947.
84. The controversy over this type of housing began when Churchill decided to establish a subcommittee on prefabricated housing consisting of the Lord Privy Seal (in the chair), the Minister of Works and the Minister of Information and purposefully excluded the Minister of Reconstruction. CAB 124/447. 5 September 1944. Subsequently, this type of housing became a central element in the disagreement between the Ministries of Health and Works over responsibility for housing policy. In addition, the Ministry of Town & Country Planning was not in favour of the extensive use of this type of house. Overall, these alternative forms of building had few supporters in the postwar Labour Government.

PART THREE

HOUSING POLICY & CENTRAL PLANNING

CHAPTER 7

REVISING THE PROGRAMME

It was no part of Nye's case that no cuts needed to be made; his argument was that the Cabinet had got its priorities wrong.¹

In the Cabinet and in Cabinet committees, the Ministry of Health knew that its case would never go by default.²

In the days that followed, a saving on housing also figured on the Treasury list of essential measures. Partly the purpose was to make possible a reduction on general capital construction and partly to reduce dollar expenditures on timber.³

What is perhaps not appreciated is that the reduced supplies of timber have been made as much the excuse as a reason for the cut in the Housing Programme in the future.⁴

In the autumn of 1945, Bevan had argued strongly against a publicly stated target for the housing programme. While he had expressed the hope of meeting the goal adopted by the Coalition Government, he had felt a public statement of this would not be in the best interests of the new Labour Government. His main concerns at the time had been the comparison that was likely to be made between the targets set by both governments and the consequences of not achieving the target once it was out in the public eye. A little over a year later, with the housing programme in obvious difficulty and ominous warnings of programme cutbacks circulating around Whitehall, Bevan altered his position.

But Bevan's position was not the only one that had changed over the year. Some of his colleagues had become more reluctant to give housing the "blank cheque" that it had maintained since 1945. Not unexpectedly, there was considerable disquiet about a programme that had thus far produced so few houses, so much criticism in the press, and whose progress seemed so slow that it had prompted a major epidemic of squatting.⁵

In addition to the problems in housing, the economic situation appeared more and more uncertain as the day of convertibility for sterling approached. For some in the Cabinet, housing cuts began to look both necessary and inevitable, though for several different reasons. Naturally Bevan disagreed with this assessment and was not about to make matters easy when it came to paring down his programme.

THE PRELUDE TO PROGRAMME REDUCTIONS

The first serious questioning of the housing programme and the start of attempts to bring it into balance began in the Lord President's Office. In a note to Morrison, one of his officials, A. Johnstone, suggested that the building programme warranted ministers' immediate attention. He pointed out that demand for building was increasing across the country. More schools, hospitals, factories and, of

course, houses were being started. The increase in the number of starts only served to stretch the limited amount of men and materials even further, thus slowing down the rate of completion. He noted that housing starts numbered around 20,000 per month while completions languished at 7,000 per month. He recommended that the Prime Minister's Housing Committee be reconvened to study the situation and to set the housing programme for 1947.⁶

Morrison sent the briefing note on to the Prime Minister with the recommendation that the Housing Committee be recalled to deal with this matter. (It had not yet been officially disbanded though it hadn't met for 8 months.) Attlee agreed and sent a memorandum to all the committee members. He noted that the committee had decided to suspend meetings after the programme for 1946 had been launched. Now, however, it seemed propitious to reconvene the committee to examine the appropriate balance between housing starts and materials, the efficiency of the building industry, and, most importantly, the size of the programme for 1947.

The main point that I should like to consider is what number of houses are we to aim at completing in 1947?⁷

Bevan replied that he would instruct officials to prepare the necessary papers showing the availability of supplies.

These would "save a good deal of useless discussion" in determining the appropriate size of the programme.⁸

The meeting was set for 12 December. On the 11th, Gorell Barnes advised the Prime Minister to delay any decision on the size of the housing programme for 1947. He told Attlee that the Lord President's Committee was examining the question of efficiency in the building industry and that this matter would best be left for that forum to deal with. As for the 1947 target for housing, the programme outlined by Bevan presented some serious quandries. Bevan's expectations for materials did not seem at all realistic while his assumption that housing should continue to obtain 60% of the building labour force would leave other work short by an estimated 180,000 persons. Gorell Barnes suggested that the Housing Production Executive be asked to provide a complete estimate of materials and components likely to be available and to compare these to the requirements of the proposed programme. These could then be compared with those being developed for the Economic Survey.

To sum up at this point, I suggest that the principle of working to a definite limited programme for 1947 should be heartily welcomed; but that the settlement of the precise size of the programme should be postponed until clearer information on the labour and materials position has been obtained on the lines proposed above.⁹

Mr. Rowan informed the Prime Minister that Sir Edward Bridges concurred with this advice.¹⁰

Although most of the essential items of the agenda had been put aside, a meeting of the Housing Committee was, nonetheless, convened on the 12 December. Near the close of the meeting, Bevan asked whether his colleagues were in agreement with the programme he had submitted. Morrison stated that in his view such approval would be premature; housing needed to be considered in relation to the other factors in the economy. Attlee supported this position, stressing that the Economic Survey had to be completed before the size of the housing programme could be decided. It was agreed to meet again in January to review the proposal.¹¹

On 16 December, Bevan sought Attlee's permission to respond to a Parliamentary question concerning the housing programme for 1947. He proposed as an answer:

It is my intention to publish a full statement of the national programme, and the facts on which it is based, with the monthly report for December, which will be available for the House at the end of January...It will be some little time before each local authority's share can be estimated.¹²

Attlee agreed to this request, thus binding the Government to publish a programme for 1947 by a specific date. Early in the New Year, W.S. Murrie informed the Prime Minister of Bevan's intention to produce a White Paper containing the housing programme for 1947 by the end of January. Since

it would take two weeks to be printed, it would be necessary to hold a committee meeting by the middle of the month.¹³

Bevan circulated a draft of his paper on 9 January. He included an explanatory memorandum which qualified the target of 240,000 houses.

The housing programme is presented in the White Paper not as a programme to which the Government commit themselves, but as one which they think it reasonable to expect the building industry to be able to carry out on the basis of the best estimates that can be made as to the amounts of labour and materials likely to be available.¹⁴

In his briefing note to the Prime Minister, W.S. Murrie proposed that the Government should emphasize that the target was not a firm commitment on its part. He also relayed the main points of a pertinent agreement between Bevan and the Economic Planning Committee.

They did not object to the proposed housing target provided that it was understood that building labour would be switched from housing to other work if, in the event, the available timber supplies did not permit of its being profitably employed on housing.¹⁵

Everyone seemed to think they had what they wanted. Bevan had a visible target which, when made public would be difficult for the Government to refute. Others felt that the conditions imposed in agreeing to the figure of 240,000 provided ample scope to decrease the number of houses if it became necessary. As such, it passed through committee.¹⁶

At a meeting of Cabinet on 17 January 1947, the issue of housing was raised. Ministers requested that the energies of the housing programme be directed towards meeting the needs of certain client groups such as miners. Bevan's answer, that all the houses that could be built in 1947 had already been allocated, was quite interesting considering the exercise just completed by the Housing Committee.¹⁷

The next challenge to the housing programme was presented by the weather. The extreme conditions in the winter of 1947 resulted in the severe depletion of the nation's coal reserves. In order to accumulate sufficient supplies for the following winter and, at the same time, ensure that coal was allocated to essential industries, a rationing system was introduced in the spring of 1947.¹⁸ The available supplies were to be distributed industry by industry with the amount each would receive based on their demand for coal in the summer months of the previous year.

This method of determining the coal ration presented a number of difficulties for the struggling building materials industries and, consequently, the housing programme. The severity of the weather had already reduced the number of completions in the winter months. With the advent of spring, the number of housing starts could be expected to rise substantially. Houses had not been finished as rapidly as expected, and the difficulties of transporting goods and

people as a result of the heavy snowfalls had also caused the output of building materials to fall off. If these losses were to be recouped, energy consumption would have to increase over the summer. Not only was this unlikely in the upcoming period of restraint, but the means of allocation clearly would discriminate against the building materials industries.

The means of allocating coal to each industry based on the percentage demand for coal in the summer of 1946 was not appropriate for the building materials industries. During that summer, many of these industries had just begun to expand their operations. Most had been operating far below their prewar levels of production and few had been producing materials in sufficient quantities to supply the needs of the housing programme along with other construction. If the quota was applied as designed, many building materials industries would only receive about 60% of the coal required to maintain the levels of production they had just managed to achieve.¹⁹

In his paper defending a higher allocation of coal for the building materials industries, Bevan put forward the example of brickyards which were finally approaching a satisfactory level of production. If the quota system were introduced as proposed, the brickmaking industry would receive less than 66% of its requirements. This in turn, he

argued, would lead to the dissipation of the work force, including the highly prized brickmakers which had only begun to be available in adequate numbers.²⁰

It was clear from the papers on the issue that Cabinet was about to be confronted with a difficult decision. The Prime Minister's advisor did not think it fair that the building materials industries should receive a full ration of coal at the expense of other valuable groups, but he was prepared to go along with any recommendation put forward by the Board of Trade.²¹ At Cabinet, Bevan said it would be unfair for the the building materials industries to receive only 60% of their requirements. Instead he felt that they should be entitled to more than the 85% granted to all the other industries.²²

In substantiation for his argument Bevan said that the attempt to increase the building labour force would be thwarted if the production of building materials decreased. Faced with the prospect of fewer materials the trade unions would surely increase their demands to have the building training centres closed down. Balanced against these concerns was the loss in production in the other industries if coal was diverted toward the production of building materials. The Board of Trade estimated such action would cost the country £50,000,000 in lost exports, a matter which the Chancellor viewed with great trepidation.²³

There seemed no easy way of avoiding a very difficult choice. At the last minute, however, the Board of Trade came forward with a compromise that provided an avenue of escape. It was suggested that the amount of coal available for allocation be increased by 500,000 tons, giving the building materials industries enough coal to meet 85% of its estimated production potential.²⁴

The low level of housing completions in the winter months due to the bad weather, as well as the promise of shortages of materials due to coal rationing, forced the Government to abandon its target of 240,000 houses for 1947.²⁵ But, the housing programme, as measured by the rate of tender approvals was still far in excess of the level desired by some. A cut in the housing programme seemed imminent.

THE CONVERTIBILITY CRISIS

Early in the spring of 1947, before it was determined that coal would have to be rationed, several persons at the centre of government recognized the need to trim the housing programme. Some hope was expressed that the Prime Minister's note on emergency measures to be adopted for the coal crisis might lead to a reassessment of the traditional housing programme.

The Cabinet might then direct the Steering Committee on Economic Development, in consultation with the Chairman of the Materials Committee, to assess the effect of (i) this directive; and (ii) materials shortages on both building as a whole and housing in particular; and submit to the Cabinet, through the Lord President's Committee, a report showing how our building programmes must be adjusted to take account of these limitations.²⁶

The first attempt had led to the decision to reduce the proportion of the building labour force directed towards housing from 60% to 58%. This had accomplished little for a number of reasons, the main one being that a projected increase in the size of the total building labour force was part and parcel of that agreement. The net effect was not that housing received less manpower, rather it received a lesser portion of a larger pie.²⁷ For the most part, the pace of new approvals was maintained, and the programme continued to grow.

In June, members of the Central Economic Planning Staff prepared an internal analysis of the housing programme. The report suggested that smaller houses with fewer bedrooms should be built and noted that the low rents charged for the new houses was leading to higher demand for houses than would otherwise be the case. Treasury officials agreed with this assessment but felt that no action could be taken at that time.

To take action would mean a frontal attack on Ministry of Health policy and this would not appear desirable at this stage on this issue.²⁸

Many storms swept the Government in the summer of 1947 and the Minister of Health was to be found at the centre of several of these. As Foot notes, the deterioration of the economy had generated a growing cry for cuts in the housing programme.

Earlier that year, in June, July and August, as the danger mounted, many voices had been raised, outside the Government as well as within it, urging that the real source of the nation's economic troubles was the much too ambitious programme of capital investment which government policy had allowed... Several newspapers-- notably The Times, the Economist, and the Manchester Guardian-- directing their attention to housing, struck a note very different from that of Bevan's earlier critics. 'The main issue now,' said the Guardian, 'is not whether we are building as many houses as we could, but whether we can afford to go on trying to build as many as we are doing.' ²⁹

The Minister of Health rejected the necessity of reducing the housing programme, "I believe that if we did that, we would greatly jeopardize national progress."³⁰ However, the convertibility crisis finally forced the Government to make some critical decisions that it had been avoiding - though these came more slowly and hesitantly with respect to housing.

At an all-day session of the Cabinet to consider what steps were required to remedy the economic situation, housing entered into the discussion twice. In the morning, the Chancellor noted he would be forced to decrease timber

imports by £10,000,000. The President of the Board of Trade said he would consult with the Minister of Health to determine an appropriate means to apply this cut to hardwoods and softwoods so as to maintain the balance between the use for furniture and housing. 31

In the afternoon, the Chancellor stated that a cut in the housing programme would be necessary. Again, no specific amount was put forward. Bevan is reported to have said:

While he recognized that there must be some reduction in housing he hoped that any cuts would be selective.³²

No specific cuts in the housing programme were decided at that time. It may have been a case of Cabinet requiring more information before arriving at a final decision. However, Cabinet's reluctance to force the matter with the Minister of Health may also have been rooted in the proceedings from Cabinet on the previous day. For, concurrent to the discussions on deflation, the Cabinet was also deeply engrossed in a debate on the nationalization of steel.

In the last heated days of July and the first few weeks of August 1947, while the Ministers were drifting through the convertibility crisis and the whole standing of the Administration was shaken as never before, steel seemed mystically to emerge as the test of the Government's will over the whole range of policy. 33

Bevan's stand on the nationalization of steel was quite straightforward, he "threatened to resign if the full Bill for steel nationalization was not presented."³⁴ This threat had just been presented to his colleagues the day before the meeting held to consider the programme cuts in housing. As The Economist noted,

Mr Bevan is one of the few Ministers with the moral courage to resign on what seems to him a great matter of principle and that, in this Cabinet, gives him great power. He is using it today to insist on the nationalization of steel, tomorrow probably to protect his housing programme against any more cuts; in either case, to make mischief.³⁵

The sense of a need for caution in the manner of proceeding was evident.

Within a week of the August "austerity meeting" of the Cabinet - in a fine example of the assumption that the best defence is a good offence - Bevan submitted a proposal for the 1948 housing programme.³⁶ His proposal was routed through the Lord President's Committee where it encountered stiff resistance. On 8 August, Gaitskell wrote to Morrison, asking him to delay or block Bevan's upcoming paper on the housing programme for 1948. While he was not against the merits of the programme, he thought it ought to be delayed until the investment programme had been determined as this was almost sure to have an impact on the size of the housing programme.

As you know, the conflict between building and exports is, unfortunately, apparent in many raw materials, and there is no doubt whatever that the implementation of a new export programme will to some extent depend on whether or not we are prepared to cut building.³⁷

The briefing for the Lord President on Bevan's proposal was quite direct.

The Cabinet have approved in principle the proposal that there should be a curtailment of capital investment projects, other than those contributing to export or to import saving. To take a decision now, which would in effect bind a substantial part of the total investment field, would make nonsense of the proposed review of investment programmes. It is, therefore, imperative that the request of the Housing Ministers for such a decision not be granted.³⁸

The paper concluded with three points for the Lord President to raise when this paper was considered.

1. In view of the Cabinet conclusion it would be wrong to come to a definite decision now on the size of the housing programme for 1948.
2. It is unnecessary to come to a decision on the total size of the housing programme since the Housing Ministers should concentrate to the utmost on mining and rural areas.
3. Outside mining and rural areas no further tenders should be approved until a decision has been reached on the size of the housing programme for 1948.³⁹

As it turned out, in this instance the Minister of Health and his officials had misread the situation and adopted the wrong strategy. The decision of the committee was to delay any consideration of the 1948 programme until the Investment

Committee had finished its report, and, in the interim, to restrict all tender approvals to mining and rural areas.⁴⁰

This situation did not persist for long. By 22 August, the Ministry of Health had managed to insert the caveat - "There may, however, be a few cases which call for exceptional treatment in the interim" - into a strategic document.⁴¹ On 25 August, Bevan announced to his colleagues at Cabinet that he had instructed local authorities that no further licences for the erection of private homes were to be issued. In conjunction with this, he had temporarily restricted the approval of tenders to mining and rural areas. He concluded his remarks by saying he wanted the housing programme to decrease and remain at 200,000 per annum for 1948. While Cabinet ministers agreed with the actions taken, they were not prepared to concur with the last statement.⁴²

In September, after putting the idea forward in Norman Brook's paper a week earlier, Ministry of Health officials sought relief from the committee decision of 12 August. They requested, "that as an administrative easement they should be allowed to have authorized 2,000 such tenders over the next few months."⁴³ Nicholson hoped the Lord President would approve of this proposal and suggested if he did, it would not be necessary to discuss the matter with the Committee. Morrison did agree and housing returned to its former state of building for general needs throughout the

country, though on a reduced level. Regardless of the eventual changes, the decision to restrict the number of tenders did represent the first visible success in the attempt to exert influence over the housing programme.

Another outcome of the convertibility crisis was the Investment Programme Committee. Included in its terms of reference were: to review the size of the investment programme and make recommendations where cuts might be made; to obtain from departments various options for cutting the level of investment; and, to submit their report to ministers for consideration.⁴⁴

Bevan was not in favour of such a broad mandate for a committee of officials. He felt that, given these terms of reference, officials would either be making, or assuming, policy in advance of ministers. He was of the opinion that ministers should consider the matter first.

In my view the decisions as to questions of policy which will settle the Government building programme should be taken first and taken by Ministers and methods of working these out should then be remitted to officials.⁴⁵

Bevan informed the Prime Minister that he was aware of the nature of the correspondence between Sir Edwin Plowden and the Permanent Secretary of Health and that, in his view, the issues under consideration were, indeed, policy.

There was no doubt that the Committee had a mandate to recommend cuts in the housing programme and it inevitably

would do so. Bevan preferred that the size of the cut be determined on a political basis among a small number of his colleagues. However, as far as the Prime Minister and most of his advisors were concerned, it was not simply a matter of how much one did or did not want to cut back the housing programme. According to the Prime Minister the exercise had to proceed in quite another manner before any political decisions were taken.

Apart from the fact that many of the Ministers most directly concerned are not at present in London, a committee of Ministers would not at present have the material on which policy decisions must be based. The questions of policy cannot be formulated, still less settled, in advance; they will emerge in the course of the review. We are not concerned solely with the Housing Programme or even with the total Building Programme: all forms of capital investment, including plant and machinery, must be brought into this review, and we could not properly take decisions about the shape and size of the Housing Programme until we knew what effect those decisions would have on other parts of the Investment Programme.⁴⁶

Attlee agreed that the committee could not go too far without getting guidance from ministers and said he would instruct the Lord President to monitor the situation and convene a meeting when necessary.⁴⁷

That the Investment Programme Committee intended there be a sharp reduction in the housing programme was beyond question after their meeting with officials from the Ministry of Health.⁴⁸ Figures from the department for August, 1947,

showed 240,000 houses under construction and a further 110,000 where contracts had been signed but construction had not yet begun. Wrigley estimated that, with the amount of labour working on new housing, completions should average approximately 15,000 homes per month.

The chairman of the Investment Programme Committee, Sir Edwin Plowden, said the rate of completions should be set at 11,000 per month to allow for the release of labour from the building labour force. He suggested it would be necessary to cancel some of the contracts where building had not yet begun and stop construction at the "damp course" level if this rate of completion was to be attained.⁴⁹

Sir John Wrigley made it plain at the meeting that while he recognized the need for reducing the number of new contracts, he could not advise his minister to cancel existing contracts. He gave the committee a sound indication of the degree of direction Bevan would likely accept from the committee.

Sir John Wrigley then suggested that the proper way to contract the housing programme was to fix the maximum number of new houses for which contracts could be placed in the future, and to leave it to the Ministry to allocate the placing of these contracts through its regional organization, bearing in mind the priority for mining and agricultural areas. He deprecated too great an effort being made to start up new contracts in the near future for the mining and agricultural areas, because starting up additional contracts would

merely mean greater claims on labour and materials than could be met, with corresponding delay all round. Placing of such contracts would make it impossible to achieve a balanced industry.⁵⁰

One further attempt was made to get a political settlement on this issue. On 20 September, Bevan asked his colleagues in Cabinet whether he might assure the local authorities that they would be allowed to continue building houses at the rate they had established in 1947 and that they would be permitted to fulfill all of their contracts for 1947. Cripps replied that Bevan should await the report of the Investment Committee which would be ready soon. Cabinet agreed with this position and instructed Bevan to consult with Cripps before making any statement on this matter.⁵¹

In the interim, the Investment Programme Committee was trying to find a balance between what was required and what might be acceptable to the Minister of Health. As indicated at their meeting with Ministry of Health officials, they wanted to see many existing contracts cancelled, some work stopped at the "damp course" level, and new approvals for tenders limited to 5,000 per month until the "stock of unfinished houses had been reduced to manageable proportions."⁵² They were aware that Bevan agreed with none of these measures.

Bevan's position was that the approval of only 5,000 new housing starts per month would leave him only 1,000 to cover the needs of Local Authorities responsible for some nine-tenths of the total population. The rest of the houses

would be allocated to rebuilding war-destroyed houses (1,000), Airey houses for rural areas (1,500), mining areas (1,000), and Government Departments (500). With regard to cancelling contracts, administrative feasibility ruled out the chance of any significant inroads. Such efforts would have been most successful in cutting "dead wood"; that is, houses which likely would not have been started for many months if at all. It was still unclear whether persons affected by such action would have recourse to legal remedies against the government. Finally, it was noted that Bevan was against, "the stoppage of work on houses at the damp course level, because of the bad psychological effect this would have on productivity of building operations."⁵³

A note of 11 October 1947 described a possible common ground.

It is probable that the Minister of Health can be persuaded to accept two of the propositions in the Report relating to housing.⁵⁴

These two propositions were; first, that there were too many houses under construction; and, second, that only 60,000 houses should be started in 1948 to bring the programme into balance.

It is unlikely that the Minister will be prepared to accept any form of dictation about the methods he should adopt in restricting houses to this total and he is likely to refuse to be tied in the matter of letting further tenders.⁵⁵

The planning staff were prepared to give up the attempt to have contracts cancelled and to have work stopped at the "damp course" level on some houses. The monthly rate for completion of houses, which was a major point of contention, was no longer important if the Minister of Health would agree to the above two points and the fixing of an ultimate level for the housing programme. Of course, the Minister of Health had his mind set on a higher annual rate of completions than did the CEPS. Bevan wanted the housing programme set at 180,000 to 200,000 per year. The planning staff and many ministers were aiming at 130,000 to 150,000 houses per year. These conflicting views would have to be resolved when Cabinet discussed the recommendations of the Investment Programme Committee.

PROGRAMME REVISIONS

In the postwar era, there were a number of mechanisms which could be employed to control the size of the housing programme. The most obvious and direct means was the control over approvals exercised by the Ministry of Health. It might seem, therefore, that the most probable means of regulating the size of the housing programme would be for Cabinet to decide on a specific level and then instruct the Ministry of Health to restrict the number of approvals to

that amount. However, when the time for restraining the programme was at hand, there was ample evidence to suggest that such an approach would not have led to the desired outcome.

The allocation of labour was another means to control the rate of building but this had supposedly been employed since the end of the war and had proved to be both cumbersome and ineffective. Departments, including the Ministry of Health, had often exceeded their quota of labour, or approved an excess of housing starts then sought approval to have the building labour force expanded and to have higher priority in the application of labour controls.⁵⁶

Another means of control was through the availability of certain key materials such as timber. Timber had, of course, been controlled since the outset of the programme and, prior to 1947, the timber shortage had often retarded the housing programme. The response at those times had been increased attempts to secure supplies of softwoods on the world market.⁵⁷ But while the allocation of timber had been closely controlled with respect to its end use, the amount of timber dedicated to housing had not been related to the availability of other materials. That is, it had not been employed as a means of ensuring balance in the housing programme.

In August, 1947, Cripps had announced his intentions to trim £10,000,000 from the imports of timber. A month later,

the Central Economic Planning Staff (CEPS) made good use of the strategic importance of timber in regulating the size of the housing programme. By merely setting the limit on the amount of timber the country could afford to import, the CEPS could regulate the level of housing starts. This approach had great merit with respect to the debate in Cabinet in that it directed the focus of discussion away from the housing needs of the country and towards the amount of timber the country could afford to import in any period - from social concerns to economic necessity.

On 20 October, 1947 in his new portfolio as Minister for Economic Affairs, Cripps said the investigation of the investment programme for 1948 showed the need for a reduction of £200,000,000. "The only question outstanding for decision by Cabinet related to the housing programme, " which implied that Bevan was the only minister continuing to fight his case.⁵⁸ Cripps stated that the limiting factor was the ability to buy timber from abroad. After considering the issues, it had been determined that the country could only afford to devote resources sufficient to import timber for 140,000 houses per year. He asked that his colleagues agree to a housing programme at that level for 1948.⁵⁹

This statement was considerably softer than the Report of the Investment Programmes Committee which had, "regarded it as essential to get the housing programme into balance as

quickly as possible and were convinced that nothing short of a drastic reduction in the number of houses started would suffice to do this".⁶⁰ They had recommended that housing starts be held between 5,000 to 7,000 until balance was attained.

Bevan argued that a reduction of the programme to 140,000 in 1948 would require the breaking of contracts; the legal and psychological costs of which were unknown and unnecessary. He stated that more houses might be completed in 1948 because 100,000 were already underway that might be finished that year. If timber was to be the limiting factor, so be it; but, most of the houses then underway already had the required timber in them or on the lot and, therefore, should not be affected.⁶¹

Having disposed of 1948, Bevan turned his attention to 1949 and 1950. He thought it premature to calculate the appropriate size of the housing programme for those years but thought it should be about 180,000 per year. However, as a compromise, he suggested that Cabinet review the whole position in June of 1948. In the meantime, the granting of approvals for the construction of new houses "should be governed by the assumption that the approved programme for 1949 and 1950 would be 140,000 houses only".⁶²

The Cabinet granted Bevan the benefit of doubt but stood firmly behind Cripps. Cabinet:

Approved the recommendation made by the Minister for Economic Affairs in paragraph 2(b) of C.P. 47(284) on the understanding that this would not prejudice completion of more than 140,000 houses in 1948 if this could be done within the material allocation proposed and that the position would be reviewed in June 1948.⁶³

Foot suggests that by that time,

Short of resignation, Bevan had no remedy, and that remedy was barred. Had he left the government at that moment, the whole administration might have tottered and he himself would have been blackened as the administrative failure Churchill had always denounced... Clearly resignation would have been folly. Moreover, he believed that the full cuts would never be carried through...⁶⁴

Bevan had managed to avoid the imposition of a specific ceiling on his housing programme for 1948. Furthermore, 1949 was still someways off. Cabinet agreed that if he did have the timber as he said, then he could build more than 140,000 houses in 1948. Bevan did not, of course, have that timber, but he had gained one key item - time.⁶⁵

Watching how Bevan used that time was the CEPS. They were aware Bevan did not already have the timber for the houses then underway. The role they adopted was one of careful observation.

Within the decisions already made the progressing action of C.E.P.S. should be:

- (1) to ensure that the timber allocations for 1948 do not exceed the amount required for 140,000 houses (i.e. 238,000 standards of softwood):
- (2) to carry out the further review in mid-1948:

- (3) to watch the progress towards the attainment of a balance by mid-1949 (between 130,000 and 150,000 houses under construction).⁶⁶

ELEMENTS OF CENTRAL CONTROL

It had taken more than eight months of manoeuvring and laying the groundwork to achieve some degree of containment on the housing programme. Without the coal crisis, the convertibility crisis and the creation of the CEPS, this might never have occurred. Even then, the fact that Bevan seemed to have escaped the controls for the 1948 programme demonstrates the difficulties of confronting a minister determined to have his own way.

Any attempt to direct resources away from housing ran up against the issue of priorities. Housing was a priority of the Labour Government and though many things were equal in stature, none was supposed to have a superior claim to resources. Bevan had demonstrated his willingness to go to Cabinet to test this priority whenever the threat of a movement of goods away from housing arose. In the view of the minister and his officials, the issue was clear: either housing was a top priority or it was not. The immediate need for housing had placed public sympathy firmly on the side of the Minister of Health.

The challenge facing the CEPS upon its establishment had been to find some means of decreasing the number of housing

starts so as to bring the programme into balance without triggering a divisive discussion in Cabinet and the resignation of ministers. The convertibility crisis provided the opportunity to reassess the allocation of resources. Reinforced by the experience of the previous attempts and the presence of the CEPS, the probability of curbing the housing programme had increased significantly.

The most important contribution to the success, however, were the changes that had taken place within the Labour Cabinet as a consequence of the economic crisis. Cripps had emerged from the unrest of the summer as the new Economic Overlord in the Cabinet. As Minister of Economic Affairs, he became head of the small economic planning machinery which had grown up around Morrison. But if the planning machinery and systems were to be made to work, then ministers had to be prepared to support the recommendations that were placed before them. Without this, it was safe to assume that the Government would continue to drift on to the next crisis. It was this fundamental change in attitude which permitted the new machinery to propose the cuts and for the Cabinet to accept these.

Additionally, the shifts in Whitehall and in Cabinet were related to broader public sentiment. In 1945 and 1946, housing was an urgent priority. It was something the nation was prepared to make sacrifices for, not something to be

sacrificed. As the 1945 election - and its promises - receded into the past and as economic conditions worsened, a growing number of persons inside and outside of government thought it essential that public expectations with respect to housing be reformed to reflect the new economic circumstances.

Even with this changing tide in sentiment, the CEPS maintained great respect for the perseverance and power of the Minister of Health. They made certain they were aware of what he deemed acceptable, while at the same time, they developed a rationale for programme cuts based on total investment needs (to give some sense of equity) and the availability of timber (which was beyond his control). The process adopted allowed time to determine views, to exchange opinions, and to mobilize support. More importantly, the issues remained at the level of officials until all the analysis and balancing had been done.

It was not only a question of the level of capital expenditure the country could afford. It was also a matter of efficiency in making this expenditure. The building industry had been in a prolonged state of overload, thus its efficiency was extremely low. Actions had been taken in April, 1947, to reduce the size of the general building programmes of other departments. Housing had come through that exercise virtually unscathed. The decisions of August and

October, 1947, with respect to housing had merely completed the process of reducing overload in the building industry.

To succeed in this task had required the concerted efforts of a number of key officials and ministers at the centre of government. The CEPS played a major part in the success that was achieved in that it had provided the nucleus necessary for the sustained analysis of the problems and issues involved and had made balancing the housing programme one of its main priorities in 1947. But this was not a random selection on its part. The past actions of the Ministry of Health had forced this priority upon it, while the future held the promise of the need for continued vigilance.

Notes for Chapter 7

1. Jennie, Lee. My Life with Nye. (London, Jonathan Cape, 1980.) p. 160.
2. Foot, op. cit., p. 44.
3. Ibid. p. 95.
4. HLG 102/224, Letter, Michaels to F.I. Lloyd at Ministry of Works, 11 November 1947.
5. Squatting started in earnest in the summer of 1946 with the crisis point in September of that year. Cabinet spent much time on the issue. PREM 8/227, Squatters is an exhaustive file on government's views and actions in this regard. The press continued to be generally critical of the path chosen and suggested that the squatters had served a useful purpose of focussing the Government's attention on a number of the problems in the programme. The New Statesman and Nation, 28 September 1946 p.218, The Economist, 21 September 1946 p.443.
6. PREM 8/533. A. Johnstone to the Lord President, 12 November 1946.
7. Ibid. Prime Ministers Personal Minute M420/46, 18 November 1946.
8. Ibid. Bevan to Attlee, undated letter except for November 1946.
9. Ibid. Gorell Barnes to Attlee, 11 December 1946.
10. Ibid. Rowan to Attlee, 12 December 1946.
11. CAB 134/320. Minutes of 5th meeting, 12 December 1946.
12. PREM 8/533. Letter, Bevan to Attlee, 16 December 1946. This written answer appeared in Hansard, Col. 425, 19 December 1946.
13. Ibid. Murrie to Attlee, 4 January 1947.
14. Ibid. Memorandum H.G. (47)2, 9 January 1947.
15. Ibid. Murrie to Attlee, 11 January 1947. This proviso was given a prominent position in the Economic Survey for 1947. See CAB 129/16, C.P. (47)20 and C.P. (47)25. Published as Cmd.7406, February 1947.

16. CAB 134/320. Minutes of meeting, 13 January 1947.
17. For full Cabinet discussion see CAB 128/9 C.M. 9(47), 17 January 1947. If Bevan could say that all the houses that could be built had already been allocated, one is certainly left wondering about the purpose of the exercise just completed.
18. CAB 129/18. C.P. (47)139, Fuel Allocations. Note by the Secretary to the Cabinet, 28 April 1947. CAB 128/9. C.M. 42(47), 1 May 1947.
19. Ibid. C.P. (47)141, Fuel Allocations to the Building Materials Industries. Memorandum by the Minister of Health, the Secretary of State for Scotland and the Minister of Works, 29 April 1947.
20. Ibid.
21. CAB 21/2243. Gorell Barnes to Attlee, 30 April 1947.
22. CAB 128/9. C.M. 42(47), 1 May 1947.
23. Ibid.
24. Ibid.
25. The Economist. 17 May 1947. p.753.
26. CAB 21/2243. Norman Brook to Attlee, 18 March 1947.
27. CAB 128/9. C.M. 42(47), 1 May 1947. This was one of the reasons the Ministry of Health was so concerned with the method of rationing coal. If the building labour force shrank as a consequence, housing would only have 58% of this smaller force.
28. T229/233. correspondence between Butt and Tress, 6 June 1947 and Tress to Sir Edwin Plowden, 9 July 1947.
29. M. Foot, op.cit. p.94.
30. Ibid. p.94.
31. CAB 128/10. C.M. 67(47), 1 August 1947. a.m.
32. CAB 128/10. C.M. 68(47), 1 August 1947, p.m. Bevan later challenged the Cabinet Minutes and stated a more accurate representation of what he said in August would be: "While he recognized that the housing programmes in mining and agricultural areas could only be increased at the expense of a reduction in other areas, he hoped that the total housing programme would

- not be reduced." See PREM 8/428. Letter Bevan to Attlee, 27 October 1947. This file contains some interesting references to a hierarchy of ministers and the options for recording Cabinet discussions.
33. M. Foot, op.cit. p.224.
 34. Ibid. p.224. See also B. Donoghue and G. Jones, Herbert Morrison, Portrait of a Politician. (London, Weidenfeld and Nicolson, 1973) pp. 400-425 and Hugh Dalton, High Tide and After: Memoirs 1945-1960. (London, Frederick Muller Limited, 1962) pp. 236-71 for other accounts of the events of the summer of 1947.
 35. The Economist, 16 August 1947. p.266.
 36. CAB 124/453. Paper numbered L.P. (47)143.
 37. CAB 124/452. Gaitskell to Morrison, 8 August 1947.
 38. CAB 124/453. E.M. Nicholson to Morrison, 11 August 1947.
 39. Ibid.
 40. Ibid. L.P. (47) 25th meeting, 12 August 1947.
 41. CAB 129/20. C.P. 47(236). Balance of Payments: Housing. Note by the Secretary to the Cabinet, 22 August 1947. Brook had to prepare this memorandum for the Cabinet meeting on the 25 August because Bevan was away at the time.
 42. CAB 128/10. C.M. 74(47), 25 August 1947.
 43. CAB 124/453. Nicholson to Morrison, 2 September 1947. This note outlined the request. The Ministry of Health had also stated the need for this action quite plainly during their appearance before the Investment Committee.
 44. CAB 129/20. C.P. (47)231. Investment Programme Committee, Note by the Secretary to the Cabinet, 13 August 1947.
 45. PREM 8/423. Bevan to Attlee, 19 August 1947.
 46. Ibid. Attlee to Bevan, 23 August 1947.
 47. Ibid. The meeting was not held until the report was virtually complete.

48. CAB 124/453. I.P.C. (47), 6th meeting, 28 August 1947.
49. Ibid.
50. Ibid.
51. CAB 128/10. C.M. 76(47), 20 September 1947.
52. T229/214. Draft of a CEPS paper outlining the positions of the IPC and the Minister of Health, undated but likely early October, 1947.
53. Ibid.
54. Ibid. CEPS document, 11 October 1947.
55. Ibid.
56. See chapter 5 above. For a good file on the labour issue see PREM 8/81. Labour Controls
57. See PREM 8/226 for a discussion of this view in the early period. On the 26 January 1946, Attlee wrote to the President of the Board of Trade: "I regard it as first importance to ensure supplies of timber for this purpose, and should be too glad to support any action which may prove practicable." In November of 1946, Bevan wanted to bring the matter of the timber shortage before Cabinet. Attlee told him that the Cabinet was already aware of the problem and did not need to be reminded: "The principle of getting as much timber as possible is agreed."
58. CAB 128/10. C.M. 81(47), 20 October 1947.
59. Ibid.
60. CAB 129/21. C.P. (47)284. Report of the Investment Programmes Committee. Note by the Minister for Economic Affairs, 16 October 1947.
61. CAB 128/10. C.M. 81(47), 20 October 1947.
62. Ibid. Underlining mine.
63. Ibid.
64. Foot, op.cit. p.95. There had also been considerable speculation that Bevan would be moved from Health. Dalton and Cripps, but not Morrison, wanted Bevan to move to Supply where he could guide the nationalization

of steel. Bevan turned down the offer of another portfolio. Donoughue and Jones, op.cit., pp. 422-23; Dalton, op.cit. p.p. 246 and 253; Foot, op.cit. p. 226.

65. T229/214. Memorandum, Elkington to F.W. Smith, 24 November 1947. "At the Cabinet meeting he argued that because he had all the timber in place or on site for 100,000 houses (which we now know from Michaels that he hadn't) he could get more than 140,000 finished in 1948"
66. T229/233. Memorandum, Elkington to F.W. Smith, 19 January 1948.

CHAPTER 8

FURTHER PROGRAMME REVISIONS

I am quite content in the meantime for the planners to watch (as no doubt they are) the relation of our completions to new authorisations.¹

Sir Edwin Plowden thinks it would be most undesirable to prompt the Minister into agitating about the size of the housing programme by bringing the subject up again ourselves.²

As a result of the administrative steps taken in 1947 to bring the programme into balance, and the subsequent cuts imposed by the Government, there had been signs of a relaxation of effort on the part of local authorities and he was concerned at the position that might arise unless some expansion of the programme could now be authorized.³

The whole onus has been put on a shortage of timber, not on the need to divert building resources elsewhere. Hence the outcry when the old pressures of unemployment and losses begin their unpleasant squeeze.⁴

Housing had finally been subjected to a degree of central control. Whether these controls could be effectively maintained in the face of repeated efforts by the Minister of Health and his officials to have these modified or removed was questionable. Bevan was determined to forestall the cuts in his housing programme to 140,000 completions per year. The evidence shows that the housing programme underwent several revisions, both upwards and downwards, from 1948 to 1950. These revisions were the outcome of persistent efforts by Bevan and his officials as they sought to protect housing from the demands produced by the fluctuating economic circumstances and the central planners.

In order to maintain the size of his programme, Bevan needed to protect the size of the building labour force and, in particular, he had to ensure that housing maintained a priority call on labour. He also had to find a way of obtaining more timber, for though Cabinet was prepared to allow the completion of more than 140,000 houses in 1948, the allocation of timber was fixed at 238,000 standards.⁵

PROTECTING PROGRAMME RESOURCES

The strategy on how best to increase the allocation of timber to housing was straightforward. The Cabinet decision of 20 October restricted the programme to enough timber to built 140,000 houses. It also allowed for the completion of any house which had already received its allocation of timber. Officials in the Ministry of Health were convinced that the timber import figure was an arbitrary one designed more to limit housing starts than reflect the actual availability of timber. Due to the uncertainty of the situation, however, and the mood of the ministers and planners, Health officials preferred to wait for a better time to challenge the decision.

It is of course not desirable to enter into yet another battle on the size of the Housing Programme at this stage, in view of the uncertainty of the timber position and for other reasons. There is a growing realisation among some of the planners that

the possibility of transferring some 200,000 building workers to other industries over the next 12-18 months is unlikely to be realized. It may dawn upon more of them that the assumptions regarding mobility of labour usually made in the economic textbooks are not capable of translation into practice in the short run but represent a painful process extending over many years. The "emotional background" may be favourable to a more realistic appraisal of the position next spring.⁶

But, the Ministry of Health was not content to pin all its hopes for future change on the "emotional background". For insurance, they also proposed to increase the pressures in their favour by skewing the distribution of timber towards the first and second quarters of the year.⁷

After some negotiation with the CEPS, total timber allotment for 1948 was set at 278,000 standards. This included 238,000 for traditional houses and a further 40,000 standards for prefabricated homes. Using the argument that there would be many more homes under construction in the first half of the year and that timber requirements were higher in the early stages of house construction, Michaels was able to convince Treasury officials of the need to have much more timber allotted in the first and second quarters of 1948.⁸

It was standard practice at the time to borrow against future allocations of timber if conditions (mainly weather) seemed to warrant such action. Clearly, the Ministry of Health planned, not only to gain consent for a skewed distribution in favour of quarters one and two, but also to

skew it even more, if possible, by last minute appeals for more timber against the supplies for the next quarter. If successful, such a strategy would permit the completion of more than 140,000 houses in 1948 while applying pressure on the Government to find more timber in order to avoid severe dislocation of the labour force and to support the 1949 housing programme.⁹

These plans had been set in motion when another urgent matter arose. Under conditions imposed by full employment, a decrease in imports and an increase in exports depended on the ability to rearrange the labour force so as to change the mixture of the products produced and consumed. The call for a decrease in investment and an increase in exports required the transfer of workers from the building labour force into jobs producing goods for export. Once the lower level for the housing programme had been established, the next move was one of implementing measures which would result in a smaller building labour force.¹⁰

On 15 December, 1947, the Cabinet considered the removal of the priority for labour enjoyed by housing.¹¹ The Production Committee had made a recommendation to withdraw this priority from all new housing starts. Bevan argued strongly against this measure. In a paper to Cabinet he stated that the increased size of the postwar houses resulted in the need for a minimum of 1½ man years per house, whereas the

present average was 1 man year per house. If the declared objective was to complete houses as quickly as possible, the number of men per house had to be increased.

A gradual fall in the number of houses under construction is, of course, planned, but, by next June, the figure will still be 210,000 houses, equivalent to 260,000 men at $1\frac{1}{2}$ men per house, i.e. the same force as at present employed.¹²

He pointed out that many of the new houses not assigned a priority for labour were for special workers such as miners, agricultural workers and so forth. These houses could not, he felt, be the object of a special priority for labour as these would be too difficult to identify. The paper raised several other issues but the most telling was that related to publicity.

I note that it is not proposed to give any special publicity to the change. I cannot, however, see that such publicity can be avoided. The existence of the special priority for works which would result in the provision of new housing accommodation has been widely publicised and its withdrawal in regard to specified contracts would be too obvious to be concealed.¹³

The Chancellor of the Exchequer submitted a paper laying out the justification for removing the priority.

The arguments adduced by the Minister of Works were in substance: -

- (a) Any scheme which applied to 70% of the field was far too wide in its cover, self-defeating

in its objects, and to add to it would make priority meaningless.

- (b) To compete with this situation the Ministry of Labour had found it necessary to resort to special administrative measures in order to man up building jobs falling within the Prime Minister's priority list, including, for example, new generating stations.

The arguments against the change were: -

- (a) The need to complete houses under construction as quickly as possible.
- (b) The inconsistency which would arise if existing housing contracts continued to enjoy W.B.A. priority while new contracts did not automatically do so.¹⁴

Cripps noted that the Production committee had concurred with the views of the Minister of Works. He contended that Cabinet had agreed the housing programme would be reduced through a decrease in the number of new starts. It should follow, therefore, that new housing required less manpower and would not require a priority. As for the Minister of Health's concern that valuable building labour would be directed to non-building occupations:

It was intended, however, that there should be such a transfer of labour from building to other activities. There would be no point in reducing capital investment either in housing or in other building unless the labour and materials thus made free were employed elsewhere, e.g., in export or import saving fields.¹⁵

Brook's briefing for the Prime Minister was also against reversing the decision of the Production Committee.

The Government's policy of reducing the capital investment programme will be seriously prejudiced, if not nullified, if the Minister of Health is allowed to make any further inroads into it in the interests of the housing programme.¹⁶

Bevan was able to get the Cabinet to set aside the decision of the Production Committee. They agreed he be allowed to submit a new proposal to the Chancellor, the Minister of Works and the Minister of Labour.¹⁷ Thus, by December of 1947, the Minister of Health had developed strategies to maintain access to the two most scarce commodities - timber and labour. Through these actions, a high number of housing completions in 1948 seemed assured. This, in turn, kept the measures affecting the programme for 1949 firmly in place.

While Bevan and his officials carried out their plan to have the cuts to housing reinstated, they were having to deal with unhappy local authorities. The Economist had suggested Bevan would "find it hard to sell the idea of a 70 or 80 per cent cut in housing work in non-priority areas either to the local authorities or to their constituents."¹⁸ This was indeed the case, particularly with the metropolitan boroughs and the LCC, where the approval of further housing contracts had been halted.

Since the restrictions and the programme cuts had been adopted, local authorities had been pressing their claims on the Ministry of Health. Some were facing the prospects of

seeing labour and materials go unused as houses were completed. Yet, in most of these cities, there was still a long waiting list for housing. The minister was pressed to place stricter controls on unessential repairs and to apply the materials and labour freed up by these initiatives to more houses. Bevan assured them that he would be vigilant with regard to the licensing of repairs. In the meantime, he promised the authorities that the policy would be reviewed against the availability of men and materials before June, 1948. 19

As events unfolded and the prospect of unemployment began to mount, some members of the CEPS began to doubt the wisdom of holding housing to 140,000 completions and their ability to hold the Ministry of Health to such a programme.²⁰ At the beginning of February, the Ministry of Health increased the pressure for revising the programme upwards. A note was dispatched to the officers controlling timber allocations.

The estimates and forecasts for housing purposes are based on the Cabinet decision as interpreted by the Materials Committee that 278,000 standards of softwood should be made available in 1948 but that the position could be reviewed in the middle of the year. Pending such review we have worked on the agreed basis, but you will see that we have asked for a much higher quantity in period 2 than in periods 3 and 4. In this connection I may say that we are unlikely to be within our allocation for period 1 and may, therefore have a debit against period 2. We have therefore asked for larger quantities in the first half of the year and relatively little in the second half.²¹

The above just innocently set the scene for the concluding paragraph.

The softwood timber put down for periods 3 and 4 assumes that no change in the position will arise from the promised review. If this should prove to be correct the quantity of timber available for us in the second half of the year will be inadequate to permit us to put into construction the houses necessary to meet our share of the 140,000 houses to be built in 1949. In other words, even if the mid-year review does not lead to an increase in the 1949 Housing Programme we shall still need to ask for some increase in the allocations for Periods 3 and 4 to enable us to meet our 1949 commitments in terms of completed houses.²²

The following day, Michaels sent a letter to Smith along with a copy of a paper on the 1948-49 housing programme which he had prepared. The paper described the timber situation as inadequate to maintain a housing programme of 140,000 houses for 1949 as there was not enough timber left in the 1948 allotment to start sufficient houses. This in turn was leading to other problems.

With work on a relatively small number of houses being started month by month, the demand for bricks has fallen catastrophically... At present the annual demand for bricks is estimated to be running at some 3,000 million as compared with an output of 5,000 million in 1948 and a pre-war annual production of 7,000 million. With a running programme of 140,000 houses per year and assuming no expansion in other forms of building, the requirements for bricks would amount to 4,500 million. If relief is not immediately afforded for the brick industry some brick making capacity will irretrievably be lost to the detriment of the housing programme in 1949 and to building capacity generally in subsequent years.²³

The paper outlined further ramifications if more timber was not allocated to housing immediately. In anticipation of the forthcoming Marshall Aid, it was proposed that an additional 60,000 standards of timber be allocated to housing at once.

In his letter, Michaels implied that Wrigley was convinced Bevan should take his case to Cabinet. Michaels, on the other hand, was hopeful something could be arranged informally.

Wrigley is somewhat uncertain whether to take this line himself but would, I know, welcome the initiative from your side. You will recall that in a discussion some little way back you did mention that you would ask Plowden to hold an informal parley to consider what could be done.²⁴

Smith replied that he was aware of the gravity of the situation and said he would ask Plowden to hold informal talks on the matter as soon as possible.²⁵

On 13 February, Wrigley informed Bevan that it would no longer be desirable or necessary to submit a paper to Cabinet as it seemed that the Chancellor had had a change of mind.

In the meantime, we have been making enquiries. We understand that it is quite likely that the Chancellor of the Exchequer will not press for a decision on timber on Monday and that he may even withdraw this from his paper at the meeting. We understand that he has himself in fact come to the conclusion that we must have enough timber for the programme as in the White Paper and that this will mean some further allocation for housing.²⁶

At Cabinet on 16 February, the Chancellor dismissed the notion that the housing programme ought to be cut further as recommended in the paper on the balance of payments situation.

He wished to explore the possibility of some reductions in imports, but he would not propose to make any cuts which would involve interference with the housing programme.²⁷

Three days later, at the next meeting of Cabinet, the Chancellor noted that the cut in investment was leading to unemployment in the building industries. He sought permission to increase the level of maintenance work allowed on houses. Bevan suggested that in addition to these measures the housing programme should be raised to 180-200 thousand houses. Cabinet took note of the points raised but made no decision on an increase in the housing programme.²⁸

On 21 February, Smith wrote to Plowden giving an outline of the situation if Marshall Aid was approved. He also informed Plowden that the Board of Trade had revised the total hardwood requirements downwards and, at the same time, had increased the amount obtained from the Sterling Area. Hence, softwood allocation and imports for housing could be safely increased.²⁹

All these actions culminated with a paper which the Chancellor presented to his Cabinet colleagues on 23 February.³⁰ The paper followed lines of argument similar to those in the

paper prepared earlier by Michaels and arrived at the same conclusion, namely that housing should receive 60,000 more standards of timber.

Unless housing output continued at a higher level, there would be an embarrassing surplus of bricks and other building materials and heavy unemployment among building craftsmen in certain areas.³¹

In conjunction with the threat of unemployment was the growing stock of timber in the yards around the country which, as The Economist noted, had "occasioned much adverse comment in the building industry."³² The minutes of the meeting show that some ministers objected to this line of action. If the building industry needed to be stimulated, they preferred to see more construction of industrial and agricultural buildings. However, it was concluded that the extra timber could be allotted on the understanding this would be reviewed when the extent of Marshall Aid was known and things could be better assessed.³³

STRIVING FOR 200,000 HOUSES

Though sufficient timber had been allocated for the construction of aluminium prefabricated houses, there still remained the problem of the supply of aluminium which also was imported from the Dollar Area. In February, Plowden had inquired as to the possibility of cutting down on the number

of this type of house. He had been told this was not possible due to the heavy demand for these houses from the local authorities and the number of concrete slabs already poured to receive these.³⁴

In March, officials at the Ministry of Supply decided they could no longer support the diversion of large amounts of aluminium into housing. Bevan went to negotiate this with the Minister of Supply, but was told he could have only enough aluminium for one type of house - the choice of which was his to make. For various reasons, the bungalow type was the only choice if production was to be restricted to one type. Bevan favoured the two storey and let it be known that he would raise the whole issue of priority uses for aluminium if he did not get enough of these houses.

Ministry of Health officials have told me off the record that the Minister is keenly interested in the two storey aluminium house and will not lightly accept defeat in connection with it. One question he is likely to raise is as to whether the other uses to which aluminium is now being put are as important as housing.³⁵

In the face of a "guns or butter" argument at Cabinet, steps were taken to reverse the proposed cuts in aluminium. Plowden wrote to Wrigley saying that the Ministry of Supply would now object to the cuts in the quota recommended by the Production Committee and would apply to have the decision reversed. As a result, the programme could proceed with the

bungalows and 1,000 two storey homes. Wrigley wrote back on 13 April to thank Plowden for his timely intervention which had resulted in an extra 2,000 tons of aluminium for the housing programme.³⁶

Though Bevan would not scoff at an extra 1,000 houses - and within a month would squeeze an additional 500 aluminium bungalows out of the Production Committee - his goal was the extra 20,000 houses for the 1949 programme.³⁷ He wanted a programme of 200,000 houses rather than the 180,000 where it seemed to be sticking. On 15 April, 1948, he went to the Cabinet to see whether he could extract further concessions from his colleagues. At the meeting, Bevan stated that the housing programme would soon be completely in balance. However, the small size of the programme, and the controls this placed on his actions, were causing difficulties in certain localities.

In some areas local authorities were being prevented from placing contracts, though there were ample stocks of brick available and local unemployment among brick-layers; and, as the shortage of houses was still acute, this position was causing concern. Could there not be some latitude to relax the existing restrictions in such areas?³⁸

During the discussion, the Minister of Health was reminded that Cabinet had just allocated timber for an additional 30,000 houses less than 8 weeks before. To go any further at this time would jeopardize future stocks. Cabinet did

not say no, however. Rather, they referred the matter to the Chancellor for further consideration.³⁹ Normally such a decision was a good sign, particularly if the CEPS thought the timber was available.

By the 29th of the month, Bevan had not received his reply. He asked Cabinet whether he could announce the housing programme for 1949 in advance of the Labour Party Conference. He was informed that the CEPS did not think conditions were sufficiently stable to be able to announce a programme at this time. To any queries at the conference, Bevan agreed to respond that the size of the programme would depend on the availability of timber.⁴⁰

Plowden also intervened directly in an effort to forestall the development of further pressures to increase the housing programme.

CHANCELLOR OF THE EXCHEQUER

I went to see the Minister of Health this week and asked him to refrain from announcing an increase in the housing programme until the position is more settled...I believe myself that a housing programme of the order of 180,000 houses a year is right, but it would be most difficult to attain because of the timber situation. I am sending you this note in case the occasion arises during the Scarborough Conference to prevent the inclusion in the programme of policy commitments which would be incapable of attainment, and therefore embarrassing.⁴¹

On 6 May, the planners reached their verdict. The Government had not received as much Marshall Aid as sought. Hence,

the Chancellor was advised to reject Bevan's request for permission to exceed the housing limits in order to assist certain regions. The CEPS decided not to raise the matter, however, as Bevan seemed content to await the Investment Programme Committee's report for 1949.⁴²

While Bevan may have been content to wait awhile before pressing Cabinet for an increase in the size of the 1949 programme, this did not mean he would not take action to force the issue in the interim. Ministry officials were told to meet all requests for timber.

The Minister has more than once given an undertaking that progress will not be delayed solely on account of timber, so please continue to issue, regardless of your formal allocation, as much as may be necessary to meet your commitments not only for Airey's but for traditionals and private enterprise. The main thing is to keep the jobs going -- we will meet the bill! ⁴³

In the autumn of 1948 the Ministry of Health increased the number of monthly approvals significantly to a level that would support a programme of 200-220,000 houses per year.⁴⁴ It seemed certain that the Minister of Health was preparing for another attempt to increase the housing programme for 1949 and was confident he would win.

In January the Minister of Health told the Cabinet that the estimated requirements of 750,000 new houses had just been a guess. He had recently asked the local authorities to do a survey of housing needs and expected the results

would demonstrate a vast need for housing. He reminded his colleagues that the state of the housing programme in the months prior to the election would depend on the decisions taken in early 1949. He was approaching his colleagues for a quick decision and he "hoped that it might be agreed that plans should be based on a rate of completion of 200,000 houses a year".⁴⁵

The Cabinet decided that Bevan would have to wait for the results of the Economic Survey before taking a decision to increase the programme. In the interim, the Chancellor was advised by his staff to talk to the Minister of Health about the rising number of housing starts and to suggest that balance be maintained at 180,000 houses per year.⁴⁶ Though Bevan had made various attempts to raise the 1949 programme to 200,000 houses, thus far he had not been successful.

In February 1949, with the general election less than a year away, ministers were advised that, "It was, in general, desirable that Ministers should no longer speak of the shortage of houses, but rather of the demand for more houses."⁴⁷ But regardless of how one cared to define it, the Ministry of Health was still actively pursuing a means to expand the housing programme.

In March, 1949, Health resurrected an idea which had been tried without success the year before. In 1948, selected industries had been offered the opportunity to buy aluminium

houses direct from the factory. If these companies had then chosen to erect these houses through a housing association, they would have been eligible for the government subsidy. No companies had accepted this offer. However, by March 1949, the price of these houses had dropped and the Ministry of Health suggested to the CEPS that if the offer was repeated, the response might be better.⁴⁸

The CEPS was anxious to avoid the closure of the factory that produced these houses. They also were anxious that the export industries that would be offered the houses have sufficient homes to meet the needs of their workers. Thus, they agreed that 3,000 extra houses should be offered in this manner.⁴⁹

Once the Ministry of Health had received this firm commitment from the CEPS, they decided to vary the procedure somewhat.

We have given up the idea of offering bungalows to industrial firms themselves in view of the negligible response to the last offer. The Minister has decided that he is prepared to offer them to local authorities where paramount industrial needs have to be met.⁵⁰

Ministry officials invited personnel from the CEPS - who were quite obviously displeased with this turn of events - to a meeting to discuss the issue further.

On 20 May 1949, officials met to consider the plan. Officials from the Ministry of Health stated they were

prepared to discuss not whether the houses would be allocated to local authorities but how this was to be done.

As the decision whether the scheme would go forward or not would be made elsewhere, it was agreed to continue the discussion as if the scheme would proceed.⁵¹

An official from the CEPS said the dollar position might still force cancellation of the scheme, but if this was not the case, the Government had to make sure the houses went to key workers which was the initial rationale for the scheme. Ministry officials assured him that local authorities would be required to provide an equivalent number of tenancies for key workers if they received any of these houses. The representatives from the CEPS promised that they would monitor this closely.⁵²

Although the CEPS advised Plowden against the proposal because of the dollar situation, the Ministry of Health did get its houses. The Chancellor and his staff, realizing that their position had been compromised far too much by the original agreement to offer these to industries, could not say no to the Minister of Health. The department added 3,000 more houses to the programme.⁵³

Five months later, on the day before Cabinet was to meet to discuss the programme reductions resulting from the devaluation, Bevan informed his colleagues that he had been under great pressure to reveal the results of the housing

survey conducted by his department. He did not wish to make the results public as it would be an embarrassment to the Government. While he agreed the survey was inaccurate and misleading, it did show that 1,000,000 families were without separate homes of their own and a further 600,000 were in need of larger ones. After some discussion as to whether the situation was as bad as portrayed by these figures, the Cabinet agreed that some strategy needed to be devised for releasing the information. There was no consideration given to meeting these housing needs.⁵⁴

The next day, Cabinet reviewed the necessary reductions in spending as outlined in the memorandum by the Prime Minister. The housing programme for 1950 was to lose £35 million. Bevan suggested that "in announcing the cut in housing, it should be made clear that this would be made to fall, not on the housing programme of local authorities, but on houses which were to be privately built for sale."⁵⁵

This restriction of private building, amidst growing concern for the middle class voter, was one of the means which Bevan hoped to use in forcing his more moderate colleagues to increase the size of the programme. The Economist, in particular, had labelled the concentration on providing houses to let grossly unfair to the middle class. It had suggested labour might come to regret its lack of attention to the housing needs of the middle class.⁵⁶

STABILIZING THE PROGRAMME

During the 1950 electoral campaign, housing was treated by the press more as a local concern rather than a national issue. Press reports on housing were not extensive and, overall, expressed mild approval at the number of new homes created since the war while not endorsing current government policy. Stories in The Times and the Manchester Guardian placed the emphasis on the different approaches advocated by the parties for future housing policies. In general, the press expressed support for the opposition parties' stand to allow more houses to be built for private sale. 57

Though housing may not have received as much attention as items such as the nationalization of steel, it still figured as an important factor in the minds of the electorate. A Conservative poll was reported to indicate that the lack of housing was a major issue with the voters.⁵⁸ It seemed that each time that Bevan addressed a crowd during the campaign, he had to deal with hecklers calling for more houses. 59 Overall, there was considerable pressure on the Government, which the outcome of the general election did little to curb, to increase the allowable number of homes built for private sale.

Shortly after the election, Bevan came to Cabinet with a paper outlining alternative means other than a set ratio for granting licences for private building. The proposal was to

allow those at the top of the housing lists the option of renting from the local authority or building their own homes. Bevan argued this would ensure that houses were still going to those in greatest need.⁶⁰ Norman Brook was not in favour of such a scheme.

He has no real intention of allowing any private building to take place. He will rely on insisting that only those at the top of the local authority housing lists should be considered, and those people in fact are not likely to wish to build houses...The potential house buyers are likely to be found among members of the lower-middle classes, often staying with parents, where over-crowding in a technical sense does not exist; and these people if they have applied for a council house, are probably low down on the list of applicants.⁶¹

Bevan's central premise was that as long as the housing programme was so constrained, he could not see houses going to those who could afford it before those who needed it. If his colleagues wanted more houses for the middle class, they would have to increase the size of the programme. It was not surprising, therefore, when the question switched to that concern - with the assistance of the Opposition.

At the next meeting of Cabinet, on 13 March, Bevan suggested that the debate on the address had demonstrated a high degree of dissatisfaction with the housing programme. The lack of housing was damaging the economy by hampering the mobility of labour and it would be helpful to all if he could announce a programme of 200,000 houses per year. The

Cabinet agreed that the level of public dissatisfaction was high and even felt that more resources might be found for housing. However, conditions had not changed much since the cuts had been announced in October and "the Government would appear to be yielding to political pressure unless they could show equally sound economic reasons for reversing that decision."⁶²

Days later, the Economic Survey which called for further reductions in housing was presented to Cabinet for review. The Minister of Health disagreed strongly with the recommendations put forward. He promised his colleagues to prepare a paper showing the disastrous consequences if these cuts were adopted.⁶³

Nearly a month passed before Bevan submitted this paper. It contained dire predictions of what would happen if the recommendations in the Economic Survey were adopted. Housing programmes for local authorities would decrease to 120,000 per annum. This would mean a reduction of 3,000 houses for the London County Council and other metropolitan boroughs which, in turn, would spell trouble for the direct labour forces of some of these Councils.

It is clear that a cut of this size will have alarming political repercussions... I am sure that it is better to restore the cut now, of our own free will, rather than have to yield later on under pressure.⁶⁴

He recommended the programme be augmented rather than cut

and that this be announced by the Chancellor during his budget speech.⁶⁵ Cabinet Office officials were not in favour of this approach.

On housing there seems no way of preventing the Minister of Health from raising a premature discussion on the pretext that he wants something said in the Budget speech, although, if he gains his point, I gather that it will torpedo the whole of the capital investment programme which the I.P.C. have been at great pains to prepare.⁶⁶

Brook concurred with this assessment and in his briefing for Attlee, he said this was both an unusual and an unfortunate procedure.

The proposal is open to the obvious objection that it anticipates the general review of capital investment - and that there is not much point in claiming to be planning capital investment, if on a significant part decisions are taken in isolation and without any information about the effects on other parts of the programme.⁶⁷

It seems obvious that the Cabinet Office was not aware that an agreement had been reached between the Chancellor and the Minister of Health. Bevan, with the support of the Junior Ministers in the Treasury, had succeeded in convincing Cripps to increase the housing programme.

Our first joint act was to persuade the Chancellor, with Nye Bevan's support, that the cut in the housing programme, made in the 1949 'consequential' measures from 200,000 a year (the maximum which softwood supplies then allowed) to 175,000, should be restored.⁶⁸

At Cabinet on 17 April, Bevan reviewed some of the conclusions from his paper and asked Cabinet to approve an increase in the housing programme for 1951. In his reply to this request, the Chancellor recommended the figure be set at 200,000 per year for the next three years in order to stabilize the programme.

This would mean that housing would be given a fixed priority, at this rate, in the capital investment programme for those years, and that any necessary cuts in the total volume of investment would have to fall on other parts of the programme.⁶⁹

After some discussion, Cabinet agreed to this approach on the condition that licensing arrangements for private houses be made more flexible.⁷⁰ Bevan agreed to this; finally he had managed to stabilize the programme at 200,000 houses per year.⁷¹

In Bevan's biography, Foot describes the outcome and approach to this period as follows:

In 1949, 217,000 houses were built instead of the 140,000 forecast by Cripps on October 1947. Thereafter, the figure was maintained at round about the 200,000 mark. Bevan never ceased to rail against what he called 'the whistle blowing' planning of the Treasury experts in manipulation of capital investment programmes. They thought when they moved figures on charts, men moved to; 'they thought a building worker in Liverpool became a cowman in Kent'. So the full rigour of the 1947 Treasury edict was never imposed.⁷²

While one might dispute the figures for housing completions

cited by Foot,, there can be little room for doubt that the full cuts of 1947, or, for that matter, 1949, were ever carried through.⁷³

Though the conditions of austerity had created the necessary mechanisms to determine priorities and develop an overall economic strategy this did not guarantee that these would actually be implemented. In both instances when cuts were imposed on housing, we have seen that Bevan set out on a path to force Cabinet and/or the Chancellor to have a change of mind.⁷⁴ And, in both instances his persistence led his colleagues to relent and increase the resources directed toward housing.

Notes for Chapter 8

1. HLG 102/224. Wrigley to Michaels, 3 December 1947.
2. T229/214. Allen to Fogarty, 12 May 1948.
3. CAB 128/15. C.M. 5(49), Bevan to Cabinet, 20 January 1949.
4. The Economist. 15 May 1948. p.794.
5. T229/214. The initial decision was enough timber for 140,000 houses. CEPS allowed 1.7 standards per house (each house was then using 1.6 standards) therefore the total was initially set at 238,000 standards. The figure was bargained up to 278,000 to take account of prefabricated houses, war damage and other repairs.
6. HLG 102/224. Michaels to Wrigley, 26 November 1947.
7. Ibid.
8. Ibid. Discussions and exchange of correspondence, Michaels and Smith, November-December, 1947.
9. HLG 102/224. T229/214 and T229/233. This strategy becomes more clear by midwinter as can be seen by what follows.
10. The issue of diverting labour, which was raised in Cmd. 7268, Capital Investment in 1948, is discussed and analysed by Rosenberg, op. cit., chapters 5 & 6.
11. CAB 128/10. C.M. 94(47), 15 December 1947.
12. CAB 129/22. C.P. (47)329. Priority For Building Labour: Memorandum by the Minister of Health, 11 December 1947. The estimate of the number of houses under construction for June, 1948, was conveniently set at 210,000 when Bevan needed it to be so. However, six days later, Health officials were stating a target of 170-180,000 for June 1948, this time to the CEPS. See Michaels to Smith, 17 December 1947 in T229/233.
13. Ibid. Memorandum by Minister of Health.
14. Ibid. C.P. (47)334. Priority for Building Labour: Memorandum by the Chancellor of the Exchequer, 13 December 1947.

15. Ibid.
16. CAB 21/2243. Brook to Attlee, 13 December 1947.
17. CAB 128/10. C.M. 95(47), 15 December 1947.
18. The Economist, 19 July 1947 p. 96.
19. HLG 101/414. See, particularly, the exchange of letters leading up to, and the minutes of, the meeting with the delegation from the LCC and the Metropolitan Boroughs' Joint Standing Committee in October and November of 1947.
20. T229/233. See correspondence, Elkington to Michaels, 9 January 1948, Michaels to Elkington, 12 January 1948, and Elkington to Smith who relayed these concerns on to Plowden, 19 January 1948, and, finally, Plowden to Smith, 30 January 1948.
21. HLG 102/224. Siddle to Sargaison, 6 February 1948.
22. Ibid. Someone in the Ministry penned a one word note to the author. This read "Excellent!".
23. T229/233. Michaels to Smith, 7 February 1948. Quote is from a paper prepared by Michaels describing a possible outcome for the 1948 & 1949 housing programmes.
24. Ibid. Michaels to Smith, 7 February 1948.
25. Ibid. Smith to Michaels, 9 February 1948. "I will ask Plowden to expedite the holding of the informal talk. I realize the difficulties of the situation and I am sure he will do so as well".
26. HLG 102/224. Wrigley to Bevan, 13 February 1948.
27. CAB 128/12. C.M. 14(48), 16 February 1948.
28. Ibid. C.M. 15(48), 19 February 1948.
29. T229/233. Smith to Plowden, 21 February 1948.
30. CAB 129/24. C.P. (48)56. The Housing Programme in 1948 and 1949: Memorandum by the Chancellor of the Exchequer, 18 February 1948.
31. CAB 128/12. C.M. 16(48), 23 February 1948. Statement of the Chancellor of the Exchequer.

32. The Economist, 6 March 1948. p.392.
33. CAB 128/12. C.M. 16(48), 23 February 1948.
34. T229/234. Smith to Plowden, 26 February 1948.
35. T229/234. Smith to Plowden, 3 March 1948.
36. T229/234. Plowden to Wrigley, 2 April 1948 and Wrigley to Plowden, 13 April 1948.
37. T229/234. Report of the decision of the Production Committee (P.C. (48)9th Meeting, 3 May 1948.) where it was decided to order 500 more aluminium bungalows for factory workers involved in the production of alkali.
38. CAB 128/12. C.M. 28(48), 15 April 1948.
39. Ibid.
40. Ibid. C.M. 30(48), 29 April 1948.
41. T229/214. Plowden to Cripps, 30 April 1948.
42. Ibid. Smith to Plowden, 6 May 1948, and Allen to Fogarty, 12 May 1948.
43. HLG 102/218. Siddle to J. Morris, 20 May 1948.
44. CAB 21/2245. Note prepared for Chancellor of the Exchequer, 19 January, 1949.
45. CAB 128/15. C.M. 5(49), 20 January 1949.
46. CAB 21/2245. Briefing note to Chancellor, 29 January 1949.
47. CAB 128/15. C.M. 16(49), 28 February 1949.
48. T229/234. Symon to Elkington, 16 March 1949. The previous offer had been made to selected firms in June 1948.
49. Ibid. Various meeting took place and correspondence exchanged before the offer was finally settled at 3,000 to selected export industries.
50. Ibid. Symon to Elkington, 13 May 1949.
51. Ibid. Minutes of meeting to discuss the proposal to give the houses to local authorities.

52. Ibid. The result was that, at the start, the CEPS got far too involved in the day-to-day problems involved in the allocation of these houses. The Ministry of Health referred all problems and appeals to the CEPS and told them to sort out the priorities and pass their decisions on to the local authorities.
53. Ibid. Briefing note for Plowden advising against acceptance due to the dollar shortage, 26 May 1949. However, on 7 June, Wrigley received a letter from W. Strath at CEPS saying they would approve the extra 3,000 bungalows.
54. CAB 128/16. C.M. 60(49), 20 October 1949. Bevan had informed his colleagues earlier in the year that he had decided to conduct a survey. See CAB 128/15. C.M. 5(49), 20 January 1949.
55. Ibid. C.M. 61(49), 21 October 1949. Though devaluation was announced on the 18 September 1949, the necessary programme reductions were not known for another month.
56. The Economist. Numerous issues in September-October 1945, July and October 1946.
57. See The Times. 17 February 1950 p.5., and the Manchester Guardian which carried articles on housing throughout the week of 6 to 11 February 1950.
58. Manchester Guardian. 11 February 1950, p.4.
59. Reports carried in the Manchester Guardian throughout the campaign.
60. CAB 129/38. C.P. (50)30, Licences for Private Houses: Memorandum by the Minister of Health, 7 March 1950.
61. CAB 21/2247. Brook to Attlee, 8 March 1950.
62. CAB 128/17. C.M. 10(50), 13 March 1950.
63. Ibid. C.M. 11(50), 16 March 1950.
64. CAB 129/39. C.P. (50)67. The Housing Programme (England and Wales): Memorandum by the Minister of Health, 13 April 1950.
65. Ibid.
66. CAB 21/2247. A. Johnstone to Norman Brook, 12 April 1950.

67. Ibid. Brook to Attlee, 14 April 1950.
68. D. Jay "Civil Servant and Minister" in Hugh Gaitskell, 1906-1963, W.T. Rogers, editor, (London, Thames and Hudson, 1964), p. 96.
69. CAB 128/17. C.M. 21(50), 17 April 1950.
70. Ibid.
71. Bevan prepared a flexible means of allowing private building, using a variable ratio. This was outlined in CAB 129/39. C.P. (50)90 and discussed and approved by Cabinet - CAB 128/17. C.M. 28(50), 4 May 1950.
72. M. Foot. op.cit. p. 95.
73. Butler & Sloman, British Political Facts: 1900 - 1975 (4th edition), give the figures of housing completions for England & Wales 1945 - 1950 as follows:
- | <u>Year</u> | <u>1945</u> | <u>1946</u> | <u>1947</u> | <u>1948</u> | <u>1949</u> | <u>1950</u> |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Local Auth. | 0.5 | 21.2 | 86.6 | 170.8 | 141.8 | 139.4 |
| Private Ent. | 0.9 | 29.9 | 40.9 | 35.6 | 30.0 | 33.0 |
| Total | 1.4 | 51.1 | 127.5 | 206.4 | 171.8 | 172.4 |
74. CAB 21/2247. Brief for the Chancellor, 4 May 1950. "The autumn decision to cut the housing programme had not been put into effect before it was reversed."

PART FOUR

POSTWAR HOUSING: AN ASSESSMENT

CHAPTER 9

POLICY ISSUES

If the Government - not merely this Government, but any Government - tries to meet the urgent demand for more and more houses, it is readily accused of overloading the industry. If it tries to get rid of overloading it is equally freely accused of not meeting its promises to house the people. If it sets high standards of building and equipment it is criticised for holding up the work for the sake of refinements, and if it lowers those standards it is accused of putting up hovels. If it publishes no programme it is attacked for hesitation; and if it publishes a programme its figures are immediately treated as an Aunt Sally.¹

The development of housing policy since the war cannot be understood without bearing in mind the sudden ending of lend-lease, the fuel crisis, the convertibility crisis, devaluation, the scarcity of technical men of all kinds, rearmament, the export drive - all the recurring emergencies of these years.²

Organizations, which deal with the collective efforts of men, are devoted to the processing of information and the generation of knowledge. Their ability to test the environment so as to correct error and reinforce truth makes them effective. Inability to learn is fatal. Yet learning is more difficult because so many men must do it together.³

What can be said about the postwar housing policy? Was it a success? Were the outcomes acceptable? By what criteria can this be judged? Certainly, the number of houses completed over the period was a vast improvement over the results following World War I. At the same time, the 1945 policy repeated many of the same errors as the earlier 1919 policy. Yet supposedly, it had been designed to avoid those very errors.

Some of the problems with the postwar policy can be attributed to the sudden end of lend-lease and to the conditions subsequently attached to the Anglo-American loan. The

obligation to institute full convertibility of Sterling by 1947 and the results of this, definitely had an effect on the conduct of housing policy both before and after 1947. Other events such as the fuel crisis, devaluation, the export drive and so forth, as Donnison and others have noted, also left their marks on the policy.⁴

Many of the major difficulties which arose during the first two years were due to flaws in the assumptions and the design of the short term policy. The most notable of these were: the adoption of the Coalition Government's target; the assumptions and actions with respect to the structure of the building industry; and, the false expectations concerning the effectiveness of building controls. In gauging these factors, one is led to conclude that, as in 1919, a key determinant of the outcome of the post World War II policy was the pursuit of an overly ambitious target to the exclusion of the other facets designed to keep the industry in balance.⁵

THE TARGET

One of the critical inputs to the postwar policy was a study of the means to control housing costs in the years immediately following the war.⁶ The committee of officials that examined this issue approached their task by analyzing the events associated with the post World War I policy. In their report, they identified several factors which had led

to the cost escalation of that period and recommended ways to neutralize these. They concluded that the most important factor after World War I was:

The scheme for a vastly increased number of houses was launched without relating the number of houses to be built to the resources of labour or materials available for building them.⁷

The paper described many ways of controlling building activity, but recognized that all these controls would prove ineffective if the building programme, however well controlled, exceeded the supply of labour and materials as had been the case in 1919.

The Coalition's White Paper on Housing addressed this concern.

As experience after the last war showed, a programme beyond the capacity of the building industry would have the result that many houses would be started but few completed. Moreover, there would be a powerful pressure on prices if, in the early stages, more work were offered than the building industry could perform.⁸

In order to avoid this, the Government had determined that the maximum target they could adopt was 300,000 houses built or building in the first two years after the war.

Bearing in mind these factors and the size of the available labour force, the Government have already announced that the maximum target which they can properly adopt is one of 300,000 permanent houses built or building by the end of the second year after the end of hostilities in Europe... If more houses can be built they will be built, but

the programme will be based on the evidence of the building resources likely to be available from time to time.⁹

As Bevan and his colleagues discovered, there was no firm basis for such a target.¹⁰ No analysis had been done and there were no grounds to suggest that the production of materials would be adequate for the erection of 300,000 new houses. The figure put forward by the Coalition could be traced back to 1942 when a committee of officials had estimated that, on the basis of the prewar building record, 300,000 houses could be built in the first two years after the war. The committee expected 100,000 of these would be built for local authorities and 200,000 would be built for private sale or letting.¹¹ As time passed, the public to private sector ratio became less rigid and distinct and the split of 100,000/200,000 was attached to a less contentious issue - time. That is, it was expected that 100,000 houses would be started in the first year, and 200,000 in the second.¹²

Regardless of the doubtful origins of the Coalition target, it was plain that it would serve as the major yardstick for both the Opposition and the public when measuring the success of the Labour Government; and for Bevan's colleagues when judging his performance. Though the Government refused to publicly state a target of their own, and were aware of the many difficulties standing in the way of meeting the Coalition's target, they nonetheless saw little choice but

to set their sights on 300,000 houses.

After a general discussion THE COMMITTEE agreed that the Chairman should take the line that the present Government had been confronted, on assuming office, with the late Government's target, that they were not quite clear as to the exact basis on which this target had been drawn up but that they intended to accept the challenge and try to attain it, though no promises could be given that this could be done.¹³

The most evident outcome from the pursuit of an overly ambitious target was the overloading of the building industry and, as predicted by the White Paper, a large number of houses under construction but very few completed. Two years after the war in Europe had ended, 105,000 houses had been completed and a further 242,000 were under construction.¹⁴ This overloading affected both materials and building labour and resulted in a tangled web of cost escalations. Due to the scarcity of labour, contractors were induced to hold on to their workers even when these could not be gainfully employed. Due to the shortage of materials, the work flow became erratic and the productivity of labour decreased. It was in the best interests of the contractors to hoard both labour and materials where possible, which they did. The costs of this inefficient hoarding were borne elsewhere.¹⁵

Aside from these more obvious consequences of overloading, the pursuit of the Coalition target also led to some "second order" outcomes. In the race to erect homes, the Ministry of Health was invariably drawn to those areas where the chances of successful, rapid completions were high. In-

deed, the policy after April 1946 directed that permission to call for tenders rest on the probability of completion within a twelve month period. The ministry did attempt to involve as many local authorities as possible. However, permission to build in the first two years operated primarily on a first come, first served basis with a bias towards those areas where it was evident that the houses could be built quickly. The extreme pressures to get houses built and the tendency of building labour to be distributed in a fashion similar to prewar construction patterns worked against the long term plans for improved urban planning and changes in the trend of population migration.¹⁶

In the first years there was a great and rapidly growing demand for more houses. The big cities needed houses most, they had the labour and had or soon acquired organizations capable of handling large contracts; and around the edges of these cities there were sites where, in all, some tens of thousands of new houses could be placed without need for costly preliminary or supplementary work.¹⁷

One could provide a sound argument in defence of such a short term policy given that the housing needs of most urban areas were great. Unfortunately, the imbalance which resulted projected the short term goal into the medium term where other housing priorities required attention. At the end of two years, with 242,000 houses under construction and a further 110,000 tenders approved, there was insufficient capacity left to address other urgent needs such as homes

for miners and agricultural workers. The plan for two years, in effect, guided the actions of the building industry and the housing policy for almost twice that length of time.

In addition to losing flexibility in the medium term, the adoption of the Coalition target decreased the scope of activities in the short term. The shortage of materials and labour suggested the need for marshalling these resources if the target was to be attained which in turn meant restrictions on other forms of housing, such as the conversion of existing larger houses into apartments. Bevan informed his colleagues at the outset that he preferred resources be directed towards the construction of new homes. Conversions were not an element of his policy even though these held the promise of housing many people with the use of less material.¹⁸ It was not until 1948, when unemployment in the building materials industry and the building labour force was a very real threat, that the Ministry of Health began to support the licensing of conversions.¹⁹ Although the Ministry disliked the idea of shunting valuable timber resources away from the housing programme, the increased proportion of labour and other materials used for a given amount of timber in conversion projects made the support of these obligatory.

The adoption of the target caused problems for the building materials industry as well. The demand it faced was not

only to fabricate materials for these new houses. During the same period, materials for temporary prefabricated houses, war-damage repairs, factories, and - whether or not the Government approved - a large backlog of maintenance, had to be produced.

Unfortunately the Government did not attempt to explain why it was expected that the complex industries producing the fittings required for 350,000 houses and for repairs in 1939 would be able to provide these fittings for between 365,000 and 445,000 houses as well as all those needed for conversions and repairs, within two years of the end of the war. The industries in question had been turned over to war production, or partly closed down and thoroughly dislocated during six years of war. 20

With strong encouragement and some threats, manufacturers had hastened to expand their productive capacity. In some cases, notably in the manufacture of bricks, the necessary capacity was achieved only through the use of inefficient producers, thus adding further to the cost of materials (and the demand for coal).

In 1948, the demand for materials decreased drastically just as the supply was reaching a point where it could supply the building programme. Instead of shortages, policy-makers and manufacturers had to wrestle with the converse problem of over-capacity. The moral responsibility which the government shared in contributing to this situation served as a hinderance in its attempts to address the changing economic conditions. Surplus capacity was cited as

one of the major reasons for increasing the housing programme and relaxing the building regulations in 1948.²¹

INDUSTRY STRUCTURE

The structure of the building industry was also very important to the outcome of the postwar policy. The initial thoughts with respect to the distribution of houses between the public and private sectors - 100,000 houses built for local authorities and 200,000 private houses - was a reflection of the public/private ratio which had occurred through most of the 1930's and, more importantly, was attuned to the way in which the housebuilding industry tended to be structured.

The initial decision of the Labour Government had been to prohibit the building of houses for private sale. That decision had been taken at the meeting convened by Greenwood on 8 August, 1945.²² Within weeks, however, Bevan was convinced of the necessity to allow the construction of houses for private sale.

The chairman explained the memorandum and said that while his main object was to secure the maximum amount of building by local authorities, there were a large number of small firms not in a position to tender for municipal contracts who could, however, build a few houses to private orders. If these firms were not allowed to build privately they would concentrate on renovations and decoration. The object of his proposals was to get this labour on to building new houses.²³

While this measure served to involve some of the many small building firms, the minimum number of houses permitted under this arrangement, and the sharp restrictions on conversions, suggested the need to bring about some amount of restructuring in the building labour force. Similarly, the requirements to erect houses in all areas of the country called for the relocation of building workers from historical or prewar patterns. Though measures to encourage some restructuring were adopted, these proved, for the most part, insufficient and ineffective.

Initially, the Government tried to bring about a redistribution of labour by attempting to reduce the number of small building firms. By banning the work traditionally done by these firms it expected these firms would disband and building labour would attach itself to larger firms engaged in the construction of new houses. However, the demand for repairs and renovations, both legal and illegal, was much higher than expected. As well, it has been noted that the requirement for full employment forestalled any serious efforts on the part of Government to use unemployment as an effective weapon in redeploying building labour.

When this proved unsuccessful, the Government, instead of trying to redistribute labour solely by restricting the work available to small firms, launched an attempt to integrate these firms into the programmes of the local authorities. It was suggested that local authorities should encourage the

use of small firms as subcontractors to larger firms. Local authorities were also asked to let contracts, where possible, for a few houses to these smaller firms. The Government was even prepared to allow these firms to build houses to designs with which they might be familiar so long as these appeared reasonable.²⁴ However, excessively long delays in the delivery of some materials and fittings served to deflect the small building firms away from the construction of new homes. Larger building firms with many houses underway could, perhaps, operate under such conditions; smaller ones, building one or two houses, could not.²⁵

There are many reasons to doubt that an increase in the number of houses permitted for sale, as advocated by the opposition and the press on numerous occasions, would have vastly increased either the rate of housing completions or the participation of the small building firms. With respect to the latter, until the flow of materials improved, conditions for the participation of most small building firms in the construction of new homes were unfavourable. At the same time, conditions, in so far as demand for service was concerned, were ideal for a large but fragmented labour force engaged in maintenance and renovations.

In the end, industry structure prevailed over housing policy. As a result of the cutback in housing and other building programmes in the winter of 1947-48, some areas began to experience increases in the level of unemployment.

As well, diminished demand threatened to disrupt the production of building materials. In response, the Government increased the monetary limit for renovation and repair work which could be undertaken without a licence and encouraged the conversion of larger existing homes into smaller units. Or, in other words, the policy became more suited to the structure of the building industry.

BUILDING CONTROLS

The Official Committee on Housing Costs had defined two distinct spheres of construction activity: government building and private work. The amount of construction undertaken in both of these spheres needed to be controlled and coordinated. The committee recommended that private work be controlled by the imposition of a licensing system. As for building undertaken by or on behalf of the Government, the requirement for central coordination was noted.

In order that overloading of the industry may be avoided, it is essential that there should be effective control, by reference to the amount and distribution of building labour, of the release of housing and other building work for which the Government Departments are responsible; and the Ministry of Works should undertake, in consultation with the other Departments concerned, the central planning, co-ordination, and administration involved.²⁶

For reasons which are discussed in the next chapter, the mechanisms necessary for the adequate coordination and

control of the Government's building programme were not put in place. Inevitably, this aversion to control the Government's programme led to an increased emphasis on the control of private work. It also fostered an attitude of laying the blame for the inefficiency of the building industry anywhere but on the Government's own overly ambitious programme.

The Government developed and maintained contradictory views of the problems. At certain times, it related the problems of the industry, not to too much demand but to too little effort on the part of suppliers and building labour. Viewed in this way, houses were taking long to complete because labour was not as productive as it ought to have been.²⁷ Materials were in short supply because producers were not responding quickly enough to expand their capacity. Given this perspective, the solution was not to decrease the amount of construction but to improve productivity and production. Hence, Bevan exerted continuous pressure on the Ministers of Works and Labour to develop a bonus pay scheme so as to increase the productivity of labour.²⁸ With regard to the production of materials, ministers exhorted the manufacturers to expand productive capacity and, in some cases, threatened expropriation of factories if they did not comply with the Government's request.²⁹

When the problem was viewed in the context of excess demand for materials and labour, it was not the Government's

programme at fault, but the amount of private work underway, particularly maintenance and renovations. Given these assumptions, the attempts to solve the problem of excess demand involved measures to reduce the level of private work.³⁰ The Government introduced further measures to divert the flow of materials towards new housing and to increase the size of the labour force involved in the erection of these new houses. However, the powers assumed under Defence Regulation 56A were inadequate to halt the movement of men and materials into renovation and maintenance.

To bolster these controls, the Government developed a priority system for designated building materials.³¹ It was anticipated that such a measure would severely restrict the availability of materials for all but new construction. The priority system did reduce the flow of certain materials for maintenance purposes, but it did not do this completely. Restricted goods continued to find their way to unauthorized work and, in conjunction with the availability of non-controlled goods, there was a sufficient quantity of materials to support a large labour force in the area of renovations and maintenance.³²

The building materials priority system demonstrated a number of other serious shortcomings within government. The immediate modifications required to the list of materials given priority designation showed that the Government was unaware of all the necessary and legitimate uses - aside

from housing construction - for some of these materials.³³ If the Government was not aware of these alternative uses, how could it develop a building programme balanced with the capacity of the building materials industry?

Another more telling feature of the priority scheme was its solely restrictive intentions. It was designed, not to guarantee access to needed materials, but merely to restrict their use. The possession of a priority certificate did not assure to the contractor that the fittings or materials required would be available when requested. There was no correlation between the number of certificates issued and the production of materials. For this to be so would have required improved knowledge of the capacity to produce these goods and the alternative uses of these materials.³⁴ It would also have implied stricter control of the Government's own building programme.

The next attempt to strengthen control on private work involved a tighter, more informed licensing procedure. "Zonal ceilings" were designed to improve the ratio of labour attached to the construction of new houses. Within each zone, an agreement was made among the local authorities and the Ministry of Works to limit the issuance of licenses to the agreed value unless it could be shown that refusal would lead to unemployment.³⁵

This procedure did reduce the amount of indiscriminate

licensing. As Rosenberg has noted, however, it did not lead to a substantial decrease in labour dedicated to maintenance and renovation.³⁶ The Government made one more attempt to reduce the amount of men and materials devoted to maintenance by revamping the building materials priority scheme. It reduced the number of materials subject to these controls. At the same time, it introduced sanctions for the improper use and distribution of designated materials and gave local authorities power to launch prosecutions for infringements of the regulations.³⁷

The preoccupation with finding the means of increasing control of private work slackened when attention was finally focussed on the Government's contribution to the imbalance in the building industry. Sharp reductions in Government's building and housing starts, imposed in April and August of 1947 respectively, allowed the industry to achieve a state of balance and kept it in that state. Restricting the number of new starts to the availability of the most scarce commodity, timber, assured a more steady and timely flow of men and materials to the worksite. Productivity increased and the time required to complete a house decreased. Excess men and materials were directed, as much as possible, either towards other building activities such as conversions, renovation and repairs or outside of the building industry altogether.

Though it was certainly easier in 1947 to determine the limiting factor to the number of houses that could be built, the principle used was the same as that advocated by the official committee in 1944.³⁸ Where no possibility for substitution existed, building controls could only be effective if the building programme was related to the essential commodity in shortest supply. To do anything else was to embark on a path of delays, inefficiency, and an ever increasing stock of incomplete houses. It would be difficult to determine what factor might have been used to regulate the number of housing starts in 1946. There were several candidates. It is important to note, however, that not only was the machinery to determine this not in place, but the thought of doing so would have been swiftly ruled out of order.

MINISTERIAL INITIATIVES

An analysis of postwar housing would not be complete without an assessment of the major contributions made by the Minister of Health. In addition to the firm positions Bevan took to protect the housing programme from cuts and interlopers, one can distinguish other areas where his values and decisions were important factors in the outcomes observed. Among these were the higher standards he set for the houses

built, the use made of private enterprise in the postwar housing programme, his position on "tied cottages." and his staunch defence of the role of local authorities.

One of Bevan's first acts was to increase the size and improve the standards of the houses to be built by the local authorities. His position was that the houses built would remain in use for many years and, in future years, would be one of the main standards used to judge the performance of the Labour Government.³⁹ The adoption of these higher standards, however, came at some cost to the overall programme. The most obvious was the direct costs of these extra inputs, both labour and materials that went into these homes.

But equally important was the additional contribution these larger houses made to the overloading of the building industry. As these houses were more than 10% larger than originally planned, a target of 300,000 of these new houses was much more than the equivalent number of Dudley homes (the Coalition standard) and used substantially more materials than the Tudor Walters home (the standard for houses built before the war).

There is little doubt that some of Bevan's colleagues, some officials and press commentators felt that the standards for these new houses should have been lowered.⁴⁰ As noted above, officials in the CEPS felt that the larger size and low rents for these houses were leading to higher demands for housing than would otherwise have been the case.

They wanted to see the size cut down and the rents raised.⁴¹

It was also clear that the Government could have built more houses with the same amount of resources. Given the demand for housing, some thought that the choice should have been for more smaller homes. Hugh Dalton, who succeeded Bevan as the minister responsible for housing in 1951, immediately encouraged local authorities to reduce standards.

And I was not happy about housing. I tried to loosen up some of the regulations and leave local authorities more freedom. I left them free, for instance, to include either one or two w.c.'s in a three bedroomed council house. On this point Bevan had been a tremendous Tory. Always, he had said, there must be two.⁴²

It was also obvious that some members of the Cabinet and certain key officials felt that the Government should have allowed more houses to be built for sale by private enterprise. Bevan seemed to hold no strong feelings for or against the principle of home ownership but was ready to use the desires of others in this regard as a formidable weapon in his arsenal.⁴³

It was expedient to permit the erection of houses for sale immediately following the war. Use could be made of small building firms ready to commence construction on this type of housing, thus filling the gap until local authority building got underway. As well, from discussions at Cabinet, it was discernable that senior ministers such as Bevin and Morrison wanted housing of this type to be included in the

short term policy. He incorporated the building of houses for private sale into his policy and readily used it as a mechanism of control and leverage to suit other purposes.

Throughout the period he altered the ratio between local authority and private building from 1:4 to 1:10 with a number of national or regional halts in between. In March, 1946, one hundred local authorities were prohibited from issuing further licenses for private building until they assumed their responsibilities of providing houses for let.⁴⁴ When the austerity measures of 1947 forced a cut in housing, Bevan banned the issuance of such licenses completely.⁴⁵ This ban was lifted when the housing programme was expanded in 1948 only to be imposed again when the devaluation crisis threatened the housing programme in October, 1949.⁴⁶ During that interval, the ratio had been fixed at 1:10.

Immediately following the election of 1950, some Cabinet members, with a view to the middle class vote, were quite anxious to see a resumption of building houses for sale. Bevan argued that this was neither possible nor equitable given the meagre size of the housing programme.⁴⁷ It would appear that he wished to use the concern of his colleagues to aid his efforts to increase the housing programme. His subsequent offer to permit the erection of more houses for sale if the programme level were raised was instrumental in getting Cabinet to approve the Chancellor's proposal to increase and fix the programme at 200,000 houses per year.⁴⁸

Another issue where Bevan found himself at odds with some of his colleagues involved the repair and renovation of "tied cottages". Although the question of what to do with respect to these was one of agricultural policy, legislation affecting the rights of the tenants in "tied cottages" was seen to be the responsibility of the Minister of Health. From the outset, the Minister of Agriculture had pushed for the reinstatement of the Housing (Rural Workers) Act which provided for financial assistance in the reconditioning of "tied cottages".⁴⁹

Not only did Bevan argue strongly against the provision of state assistance, he also refused to allow any reconditioning beyond emergency repairs.⁵⁰ In 1947, a subcommittee of Bevan's own advisory body, the Central Housing Advisory Committee, called for the resumption of Government assistance in the repair and renovation of these homes.⁵³ Once more, Bevan found himself under great pressure from his colleagues to change his position. This time, he agreed to allow reconditioning of a general nature to take place, but, he continued to refuse financial assistance for this work.⁵²

Within a month, the matter resurfaced in connection with the proposal to provide government grants for the improvement of existing houses. During the formulation of the legislation, debate ensued as to whether these grants should apply to "tied cottages". The Minister of Agriculture insisted that these be eligible for assistance; Bevan was

against this.⁵³ Cabinet finally arrived at a compromise which it hoped would satisfy the Party. State assistance would only be provided where a tenancy agreement had been entered into between the farmer and his tenant. It was hoped that this might encourage the use of such agreements, thus diminishing the number and use of "tied cottages".⁵⁴

By far the staunchest action on the part of the Minister of Health was his defence of the role of local authorities in the implementation of housing policy. Beginning with the first policy discussions in the autumn of 1945, through to the devaluation crisis of 1949, alternatives to the dependence on local authorities to build houses continued to be put forward. Each time, as we have seen, Bevan, with the support and assistance of his officials, was able to successfully fend off any serious challenges to the monopoly held by the local authorities.

But Bevan was not the first person to champion such a role for the local authorities. Willink, as Minister of Health before him, had acted in a similar manner during the developmental phase of the postwar policy.⁵⁵ It had been quite clear at that time that there were a number of contenders for various parts of housing policy.⁵⁶ It was also evident that the role of the Ministry of Health in the postwar policy was inextricably linked with that given to the local authorities. The stronger the role of the local authorities, the stronger the mandate of the Ministry of

Health. However, with the acceptance of such a policy, it was also obvious that the fate of the Ministry of Health was directly related to the success enjoyed by the local authorities in implementing the policy.

THE PLANNABLE OR CHOSEN INSTRUMENT

On numerous occasions, Bevan argued that the conditions under which housing policy had to be implemented demanded that he work with a plannable instrument. His conclusion that local authorities were the only suitable plannable instrument was one which stirred up much debate.

The Minister, Aneurin Bevan, one of the ablest men ever to be put in charge of the nation's housing, made it clear that local authorities had been chosen because they could be made to do as they were told: 'The speculative builder, by his very nature, is not a plannable instrument.'⁵⁷

In his book, In Place of Fear, Bevan outlined the problems of relying solely on the speculative builder.

At the same time, he would allow private enterprise to build houses where it likes, for those willing to buy them on loans from the building societies. This might begin to make sense if private enterprise would give preference to houses in the mining areas, and if miners wanted to put themselves in debt to buy them. But that is precisely what did not and would not happen. The building of houses to rent was entrusted to the public authorities, because that was the only way of getting houses to those people whose services were most needed by the nation... An additional proof of this is to be found in the fact that even

the permitted quota of houses to be built for private ownership was not taken up in many of the mining districts.⁵⁸

Much of the truth in his argument against the speculative builder is derived from the context in which he places it. For it could also be said that the local authorities in the mining areas did not build their permitted quota of houses either. Indeed, one could question whether the Minister's effective control over local authorities was as absolute as he suggests.

As Lord Addison pointed out during the Cabinet's first debate on the postwar policy, Bevan's ability to force the local authorities to build houses was severely limited. The draconian measures he would have had to adopt - essentially suspending and replacing the locally elected officials - made the use of such powers unlikely, and hence, were not likely to instill much fear in the local authorities.⁵⁹ Consequently, the local authorities potentially represented a fairly difficult instrument with which to implement the policy.

The chosen instrument could be better compared to a rope rather than a rod, that is, the local authorities could be pulled along far more easily than they could be pushed into compliance. They could, without doubt, be readily prohibited from building houses, but they could not readily be made to do the opposite. Pressures could be applied to

elicit compliance in areas where a local authority simply refused to fulfill its duties. However, where local authorities had insufficient building labour or disinterested contractors, no amount of exhortation could get them to build houses.

In recognition of these difficulties, several avenues, designed to encourage local authorities to undertake housing schemes, were developed. The minister and his senior officials appealed directly to the local authorities, to undertake the construction of houses to rent. These appeals were made through newspapers, in speeches in many forums, at meetings with local authorities all through the country, and through the local authority associations.⁶⁰ For those authorities lacking adequate trained staff, the ministry developed and supplied standard housing plans and other helpful aids. Where the problem consisted of the lack of building resources, the Ministry encouraged the use of prefabricated houses, and, through the provision of extra subsidies, was able to assist authorities to employ contractors, with labour imported from outside the immediate region, to erect these houses.⁶¹

What could have posed the greatest problem seems, in fact, to have posed the least. It is evident that getting the vast majority of the local authorities to agree to build houses was not as difficult as some thought it would be.

Though many authorities did seem hesitant to undertake the construction of houses in the first few months of the programme, this hesitance must be viewed in context with the factors which effected this decision such as the uncertainty over prices and the long delay in reaching agreement on the housing subsidies.⁶² Also, in many of areas (e.g., rural and mining areas) the men and materials necessary to build houses simply were not available.

The scarcity of men and materials prevented local authorities in several critically important regions from undertaking the construction of the necessary houses. Each time this situation noticeably affected the attainment of other policy objectives, the call for a National Building Corporation was heard.⁶³ For a variety of reasons, the Ministry of Health did not want to see this method of responding to the problem developed.⁶⁴ But even if such a Corporation had been formed, for the most part it would have merely assumed the role of a building agent for the local authorities. The essential role of the local authorities to determine housing needs and to enter into contracts to have these homes built would have remained the same.

Getting on with the job of providing houses was not without its problems for some local authorities. In the early months of implementation, many simply ignored the requirement to relate the number of houses built for private

sale to the number built for letting to the working class. The indiscriminate granting of licences by some authorities hampered the efforts of neighbouring towns to acquire sufficient labour to build their own houses. The Ministry solved this problem by prohibiting the offending local authorities from granting further licences and by including the number of new housing starts in the zonal conferences so as to better coordinate regional demands.⁶⁵

It is evident that one of the major difficulties with the postwar policy was that many local authorities were only too willing to follow the exhortations of the Minister of Health to build houses. Given a policy which explicitly sought to address the housing problem by the construction of houses to let, it was inevitable that the local authorities would be faced with long waiting lists and anxious electors. The combination of rent controls and the restrictions on building houses for private sale acted to drive up the selling price of the existing housing stock and reduce the size of the private rental market, thus putting even more pressure on the waiting lists.

In such circumstances, with seemingly everyone urging speedy action, local authorities were easily pushed into putting under contract many more houses than could be completed with the men and materials available. While it may have been obvious to some authorities that the building industry was overloaded, it must be remembered that final

approval to proceed with construction was vested in the Ministry of Health. It was the ministry's role to ensure the overall integrity and balance during the implementation of the policy was maintained. It would be unfair, therefore, to place the responsibility for the imbalance which resulted at the doorstep of the chosen instrument. It rightly belongs to those who were to direct the instrument.⁶⁶

Through its reliance on the local authorities to provide houses to let, the Government paid the price of losing some capacity to respond quickly to problems. This was most evident in the areas where building labour was scarce such as the Development Areas, mining and rural areas and, in later years, locations where export industries required more housing in order to expand their workforce. Not only was the ability to respond to these needs hampered, but the necessity to allocate some of these new houses to "key workers" also posed some difficulties. Allocation was a responsibility of local authorities. In some instances, notably in the mining areas, the Government was not able to convince the local authorities to allow new entrants access to these houses. This severely reduced the opportunity of using access to new houses as a means of enticing persons to become miners.⁶⁷

On balance, the above factors seemed a small price to pay in exchange for the participation of the local authorities; for their contribution to the postwar housing policy went

far beyond undertaking the construction of houses to let. In many other essential ways, they acted as agents of the Central Government. Initially, they granted licences for minor repairs to buildings within their boundaries as well as licensing the construction of homes for private sale. Over time, their licensing powers were increased, they became involved in regional manpower planning, and they assumed greater responsibility for the enforcement of building regulations. Many of the responsibilities given them resulted from their own demands which, in turn, were based on the valuable experience gained by being closer to the problems.⁶⁸

In exchange for this extensive cooperation, however, the Government did have to forfeit absolute control over the development of the policy. From the outset, the major elements of the policy had to be at least discussed, often negotiated, with the local authority associations. Changes in roles and procedures were generally preceded by lengthy consultations. The more active and important the role of the local authorities, the more influence they had on the decisions.⁶⁹ This factor, among others, tended to give the larger authorities further leverage over the policy.⁷⁰

Subsequent to the introduction of the programme cuts of 1947, the large urban authorities demanded the imposition of firmer controls on unnecessary repairs in the hopes that

this would improve the availability of men and materials and result in a reinstatement of the housing programme.⁷¹ These hopes were fulfilled early in 1948. In the latter years of the programme, while the larger local authorities were not able to build all the houses they may have wanted or needed, it would seem that they were allowed to build as many houses as could be built with the available men and materials.

It is always possible to give special consideration to the urgent deserving case and it is rarely, if ever, necessary to hold up the programme of the local authorities who genuinely have the necessary resources to build. ⁷²

Over time, the Central government learned how to employ their chosen instrument more effectively. But the control it was able to wield over the local authorities, both during the start-up period and once the programme got going, was never absolute. Whether they were the only "plannable instrument" available to build houses remains a subject open to debate. That they were the most suitable instrument on which to base a policy calling for the construction of a large number of houses to let is undeniable.

Notes for Chapter 9

1. The Spectator. 26 May 1950. p. 712.
2. D. Donnison. Housing Policy Since The War. p. 9
3. J.L. Pressman, A. Wildavsky. Implementation. (Berkeley, University of California Press, 1973.) p. 125.
4. See D. Donnison, op.cit.. There are numerous other books which describe in much greater detail the economic and social conditions of the immediate postwar years, or examine the postwar labour Government. A listing of many of these will be found in the bibliography.
5. This same reason is given as the major cause for the failure of the 1919 housing scheme. "One of the main reasons why the 1919 housing scheme is generally regarded as having been a failure is that the target was hopelessly over-optimistic." P Wilding, op.cit., p. 321.
6. CAB 87/103. Report of the Official Committee on Housing Costs, 1944.
7. Ibid.
8. Cmd. 6609. Housing. (HMSO, 1945.)
9. Ibid.
10. CAB 87/36. Meeting, 12 October 1945. The Times notes that Bevan was publicly skeptical of the Coalition's target. "There may be more than a grain of truth in Mr. Bevan's assertion that the Coalition targets were based on 'crystal gazing'." The Times, 27 February 1946 p. 5. Subsequently, an article suggested the Coalition target was far too optimistic. The Times, 27 March 1946, p. 5.
11. HLG 36/16. Meeting, CHAC, 20 March 1942.
12. CAB 87/35. Meeting, 11 October 1944.
13. CAB 87/36. Meeting, 12 October 1945.
14. Figures taken from Rosenberg. op. cit., p. 83.

15. Bowley. Housing and the Economic Crisis in Great Britain.
16. "For as building workers are released from the Services, they naturally tend to drift back to their old firms; and the pre-war geographical pattern of the building industry is far from corresponding to post-war social needs for housing." New Statesman and Nation, 17 November 1945. p. 327.
17. H.M. Wright. "The First Ten Years: Post-War Planning and Development in England," in Town Planning Review, XXVI, (2), July 1955, pp. 73-91, p. 84.
18. CAB 129/3. C.P. (45)208, 6 October 1945.
19. HLG 102/107. 23 February 1948.
20. Bowley, "Housing and the Economic Crisis in Britain" p. 131. For further discussion of the issues involved see pp. 139-42.
21. This situation developed over the winter of 1948. Discussed at cabinet 19 February 1948. CAB 128/12. C.M. 15(48), 19 February 1948.
22. CAB 124/450. Meeting, 8 August 1945.
23. CAB 87/36. Meeting, 5 September 1945.
24. HLG 101/408. Circular 92/46, 30 April 1946.
25. HLG 102/143. S. Mayne to A. Michaels, 17 December 1946.
26. CAB 87/103. Report of the Official Committee on Housing Costs, p. 13.
27. HLG 68/110 October to November 1946. There can be no doubt that the productivity of Labour was lower than the prewar standards. It was impossible, however, to firmly establish a single reason or a simple cure for this. See Bowley, "Housing and the Economic Crisis in Great Britain", Sabatino, op.cit., Rosenberg, op.cit., and Ian Bowen, "The Case for Rationalization of the Building Industry", in The Manchester School of Economic and Social Studies, Vol XIX, No. 2, May 1951, p.p. 170-189. For an in depth analysis of the increase in housebuilding costs see The Cost of House-Building. First & Second Reports of the Committee of Inquiry appointed by the Minister of Health. (London, HMSO, 1948 & 1950 respectively).

28. Ibid. Bevan was not alone in his call for the development of a bonus pay scheme. The Times, the Economist, and the New Statesman and Nation all called for the development of a bonus pay scheme to encourage greater productivity. Such a scheme was prohibited on all local authority housing schemes by Regulation 56AB so as to prevent the possibility of the destructive competition for scarce building labour. The Government rescinded the restriction in August 1947, whereupon bonus incentive schemes spread slowly through the industry. The trade unions were extremely wary of the outcomes of such schemes in the wake of the programme cuts announced in 1947. See CAB 124/636. When and where these schemes were adopted, it would seem that they were accompanied by an increase in productivity.
29. CAB 134/320. Meeting, 28 March 1946.
30. CAB 21/2023. Meeting, 8 February 1946 and CAB 134/320, 23 January 1946. See also chapters 5 and 6 above.
31. HLG 102/114. March-April 1946.
32. For discussion of this, see Sabatino, op. cit., pp. 24-31 and Rosenberg, op. cit., Chapters II and III.
33. HLG 102/114. The priority scheme needed modification within weeks of implementation to allow access to materials for these other uses. Memorandum, 1 May 1946.
34. Rosenberg. op. cit., pp. 54-5, 85.
35. HLG 102/104. August-September 1946.
36. Rosenberg. op. cit., p. 63.
37. HLG 102/114. August 1947.
38. CAB 87/103. Report of the Official Committee on Housing Costs.
39. See M. Foot, op. cit., p. 80. He quotes Bevan on this point: "'While we shall be judged for a year or two by the number of houses we build,' he told a conference of rural authorities in May, 1946, 'we shall be judged in ten years' time by the type of houses we build.'"p. 82.
40. The Economist began to criticize the adoption of the new standards as soon as these were announced and continued to do so throughout the period. The Economist. 27 October 1945. pp. 590-91. See also below.

41. T229/233. Memorandum, 9 July 1947. Further concerns of others in the CEPS were expressed in a note of 6 June 1947.
42. H. Dalton, High Tide and After: Memoirs 1945-1960, (London, Frederick Muller Ltd., 1962). p. 358.
43. Bevan was a home owner himself who derived great joy from the country cottage he owned in Berkshire. See M. Foot, op.cit. p. 45. See also J Lee, op.cit.
44. HLG 31/13. Circular 24/46, 22 March 1946.
45. HLG 102/107. Circular 137/47, 15 August 1947.
46. CAB 128/16. C.M. 61(49), 21 October 1949.
47. CAB 128/17. C.M. 10(50), 13 March 1950.
48. CAB 128/17. C.M. 21(50), 17 April 1950. For an assessment of the importance of housing to the electorate at this time, see R. Eatwell. The 1945-1951 Labour Governments, (London, B.T. Batsford, 1979), pp. 128-131.
49. CAB 128/1. C.M. 39(45), 9 October 1945.
50. Ibid.
51. CHAC. Rural Housing, 4th Report, Reconditioning of Rural Housing. 1947.
52. CAB. 128/10. C.M. 51(47), 3 June 1947.
53. HLG 101/253. Meeting of Lord President's Committee, 7 July 1947.
54. CAB 128/13. C.M. 36(48), 25 November 1948. The Labour Party had narrowly voted in favour of the abolition of tied cottages at the 1947 Conference. See HLG 102/60. Labour Party Conference: Margate, 26-30 May. Notes for Minister. See also Foot, op.cit., p. 91. For Cabinet decision see CAB 128/10. C.M. 51(47), 3 June 1947. These were still an issue for Labour in 1966. See R. Crossman; The Diaries of a Cabinet Minister, Volume One, Minister of Housing 1964-66. (London, Hamish Hamilton and Jonathan Cape, 1975.) p. 62.
55. CAB 87/36. In particular the minutes of the meetings between January and March 1945. See also Chapter 10 below.

56. M. Foot. op.cit., p. 43-4.
57. F. Berry. Housing: The Great British Failure. (London, Charles Knight, 1974) p. 46.
58. A. Bevan. In Place of Fear. (London, MacGibbon & Kee, 1961) p. 186.
59. CAB 128/1. C.M. 39(45), 9 October 1945.
60. Numerous reports on the various meetings with the associations and local authorities throughout the country can be found in The Times of October, November of 1945 and January through March of 1946.
61. T161 1301 54754/02/1. Correspondence between Mr. George at Health and Mr. Hale at the Treasury, December 1945 and January 1946 re extra subsidy for imported labour.
62. The subsidy arrangements were not finally agreed with the Treasury until January 1946. See T 161 1301 s 54574 and chapter 3 above.
63. See chapters 4 and 6 above. Also PREM 8/53, PREM 8/531, and CAB 134/320.
64. That there was a strong difference of opinion on the efficacy of such a corporation was obvious. It would be difficult to assess whether such a mechanism could have been successfully employed in the circumstances which existed in the early postwar years. The points for and against such a corporation were never put forward in a reasoned way in any major documents. In some ways, it represented a lose/lose proposition for the Ministry of Health. If such a mechanism would have proven effective, then many local authorities would have sought the services of the Corporation. In doing so they might have delayed their building plans until the Corporation could respond. This was the argument put forward by Bevan in the early stages of implementation. On the other hand, if the Corporation proved as ineffective and costly as its detractors argued would be the case, then the programme would have been in a worse state than ever. In either case, the Ministry of Health would likely have suffered the consequences.
65. HLG 31/13. Circular 24/46, 22 March 1946. See also HLG 102/104.
66. The Economist. 7 June 1947, p.81. "It was the administrative machine which allowed for too many houses to be started in proportion to the resources available to

- complete them. For that Mr. Bevan and his chosen instrument - the local authorities - are to blame."
67. PREM 8/531, HLG 71/915, HLG 104/5 contain correspondence on this issue. See also Chapter 6, Local Control Over Access, above.
 68. See HLG series 102, file numbers 104, 105, 108, 109, 114, 143, and 202. Further mention of the role of local authorities is contained in numerous of the HLG files listed in the Bibliography.
 69. Ibid. Most of the HLG files on policy issues contain references to the meetings/briefings which were held with local authority associations. In many of these, (e.g., control of building, subsidies) the local authorities obtained changes to the original proposals put forward by the Government.
 70. The L.C.C., in particular, was able to influence the decision on bulk purchasing (HLG 101/3), the imposition of starting dates and the location of housing (HLG 102/115, HLG 71/129).
 71. HLG 101/414. This file describes the steps adopted by the metropolitan boroughs to reinstate the cuts in the housing programme imposed in the summer of 1947. See, in particular, the minutes of the meeting held on 12 November 1947, between the Minister of Health and representatives of the L.C.C. and members of the Metropolitan Boroughs Joint Standing Committee.
 72. P.M. Johnson, "The Regional Housing Organisation of the Ministry of Housing and Planning" in Public Administration, vol. XXIX, Autumn 1951, pp.240-41. Interviews with officials from the Ministry of Health suggested that there was always a reserve of housing approvals ready to be handed out to those local authorities demanding these.

CHAPTER 10

ORGANIZATIONAL ISSUES

The Ministry of Health had fears that more and more of its housing functions might be stripped from it. Then suddenly all was changed. Cinderella was taken to the ball by the youngest and most aggressive prince in the new administration. Sisters from the Ministry of Works or even more formidable and uglier ones from the Treasury could flash their green eyes in vain.¹

Among the circumstances that made physical planning difficult were certain characteristics of British Government. To be successful, physical planning would have required...a high degree of centralized coordination and control in the machinery of government. There would have had to be some central department or agency with the power to direct and command other departments in accord with a unified and consistent system of plans. But in Britain, "Cabinet democracy" - the phrase is Herbert Morrison's - means that no single minister can be given final, overriding authority over others responsible for departments.²

The achievement of economic-policy coordination in the confines of Cabinet government is at best a transitory and elusive goal. Economic-policy coordination is achieved to a degree but it is clear that the political meaning of coordination can only be contemplated when one acknowledges that such coordination involves in part the temporary victory of one or two economic objectives over other instruments, and the relative triumph of one department over another and of one or more ministers over others.³

This inquiry began with an examination of the issues surrounding the allocation of responsibilities for postwar housing and the determination of an appropriate structure for its implementation. Over the period considered, several modifications were made to the policy-making and coordinating structures in this area. In 1945, the Labour Government began to implement a housing policy which demanded

substantial coordination and cooperation among departments. Until 1947, the Government seemed unable to develop the mechanisms necessary for the successful implementation of that policy. What remains is to consider the factors that both contributed to the Government's inability to act prior to 1947, and allowed it to change its position after that time. In doing so, the relevance of organizational issues to the outcome of the policy will become much more visible.

THE ROOTS OF INTERDEPARTMENTAL CONFLICT

The interdepartmental tensions which surrounded housing and which were clearly evident during the first years of the postwar period, existed long before August 1945. Conflict over housing between the Ministries of Works and Health began in the early years of the war when the Ministry of Works was assigned the task of monitoring and controlling the level of building activity. The Ministry of Health had the responsibility, at that time, for sanctioning any construction undertaken by the local authorities. Under the proposed arrangement, Health would have had to seek the permission of the Ministry of Works before allowing the local authorities to proceed with any building activity.

The Ministry of Health challenged this procedure which required one department to seek permission from another while carrying out its statutory obligations.⁴ An ad hoc

committee of ministers was set up to recommend a solution to this problem. This committee agreed with the position taken by the Ministry of Health. It was decided that, though the Ministry of Works would retain its responsibilities, its jurisdiction would extend only to building activity that was not sanctioned by another department.⁵

The development of the postwar housing policy led to further differences of opinion between the two departments. Specifically, there was disagreement over who should be responsible for building houses after the war, and who should be responsible for controlling the rate at which these were built. The Prime Minister, Sir Winston Churchill, was a strong ally (and the father-in-law) of the Minister of Works. He wished to see an active role for the Ministry of Works in these areas. Churchill believed that prefabricated housing was the best solution to the immediate postwar housing problem and he made sure these were the responsibility of the Ministry of Works.⁶

The Minister of Health, on the other hand, had the support of the Minister of Reconstruction and his Permanent Secretary, and the Permanent Secretary to the Treasury, Lord Woolton, Sir Norman Brook and Sir Edward Bridges, respectively. The Housing Sub-committee, under Woolton, agreed to the proposal of the Minister of Health for the construction of permanent traditional houses, and further agreed that

local authorities would either build these or be responsible for granting all licenses for houses built for private sale or letting.⁷ Hence, with respect to who would build houses, it seemed that both departments were to share the responsibility though exactly how this was to be shared continued to be a point of contention.⁸

The committee evaded, for some time, the question of whether the Minister of Works should assume control over the rate at which houses could be built. However, at a critical point in the development of the policy Churchill exercised his prerogative to chair the Housing Committee.⁹ At that particular meeting, the committee was forced to agree that the Ministry of Health would require the concurrence of the Ministry of Works with respect to the number of houses started by local authorities in any area.¹⁰ This, of course, was consistent with the recommendation of the Official Committee on Housing Costs.¹¹ Subsequent to this decision, the Minister of Works drew up plans to recruit "firstclass people" for the regional offices. These persons were to have the responsibility of determining the appropriate level of construction in each region.¹²

A. Johnstone from the Office of the Lord President and Sir Edward Bridges sought a way to curtail this action because of the interdepartmental friction it was causing. Bridges approached Sandys and asked him to delay any action

until the responsibilities of the departments could be sorted out.¹³ Johnstone, meanwhile, urged that something be done to change the situation.

It is most desirable that Ministers should get to an early and firm decision on the spheres of activity of the health departments and the Ministry of Works in regard to housing. The present position is full of difficulties and is really not fair to the officials concerned.¹⁴

For the Ministry of Health, the outcome was intolerable. Not only had essential control of the housing programme shifted to the Ministry of Works, but temporary and prefabricated housing were to take priority over traditional permanent housing. Fortunately for the Ministry of Health, the decision, while not explicitly reversed, was effectively abandoned.¹⁵

Though not a powerful force in the dispute over jurisdiction for housing, the Ministry of Town & Country Planning nonetheless also represented a threat to the Ministry of Health's control over this activity. The concerns of urban planning and dispersal were gaining in importance and increased emphasis on planning considerations in housing policy was not far off. Indeed, the policy which was to succeed the short term policy was based on such concerns.¹⁶

Within Whitehall, there was no movement which threatened to result in the immediate imposition of planning concerns into the housing programme. Though the Ministry of Town &

Country Planning tried, on several occasions, to influence the direction of the short term policy, these interventions were easily turned aside. This situation threatened to change considerably, however, if Labour opted to implement its election pledge to combine the functions of housing and planning within a new ministry.

As Foot has noted, when Labour assumed office "the Ministry of Health had fears that more and more of its housing functions might be stripped from it."¹⁷ In August, 1945, it had just managed to avert the possibility of the transfer of the responsibility for housing to the Ministry of Town & Country Planning. As implementation commenced in earnest the Ministry of Health remained wary of attempts by the Ministry of Works to assume control of the housing programme, particularly as calls for a unified structure were still being made in various quarters. These interdepartmental suspicions carried over into the postwar years and affected the organizational arrangements, the policy initiatives and the policy outcomes.

COORDINATION: 1945-1947

Housing was related to numerous other policy objectives. It was seen as a major vehicle in the realization of full employment. It was asked to assist with the efforts of redistributing the industrial population through the provision

of houses for key workers in the Development Areas. As well, it had a responsibility to provide homes for specific groups such as miners and agricultural workers. But, most importantly, as a major user of labour and materials, it had an important part to play in assuring the balanced growth of the building industry. Thus, the rate of housebuilding, the location of these, and the persons they would house, were linked to other policy objectives.

It can be readily seen that these linkages were not explicitly incorporated into the objectives of Labour's housing policy. Nor were these linkages reflected in the organizational arrangements adopted by the postwar Labour Government. Except for the first four months, when the Minister of Agriculture was made a member (belatedly) of the Housing Committee, there were no regular forums outside of full Cabinet linking housing and its major clients. The Minister of Health was not a member of the Distribution of Industry Committee and the President of the Board of Trade or the Minister of Fuel & Power were not members of the Housing Committee. This insular tendency was reinforced by the "informal housing committee" and the successor Housing Committee established under Attlee, where no client departments were involved.

The absence of formal links to client departments was, perhaps, less costly than the lack of an adequate mechanism to oversee the overall reconstruction effort. Housing,

albeit the largest building activity, was not alone responsible for the overloading of the construction industry. Demands made by other government departments had also contributed to the situation which had arisen. Though the interrelationships among policies had been part of earlier thinking on housing policy, these concerns had disappeared in the transition of governments and in the translation from plan to action. The ensuing breakdown of these concerns into separate compartmentalized initiatives and committees increased the probability of overload and, at the same time, made adjustment much more difficult.¹⁸

There was no doubt that the housing programme was dependent on the availability of labour and materials. There was also initial agreement that the demand housing made on labour and materials had to be related to the supply of these. Departmental actions had to be related and coordinated in some fashion. However, as Wildavsky points out:

To coordinate one must be able to get others to do things they do not want to do. Coordination thus becomes a form of coercive power.¹⁹

The brief history presented at the beginning of this chapter illustrates the sensitivities which surround the degree of control one department can exercise over the actions of others. The problems of coordination for housing in 1945 essentially revolved around this issue - the ability of ministers to control or direct the actions of their

colleagues. In some cases, the problems stemming from the need to control the actions of others can be avoided or reduced through the rearrangement of responsibilities into one department to enable control by one minister. Cripps favoured such a solution when, at the height of the economic crisis in 1947, he proposed the creation of a mammoth Ministry of Production to ensure the coordination of government efforts.²⁰ However, in 1945, it was not possible to merge all the activities related to housing into one large department.

Since merger was impractical, the necessary interdepartmental coordination had to be achieved by other means. However, the design and adoption of an adequate method to do this presented serious problems. Before Attlee had determined the composition of the Housing Committee, he had circulated its terms of reference along with the list outlining the duties and membership of other committees. The terms of reference for housing were markedly different from the rest. Where other committees were "to review" or "to consider" policies or proposals, the role of the Housing Committee was "to supervise the progress of the housing programme".²¹

The requirement for coordination during the implementation of the programme was easier recognized than achieved. At first, Attlee tried to avoid a committee of equals by appointing Parliamentary Secretaries to the committee.²² That plan was abandoned, but a committee, chaired by the

Minister of Health, was given responsibility to supervise the implementation of the policy. This "practical working committee", which existed from August to December of 1945, proceeded to implement a programme that exceeded the capacity of the supply departments and increased the level of interdepartmental conflict. With Bevan as chairman, the short term policy was transformed so that supply was expected to keep pace with the housing programme and not the other way around as the Coalition policy originally intended. This was a natural outcome from the position recommended by Brook in August, 1945.

If the Ministry of Works were placed firmly in the position of an agent or "supply" Department on housing matters, there would be no difficulty in arranging that the Minister of Health, as exercising the final responsibility for Housing policy, should be responsible for seeing that all other interested Departments make their proper contribution towards the Housing programme. On this basis, the Minister of Health might preside over the Cabinet Committee concerned with Housing.²³

Would it have been better if the Government had adopted, at the outset, a Housing Committee chaired by a senior, non-departmental, minister? It is suggested that the major shortcomings of such an option were amply demonstrated by the experience of the Prime Minister's Housing Committee. Chief among the problems confronting this body was the shortfall which arose between the desired rate of house construction and the availability of both labour and materials. In some cases, however, the solutions to these had a direct bearing

on other policies which fell under the jurisdiction of other committees.

Several decisions taken by the Prime Minister's Housing Committee - the use of bricks, the release of brickmakers from the Armed Forces, the use of Essential Work Orders to direct labour to construction sites and factories fabricating building materials - spilled over into other decision-making or policy forums. In these forums the demands of the housing programme were not considered to be paramount to the pursuit of objectives such as the construction of factories or orderly and fair demobilization. The outcome, in most cases, was a stalemate: things remained as they had been, and the problems persisted.²⁴

One might accept the inability of the Housing Committee to have an impact on the pursuit of other equally important policy objectives. More difficult to accept was its inability to bring about changes which were directly within the jurisdiction of the departments represented on the committee. On major issues such as bulk purchase, alternative mechanisms for distribution, or, a housing corporation, no progress resulted. Indeed, these options were not seriously considered or studied by the departments most concerned.

It could be suggested that the Prime Minister's Committee was created too late in the process; that results would have been different had a committee chaired by a senior minister been formed in August, 1945. Obviously the key factor here

would have been the presence of an influential but neutral chairman in the early stages of policy development and implementation. What would such a chairman have done? Sir Oliver Franks poses such a question when considering the problems of planning during peacetime.

In what relation should such a chairman stand to the members of the committee? Is he to have power to decide after hearing the discussion or does the decision depend on securing agreement among all or most present?²⁵

Certainly some of Morrison's statements on the role of the chairman suggest that he does not hold the power of decision. He is not "a supervising minister" nor must he seek "to be a dictator". He must be "an understanding friend" and a "helpful conciliator".²⁶ Attlee expressed similar sentiments in his first memorandum outlining the scope and nature of the Cabinet Committee system.

The work of all Cabinet Committees will be so conducted as not to derogate from the departmental responsibilities of individual Ministers.²⁷

Notwithstanding the words just cited from his book, Government and Parliament, in his correspondence with Attlee concerning the Housing Committee Morrison noted:

As regards the Chairmanship, the Committee will require pretty powerful handling... The Chairman of the Committee must certainly possess enough authority not only to lead the Committee but also, if necessary, to deal tactfully but firmly with inter-departmental differences. ²⁸

From the evidence, one must ask whether the Minister of Health would have accepted a chairman with such authority.

In the absence of sufficient "authority to deal firmly with inter-departmental differences", the only alternative would have been to secure a consensus among the committee members. Once again, as Franks points out, "On (this) second alternative, the burden of the chairman must be very heavy".²⁹ Indeed, it brings one back to the fundamental issue on which consensus was required but seemingly not attainable. Should the rate of housebuilding be restricted to, or guided by, the availability of building materials and labour, or should it serve as a stimulus to demand? If the latter, by how much should it exceed supply? The logical implications of such questions were the need to impose some degree of control, beyond "self-control", over the actions of the Ministry of Health - a measure it had continuously and strenuously opposed.

Without reasonably accurate forecasts on the availability of the labour and materials and the strong negative stereotype which seemed to exist with respect to the competence of the Ministry of Works, the imposition of effective controls over the rate of housing starts was highly improbable.³⁰ While it is impossible to state categorically that the results would have been the same regardless of who chaired the committee, it does seem likely that this would have been the case.

Perhaps the presence of a neutral chairman would have made an important difference with respect to interdepartmental cooperation. The two roles played by Bevan could not be separated - he could not be the minister responsible for housing one minute and still be seen as an impartial chairman in the next. As noted elsewhere, this situation did lead to an increase in the amount of interdepartmental conflict.³¹

In the spring of 1946, just before the Prime Minister's Committee ceased its regular meetings, Douglas Jay made the observation that the appropriate mechanism for coordination was still eluding Government.

I do not yet feel satisfied that the Headquarters Organization, or co-ordination between Departments is even now adequate. There is a weekly informal meeting of ministers under the Minister of Health, and also an official committee under Ministry of Health chairmanship. There is a case for setting up a real Interdepartmental Committee of the chief executives responsible, which would do the real hard work of co-ordination.³²

This situation prevailed for yet another year before a solution was found.

COORDINATION: 1947-1950

The crises which struck Britain in 1947 emphasized the need for improved planning and central coordination. The coal crisis led to some alterations in the direction of

various policies. However, it was not until after the convertibility crisis arose that overall changes to the functioning of government began to be implemented. The means of coordination which the Cabinet adopted subsequent to the onset of this economic dilemma was similar to "the second form" outlined by Gordon Walker.

It means that departmental views and concerns are woven into a unified and dominant Government policy and that Ministers consider their major duty to be to partake in the formulation of this policy.³³

In this instance, the "unified and dominant" policy was the improvement of the economy, particularly with respect to the balance of trade. One who saw a need for the adoption and support of the measures necessary for central coordination immediately after the war was Sir John Anderson. In his essay, "The Machinery of Government" he states:

While I emphasize the departmental responsibility of ministers as a necessary and vital principle, I, at the same time, stress the importance, as a practical matter, of adequate machinery for making a reality of collective responsibility. The need for this has been proved in two wars and will increase now that the government is so much more concerned with economic affairs, with the need for making sure that the policies of different departments are consistent with each other and form one coherent whole. As a means to this end, I would rely on the institution.. of a permanent but flexible system of Cabinet committees, on the strengthening of the machinery of the Cabinet Secretariat, and on the association with that secretariat of technical sections organized for joint planning and intelligence and for economic, statistical, and scientific studies on lines I have described.³⁴

Many of the elements that he suggests are necessary to make a reality of collective responsibility were present in 1945. Yet, this "reality" was not realized until 1947. The additional factors which permitted the implementation of central control at that time can be readily distinguished. One difference, which Anderson certainly calls for, was the existence of the analytical capacity, namely the CEPS, to support the decision-making and resource-allocating bodies that were created. As Morrison has noted, the availability of the necessary facts on which to base decisions is an important element to the decision-making process.

What was important if the right decisions were to be reached was that all the relevant facts should be fairly represented and, if possible, that the facts themselves should be agreed in advance even though the deductions from the facts were disputable...The facts themselves will not automatically produce a decision, but in so far as they are acceptable and indisputable they will influence and limit the argument and be helpful in reaching the right conclusions.³⁵

Another factor was the critical state of the economy and the feeling of urgency that this had engendered at the centre of government. The events of 1947 shook the confidence of ministers; forcing them to reassess previous attitudes. The events underscored the need for Cabinet ministers to find, agree upon, and implement actions that would solve these major economic problems.

Some ministers concluded that it was Attlee's inability to lead the Cabinet and enforce decisions that led to the problems and went so far as to seek to replace him as Prime Minister.³⁶ However, Attlee was able to divert the challenge to his leadership and propose a solution to the problem in one fell swoop when he offered Cripps the role of economic coordinator. In the end, the Cabinet emerged from the crisis with a new commitment, a new minister and new structures all directed towards solving these problems. The subsequent implementation of central coordination was only made possible because ministers felt it was essential and gave it their full support.

Another important factor was the means used to apply this central control while maintaining the relative autonomy of departments. The new role assigned to Cripps was:

To co-ordinate our economic efforts both at home and abroad and to see to the carrying out of the economic plan under the general direction of the Committee detailed above... He would be empowered to give directions to the Production Ministers and to other Ministers where the economic plan impinges on their activities.³⁷

In order to retain the practice that, "authority over departments must be undivided and unquestionable," the Government adopted a long-standing and accepted manner of central control - the allocation of resources.³⁸ Departmental autonomy was constrained to the extent of the bargains that had to be made to obtain resources. This, again, was not a new

phenomenon. Resource allocation in 1945 had also been a bargaining process. What was different in 1947 was that those in control of the purse could take a firmer stand in negotiations, tying resources to the attainment of objectives important to broader economic concerns.

Prolonged application of central coordination required the continued support of Cabinet. Cripps, therefore, had to proceed with caution, responding to emerging situations on his own initiative. He had to be attuned to, and slightly ahead of, the views of Cabinet and individual ministers so as to retain the necessary confidence of his colleagues. Even though the degree of central coordination remained fairly high and the "dominant paradigm" persisted through to 1950, we have seen that the other form of coordination Gordon Walker describes slowly began to reassert itself.

It can simply mean that the Cabinet acts as a kind of court of appeal between Ministers, each of whom primarily looks after the interests of his own department and regards it as his main role in Cabinet to ensure that these are not damaged by the interests of other departments.³⁹

This approach was demonstrated whenever changes were sought in the allocation of labour or the level of the housing programme, or when new policy initiatives such as those to provide financial assistance for repairs were proposed. In the main, however, Cabinet remained highly supportive of the Chancellor. "Fighting one's corner"

became the norm even more after the 1950 election, when it became clear that the overall economic framework would have to yield to, or take more account of, pressing domestic issues. It was a combination of the two paradigms, that is, Bevan persistently agitating for an increase to the housing programme and Cripps noting the re-emerging importance of housing to his other colleagues, that led to the fixing of the housing programme at 200,000 houses per year in April, 1950.⁴⁰

Sir Norman Chester suggests:

The experience of 1945-1947 shows that something stronger than the normal inter-departmental machinery of coordination is necessary if a clear national economic policy is to be decided and put across.⁴¹

The events of 1947-1950 demonstrate both the form of machinery required and the problems of maintaining this over an extended period of time. The crises of 1947 pushed the Government into adopting measures which subordinated all other policy objectives to the overall economic priorities of decreasing imports and increasing exports. However, it has been shown that those who were negatively affected by these priorities, in this case the Minister of Health, persistently attempted to foster situations which would, and did, weaken the effectiveness of these controls.

It is unlikely that similar structures and controls could have been put in place in 1945. Neither officials nor

politicians wished to adopt such far-reaching measures. Though the need for coordination was recognized, it was not felt at the outset that the costs of establishing the structures necessary to ensure that this took place had to be incurred. Given positive assumptions such as commitments to a common cause, adequate information and a spirit of cooperation, it was felt that the objectives could be attained. However, the common cause was not well articulated, adequate information was not available, interdepartmental conflict dampened the development of the spirit of cooperation and, consequently, the objectives were not attained.

RESOLUTION OF ORGANIZATIONAL ISSUES

By 1949, the changes in internal organization and external circumstances had significantly reduced the interdependence, and hence the need for coordination among Health and the supply departments. One aspect of interdependency still remained however; that was the relationship between town and country planning and housing. Though theoretically inter-related, these concerns were operating sometimes in isolation, often in conflict, with each other. The best means to ensure that the necessary coordination took place was seen to be the merger of these two concerns under one minister.

But the Ministry was in a weak position; responsible for planning it had little power, other than the

power to initiate the building of new towns, to see that the plans were carried out. The divorce between planning and housing was a source of great difficulty and of considerable interdepartmental friction; nor was it sensible that new towns and housing should be handled by different departments⁴²

The Official Committee on the Machinery of Government was asked to study the matter and to recommend a course of action to ministers. This committee concluded that the Ministry of Town & Country Planning should be abolished and its responsibilities and staff incorporated within the Ministry of Health.⁴³ While never explicitly stated, it would seem that three issues decided the matter.

First, since housing was still a major political issue, to shift housing to the Ministry of Town & Country Planning would likely have meant an additional minister in Cabinet, or required a Cabinet shuffle. Officials did not feel they could recommend such measures. Second, Silkin, the Minister of Town & Country Planning, was not highly regarded and more especially so when compared to the other minister involved, Bevan. Third, within Whitehall, the competence and the perspective of the Ministry of Town & Country Planning - a relatively new department - was still suspect.

The main concern with the recommendation was the load this would place on the Minister of Health and his Permanent Secretary. In their report it was advised that legislation would have to proceed slowly.⁴⁴ The Permanent Secretary of Town & Country Planning was not pleased with this advice.

I must confess that I am very unhappy about the ending. I don't like the suggestion implicit in it that Ministers will have to subordinate their legislative programme to administrative convenience.⁴⁵

Bridges rejected this position.

This is surely an entirely reasonable point for officials to make. Certainly I feel it is much to be preferred to your alternative, which says in effect that G.O.C. cannot make up its mind on the issue and that it must leave it to be settled by Ministers themselves. Apart from the fact that this is singularly ineffective advice from a body of Permanent Secretaries, it might result in a decision which none of us wants.⁴⁶

Sheepshanks remained unswayed by this reasoning and asked the committee chairman if he could brief his minister to oppose the merger plan when ministers met to discuss the matter. Bridges agreed to this.

Discussion by ministers was delayed by the 1950 election. Following the appointment of Dalton as Minister of Town & Country Planning, the matter was further postponed, as the assumptions underlying the recommendations had changed. In January, 1951, the merger of planning and housing took place, only in a manner contrary to that initially recommended. All local government functions were removed from the Ministry of Health and incorporated into the Ministry of Local Government & Planning under Dalton. That which had been promised in 1945 finally was attained. In the process, the interdependence of ministers and departments in the area of housing was, once again, at a comfortable minimum.

Notes for Chapter 10

1. Foot. op.cit. p.44
2. Beer. op. cit., p. 201.
3. G.B. Doern, "Economic-Policy Processes and Organization" in Public Policy in Canada, G.B. Doern and P. Aucoin, editors. (Toronto, MacMillan, 1979), p. 95.
4. CAB 117/26. Background for ad hoc committee, November 1942. For a more detailed account of the problem see Ian Bowen, "The Control of Building" in Lessons of the British War Economy. D.N. Chester (ed.). (Cambridge, Cambridge University Press, 1951.)
5. PREM 8/53. Demarcation of Duties between Ministry of Health and Ministry of Works and Planning. The volume of work which could be authorized by other departments, such as Health, would be decided by the Cabinet. In considering the building programmes of other departments, Cabinet would, of course, seek the views of the Minister of Works.
6. CAB 124/447. Churchill established an ad hoc committee under Beaverbrook, with Portal and Bracken to begin arrangements for a programme of prefabricated housing, in September 1944. After the appointment of Sandys as Minister of Works in November of 1944, Churchill supported a strong role for the Ministry of Works in all areas of housing. See CAB 87/36. See also Nontraditional Forms of Construction in Chapter 6 above.
7. CAB 87/35. Second meeting of Housing Sub-committee, 18 September 1944.
8. CAB 87/36 See the minutes and papers for the meeting of 13 March 1945 where the role of prefabricated permanent housing is discussed.
9. CAB 21/1745. In November 1944, Churchill had created his own housing committee called the Housing Squad. At the same time, Woolton had a Housing Sub-committee under the reconstruction framework. There was some overlap in membership and a good deal of confusion. In January, both were discontinued and a new committee chaired by Churchill with Woolton as Vice-Chairman was created. Churchill chaired only this one meeting. For minutes of the meeting see CAB 87/36, 28 March 1945.

10. Cab 87/36. Minutes of meeting, 28 March 1945.
11. CAB 87/103. Report of Official Committee on Housing Costs, December 1944.
12. CAB 124/635. Sandys to Bridges, 5 May 1945.
13. Ibid. 22 May 1945.
14. Ibid. Johnstone to Maud, 31 May 1945.
15. CAB 87/36. Health's control was reasserted at the meeting of 9 July 1945 when the Ministry placed a programme and a manner of proceeding before the committee which was approved. Health's position was aided by the very poor state of the temporary and prefabricated housing programmes controlled by Works.
16. HLG 71/1019. A memorandum written by Brook summarizes the concerns of the two policies: "The programme for the first two years is intended to meet immediate needs within the limits of the building resources available. It can be implemented without raising major problems about the relationship of housing policy to the balanced distribution of industry or to town and country planning. Problems of this character will, however, arise in connection with the long-term plan of building 4,000,000 houses in the first ten years after the war." 13 February 1945.
The lack of a clear delineation between the short and long term policies was the major source of contention between Health and Town & Country Planning from 1944 to 1951.
17. M. Foot, op.cit., p. 44.
18. The inability of various "coordinating bodies" was further demonstrated in the workings of the Headquarters Building Committee and the Materials Committee as shown in this note by Sir Bernard Gilbert. "The Minister of Works suggests in para. 11(c) that the Materials Committee should be instructed to take account of the building labour ceilings in making allocations of steel and timber. This is sound as an objective, but may be difficult in practice, especially as at the moment the Materials Committee has just completed its quarterly round of meetings on steel and timber, and could not very well revise its decisions at this stage. There is probably need for further work and thought on the right way to bring together the Headquarters Buildings Committee and the Materials Committee to make sure that their actions are in harmony with one another." CAB 21/2261. 27 March 1947.

19. Wildavsky, "If Planning Is Everything, Maybe It's Nothing," Policy Sciences, (4) 1973, pp.127-54. p. 143.
20. B.Donoghue and G.W. Jones, Herbert Morrison: Portrait of a Politician. (London, Werdenfeld and Nicolson, 1973.) pp. 419-420.
21. CAB 129/1. C.P. (45)110. Standing Ministerial Committees of the Cabinet: Note by the Prime Minister, 13 August 1945. Underlining mine.
22. PREM 8/53. Attlee, First Draft on Responsibility for Housing, "I consider that following the precedent of the Civil Defence Committee, this committee might consist largely of Under Secretaries who would be charged by their respective Ministers to look after such matters relating to housing as concern their Departments", 13 August 1945, p. 2.
23. Ibid., Note from Brook to Attlee concerning reallocation of departmental responsibilities for housing, 10 August 1945.
24. See CAB 134/320 and CAB 21/1745.
25. Sir Oliver Franks, Central Planning and Control in War and Peace. (London, Longmans, Green and Co., 1947.) p. 49.
26. Morrison. Government and Parliament, p. 38.
27. CAB 129/1. C.P. (45)110, 13 August 1945.
28. PREM 8/53. Morrison to Attlee, 7 August 1945.
29. Franks. op. cit., p. 49.
30. CAB 124/474. Maud to Lord President. "The Ministry of Works is in chaos. There is no head (at the official level) or clear allocation of responsibilities, or proper team spirit", 15 June 1945. The meeting of 26 July 1945 on regional allocation and the state of the nontraditional elements of the housing programme reinforced this view of the department's capabilities. (see CAB 124/630).
31. In order to ensure the smooth flow of supplies into the housing programme, a request was made to have a liaison officer from the Minister of Works assigned to the Ministry of Health. The Permanent Secretary of Works sent a sharply worded note to his counterpart at Health stating such an arrangement was impossible. "I feel

that it can only lead to friction if Civil Servants in the Ministry of Health try to get into the position of progressing the work of Civil Servants in other Ministries. Our respective staffs must be responsible to their own Ministers for their own work. Your Minister can, if he wishes, progress his colleagues!" HLG 101/355. Letter, Emmerson to Douglas, 5 October 1945.

32. PREM 8/231. Jay to Attlee, 27 March 1946.
33. P. Gordon Walker. op. cit., p. 29.
34. Sir John, Anderson, "The Machinery of Government" in Public Administration, XXV, Spring 1947, pp. 147-156, p. 156.
35. Morrison, Government and Parliament, p. 311.
36. B. Donoughue and G.W.Jones, op. cit., See Chapter 31, "The Putsch", pp. 412-425. They suggest that Plowden was also ready to resign if changes were not made in the central machinery, pp. 414-15. Many scholarly works provide a description of the events which occurred during the summer of 1947.
37. Ibid., p. 422. Quote is from a letter sent to Morrison by Attlee outlining the changes he proposed to adopt.
38. Sir John Anderson, op.cit., p. 150.
39. P. Gordon Walker, op.cit., pp.28-29
40. CAB 128/17. C.M. 21(50), 17 April 1950.
41. D.N. Chester, "Machinery of Government and Planning", in The British Economy, 1945-1950, G.D.N. Worswick and P.H. Ady, editors. (Oxford, Clarendon Press, 1952), p. 363.
42. Dame Evelyn Sharp. The Ministry of Housing and Local Government. (London, George Allen & Unwin, 1969), p. 15.
43. CAB 134/506. December 1949.
44. Ibid.
45. HLG 124/15. Sheepshanks to Simpson, 24 January 1950.
46. Ibid. Bridges to Sheepshanks, 27 January 1950.

CONCLUSION

There were many claims on the output of the building industry... Factories, housing, schools, hospitals - each had a strong case. Each of the Ministers concerned made a persuasive and indeed - an unanswerable case. But the fact had to be faced that they could not all have what they wanted. So we were faced with the reconciliation of the irreconcilable.¹

At this stage a major difference emerges between central planning and control in war and peace. Once the nation was at war... Central planning and control were readily accepted as circumstances showed they were necessary instruments of this main purpose... The purposes of the nation in peace are multiple, vague and fluctuating and do not serve to justify or commend any programme of action.²

But the real point is that the phenomenon loosely referred to as "overloading" is, quite simply, bad planning. What happened was that there was no realistic co-ordination of the demands made with the materials and labour available and with the prospects of getting the same materials and labour to the right places at the right times. The result was a failure and at times complete breakdown, for which the Government, as the planning authority, was largely to blame.³

Labour's housing policy has produced more houses since the war than that of any country except Sweden...the vast majority of these have been allocated according to need...Our conclusion is that the general lines of Mr. Bevan's housing policy have been completely vindicated.⁴

In the six years after the war, approximately 903,000 homes were erected in England and Wales (1,016,000 for Great Britain). This was a notable feat, both in absolute terms and in comparison to the outcome following World War I. However, for almost half that time, the building industry was in a state of imbalance which frustrated progress and increased the cost. In short, the postwar housing policy was a mixed success. Its supporter can say that under the conditions which existed, it fared remarkably well. Its

detractors can say that many of the worst conditions were created by the manner in which the policy was implemented. Enough evidence exists to support both camps. The purpose of this study has been to determine why these outcomes were obtained.

The central elements of the postwar housing policy were developed by the Coalition Government as World War II drew to a close. This policy inherited by Labour contained several major flaws. It projected a target that was well beyond the capacity of the building industry. At the same time, the proposed controls to limit the amount of repairs which could legally be undertaken without a license provided a false sense of security. Estimating the amount of labour and materials that would legally be employed in this manner was simply not possible. As well, the assumption that these controls would actually limit building to this amount proved to be incorrect. Widespread abuse did occur. These shortcomings in the policy contributed to the problems which subsequently arose during its implementation.

That does not mean, however, that the responsibility for the outcomes should be attributed to the Coalition Government. On the contrary, the responsibility for what occurred rests firmly with the Labour Government. Labour not only failed to recognize and act on these shortcomings, but, owing to some of the decisions taken, they knowingly or unknowingly made the situation worse.

While not wishing to denigrate the importance of personalities, it is evident that many of the policy decisions taken and the outcomes observed were a direct result of the organizational requirements of the policy. This observation holds for both the development and the implementation phases of the policy.

ORGANIZATION & POLICY

Many of the inputs necessary for housing were under the control of other departments. As early as the summer of 1944, the problems flowing from this had been noted by the Minister of Health.⁵ The interdependence of objectives, responsibilities, and actions, particularly as these applied to the Ministries of Works and Health, continued to be a major issue throughout the developmental phase of the post-war housing policy. Interdependence, along with the best means of achieving coordination, were still major issues when Labour took office - though the major problem was somewhat obscured by Labour's focus on the links between housing and town and country planning.⁶

The central issue - and one which had been clearly identified in the Report of the Official Committee on Housing Costs - was how to ensure that the building programme was related to the available supply of labour and materials.⁷

Rosenberg, Sabatino and Bowley, among others, chastise the Government for its failure to control the size of its own building programme after the war.⁸ In effect, the Government was unable to maintain balance in the building programme because it was unable to adopt suitable mechanisms to ensure the building programme was related to available supplies.

A direct result of the inability to establish the necessary machinery was the introduction of confusion concerning the objectives of the short term housing policy. Was its primary objective to get 300,000 permanent houses (or whatever other target selected) constructed in the first two years? Or, was it to pursue the other objective of ensuring a rational transition in the building industry from war to peacetime conditions? Throughout the first two years, the Government fervently pursued the former objective to the exclusion of the latter.

Politically, it seemed the best, if not the only, route to adopt. To do otherwise would have exposed both the Government and the Minister of Health to substantial political risk. As it was, the brief bout of squatting in the late summer of 1946 served as a firm reminder of the consequences of a prolonged housing shortage. With respect to the latter objective, there were little or no political gains to be made in running a balanced housing programme -

especially when the shortage of housing was so acute. The uncertainty concerning how quickly the building industry would recover, and the optimism which existed in 1945, lent further support for pursuing the 300,000 target.

Given the forces pushing for an aggressive start to housing and the absence of any effective mechanisms to maintain balance in the building industry, it is not surprising that the Government modified many of the original intentions of the policy. What emerged was that the demand for labour and materials was tied to the willingness of local authorities to build houses.

When faced with the choice between regulating housing starts to the availability of labour in a given region or starting houses with the purpose of attracting labour to this region, the Government opted for the latter. A similar approach was adopted with building materials, that is, the demand for materials was used to stimulate production. No limits were set with respect to how far this demand could exceed the supply, nor were there any mechanisms in place to maintain control over the extent of the demand. The outcome of these decisions was an overloaded building industry.

If the first Housing Committee chaired by Bevan was to function in the desired manner, the connection between housing starts and the availability of building materials had to remain ambiguous. In this way, Bevan could simply

inform his colleagues what the policy demanded of their departments.

The Minister of Health said that a larger number of houses had been started than was originally contemplated, but we do not wish to tell the local authorities to slow up. It will, therefore, be necessary for the materials and components departments to look again at their programmes to see whether they can be expanded.⁹

It was a clear case of the tail wagging the dog.

There was a cost to this approach, however, which had been predicted by the White Paper on Housing and which the Government was forced to absorb. As others have noted, the overloading of both labour and materials led to an escalation of prices and a decrease in the rate of completions.

Since no attempt was made to adjust the expansion of the building industry to the availability of building materials, the shortage of materials resulted in an appalling waste of building manpower. Shortages and delivery delays tied up manpower on building sites for far longer than would have been necessary with a smooth flow of materials. Building operatives themselves tended to pace the speed of their work to the comparatively small and irregular flow of building materials. At the same time, the general shortage of labor relative to the volume of work under construction provided an incentive to building contractors to "hoard" labor for later use on other projects, and a deliberate slowing down of the pace of work was countenanced where it was not actually encouraged. Thus the shortage of labor was further intensified by the shortage of building materials.¹⁰

Another organizational factor, interdepartmental competition, also had an impact on the final shape of housing

policy. The Ministry of Health had to ensure the exclusive jurisdiction of local authorities over housing if it was to retain its own strong mandate within Whitehall. This meant fending off attempts by the Ministry of Works to start a Housing Corporation. It also meant postponing the transition from short term to long term housing policy and minimizing the need for housing authorities to interact with the Ministry of Town & Country Planning.¹¹

The Ministry of Health succeeded in all these areas by demonstrating that local authorities were prepared to build more houses than could be built, and that the demand for housing in all parts of the country was greater than the number of houses under construction. The former ruled out the need for an alternative to the local authorities to construct houses. The latter served to postpone the survey of housing needs which was a necessary precondition for the imposition of planning considerations in housing policy. Hence, agency interdependence, in conjunction with inter-agency competition over resources, responsibilities and jurisdictions, played a major part in determining the outcome of the postwar housing policy.

In the absence of an overall coordinating structure, the government sought to maintain balance in the building industry through the control of three key factors; steel, timber, and labour. The evidence unquestionably demonstrates that

this approach proved inadequate to the task. Labour allocations were not regionalized with the result that there was often more priority building work than there were labourers. In addition, the instruments to forecast, direct and control manpower flows were inadequate.¹²

Timber and steel rationing also provided some problems. Though departments were allocated these goods on a quarterly basis, this did not prevent them from approving a level of construction in excess of their ration - and often asking for advances in their next quarter allotments.¹³ Nor was the amount of any of these goods related to the availability of other necessary items, such as cement, lead pipes, bricks, tiles, roofing slates, plasterboard and other internal fittings, which were often in short supply in various parts of the country. The Government did not even make the attempt to interrelate the allocation of the three key goods it was attempting to control.

Paul Wilding, upon observing outcomes in the period from 1919 to 1921 very similar to those of 1945 to 1947, argues that the post World War I policy had been an administrative success and that the shortfall in output was largely the result of a failure in policy. He criticises the 1919 policy for its inability to supply building materials to housing contractors at reasonable prices though he doubts whether supplies would have been adequate if more houses had

been started. He is also critical of the failure to adopt a "war situation approach" to the severe shortage of labour; and, of the adoption of an "hopelessly over-optimistic" target based on the assumption that "a massive housing programme could be begun overnight."¹⁴ All these are cast in the role of errors in policy.

With respect to the administrative successes Wilding notes:

At a time of shortages of professional manpower, in an atmosphere of postwar euphoria and exhaustion, a new and complex administrative machine was created in Whitehall, in the regions and in the local authorities.¹⁵

This, of course, needs to be viewed in the context of the changes brought about by the 1919 initiatives as opposed to those of 1945. As he goes on to note:

The 1919 housing scheme was a new and important development in social policy and public administration. It provided a major new area of central and local government activity with novel administrative problems and a new type of relationship between central and local government.¹⁶

After 20 years of varying experiences, the policy of 1945 did not represent such a radical departure in relationships and structures; though, once again, the regional structure of the Ministry of Health was found wanting at the outset.¹⁷ Whereas from 1919 to 1921 the main criticism was the non-existence of the necessary controls; for the period 1945 to 1947, the criticism would have to include the ineffectiveness, as well as the absence, of certain controls; and, the

manner in which some policy decisions were implemented.

Following close examination of the situation after 1945, it is much more difficult to state definitively whether the problems which arose should be attributed to the design of the policy or to the manner in which it was administered. This difficulty is further compounded by the existence of the two distinct periods, that which preceded and that which followed August 1947. One thing which is clear from the analysis, is that the shortcomings of the policy were exaggerated by the organizational problems and disputes which were present. The errors of policy would not have had such severe repercussions if the required administrative arrangements had been in place.

There is a cost to be paid for coordination. Part of this cost can be directly related to the strength of personalities and the importance of the issues involved. Bevan was a strong personality in the Cabinet and in the Party. His responsibilities for the two important issues of housing and national health added further to his influence over these and other policies. But he was not the only strong personality, nor were his issues considered to be the only important issues. There were many other contenders! Cripps and his concern for trade, Dalton and his concern for the Development Areas, Bevin and his concern for manpower and employment policy, are only the most obvious.

As noted, improved coordination often depended on the ability of the ministers and departments to resolve the contradictions among other important priorities such as factories or housing, demobilization or housing, and so forth.¹⁸ In most of these case, the cost of imposing more control or coordination was considered quite high. Before one sets off "to reconcile the irreconcilable," to use Morrison's phrase, one usually wants to be assured they have to do so.¹⁹ Prior to the crises of 1947, perhaps due to the euphoria of winning the war and the election, the Government could not muster the will to incur the costs of resolving these contradictions or of achieving the necessary coordination. By default, they bore the costs of overload.

"Multiple, vague and fluctuating" purposes, are, according to Franks, the characteristics of a nation at peace that make central planning and control difficult.²⁰ The fragile state of the economy in 1947, provided for an improved focus on the activities and priorities of the Government. This in turn led to a change in organizational arrangements and the imposition of control over the rate of housing starts. The means of control which had been avoided in 1945 had to be imposed in 1947. Housing policy was made subordinate to economic considerations and economic policy structures. The objective adopted for housing was very similar to that of the original postwar policy; to balance the housing programme with the capacity of the building industry.

Subsequent to 1947, the problems of balance and coordination in the housing programme diminished. However, there still remained the very important issue of addressing the housing needs of the public. Though housing remained a major political concern, the time and effort of ministers and senior officials to administer the programme or to develop new policy initiatives declined considerably. After coping with the difficulties of adjustment in the building industry in 1948, the minister and his officials directed most of their efforts to convincing the central planners of the need to enlarge the programme. As these problems receded, so too did the demands on the time of the minister.

When Bevan turned his responsibility for housing over to Dalton, he is reported to have said, "I never spent more than a hour a week on housing. Housing runs itself."²¹ While such had not always been the case, by 1951, housing had indeed become a smoothly functioning programme.

Notes for Conclusion

1. Morrison. op.cit. pp. 299-300.
2. Franks. op. cit., p. 34.
3. The Spectator. 26 May 1950, p. 712
4. The New Statesman and Nation. 18 March 1950, p. 292.
5. CAB 124/447. "The Minister of Health has raised the question of his position, under which he has responsibility for housing policy but no powers in respect of design, labour and materials." Memorandum sent to Brook, 25 August 1944.
6. In their election manifesto, Labour had identified adequate coordination of housing as one of their top priorities and proposed to create a new department to help bring this about. However, they had identified the major problems of coordination to be those between town planning and housing. Since most of the land needed for housing in the first two years had already been acquired by the local authorities, this problem was not as severe as that which existed with the supply departments. Brook noted this in his advice to Attlee. "Although theoretically there is a clash of function in respect of Housing policy between the Ministry of Health and the Ministry of Town and Country Planning, the serious difficulties in practice have arisen from this division of responsibility in the executive field between the Health Department and the Ministry of Works." PREM 8/53. Demarcation of Duties between Ministry of Health and Ministry of Works and Planning. Brook to Attlee, 10 August 1945.
7. CAB 87/103. Report of Official Committee on Housing Costs, December 1944.
8. Rosenberg, op.cit., Sabatino, op.cit., and Bowley, "Housing and the Economic Crisis in Great Britain" in International Labour Review, LIX, February 1949.
9. CAB 20/2021. Meeting of the Housing Production Executive, 26 June 1946.
10. Rosenberg, op.cit., pp. 139-40.
11. The campaign to delay the start of long term policy was conducted throughout the development phase under the

coalition Government. See HLG 71/1019 and CAB 124/474. The first move under Labour was taken in August, 1945, when local authorities were given permission to acquire land beyond the initial two year period. See HLG 101/383, in particular the circumstances surrounding Housing Circular 152/45, 15 August 1945. See also HLG 54/498 which traces the Ministry's opposition to an enlarged role in the area of housing for certain County Councils. Local authorities were also very wary of town and country planning considerations. See HLG 71/34, HLG 71/99, HLG 54/498 and HLG 71/1188.

12. The controls on the precise allocation of labour were not nearly sufficient. It was not possible either to ensure housing always received its allotted share of the building labour force, or to stop it from receiving more than this fair share (see chapters five and six above). As well, as has been noted, there were problems in the way this labour force was distributed between repairs and construction of new houses. Foot gives a description of the exasperation felt by Bevan with regard to the manpower problem.
"You can't find out what happens to the building force," he said; "it hides itself; if this had really been a military operation I could shoot a few builders." "Where are all the people I need for my programme?" he once asked in exasperation at the Cabinet. Attlee had the answer: "Looking for houses, Nye." Foot, op.cit., p.84.
13. See HLG 102/218, HLG 102/223, HLG 102/224, for a view of the problem from the perspective of the Ministry of Health. For a view from central government agencies see PREM 8/226 and T229/214.)
14. P. Wilding. op.cit. pp. 314-22.
15. Ibid. p. 322.
16. Ibid. p. 307
17. PREM 8/228. See note, Jay to Attlee, 2 November 1945; See also PREM 8/235, HLG 110/16. The demands of the 1945 policy represented much less of a departure from past practices than had been the case in 1919.
18. See chapters 5 and 6 above. The New Stateman and Nation attributes part of the failure of housing policy to the success of employment policy. This view contains some elements of truth to it. 18 March 1950, p. 292.

19. Morrison. op.cit. pp. 299-300.
20. Franks. op. cit., p. 34.
21. Dalton. op.cit., p. 358. In Foot's biography of Bevan, one is given the impression that once Bevan was certain his officials knew what was expected of them, he let them to get on with the implementation of the policy. He saw his role as primarily that of providing them with the necessary support and backing to get on with the task. This would seem to have been borne out by his actions in housing. Foot. op.cit., pp. 40-4.

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