

# The Liberal Welfare Reforms

---

*1906-1914*



# Exam Questions

---

- There are *three* main types of questions on this topic
- **CAUSE:** *Why were the reforms passed - political necessity or social concern?*
- **EXTENT:** *How far had British governments moved away from laissez-faire?*
- **CONSEQUENCES:** *How far had the Liberal government dealt with the problems of poverty/improved the lives of the people?*



# Why Were the Reforms Passed?

---

- *Move away from laissez-faire from 1870s*
- *Pressure from Reports on Poverty*
- *Examples of other countries*
- *National Security*
- *National Efficiency*
- *Political Developments and Pragmatism*
- *New Liberalism*
- *Key Individuals*



# Move away from laissez-faire

---

*In the later part of the 19th century there had been a move away from the principles of laissez-faire, “self-help” and individualism towards government intervention.*

*This was due to several periods of severe economic depression and the gradual acceptance that poverty was not simply the fault of the poor themselves.*

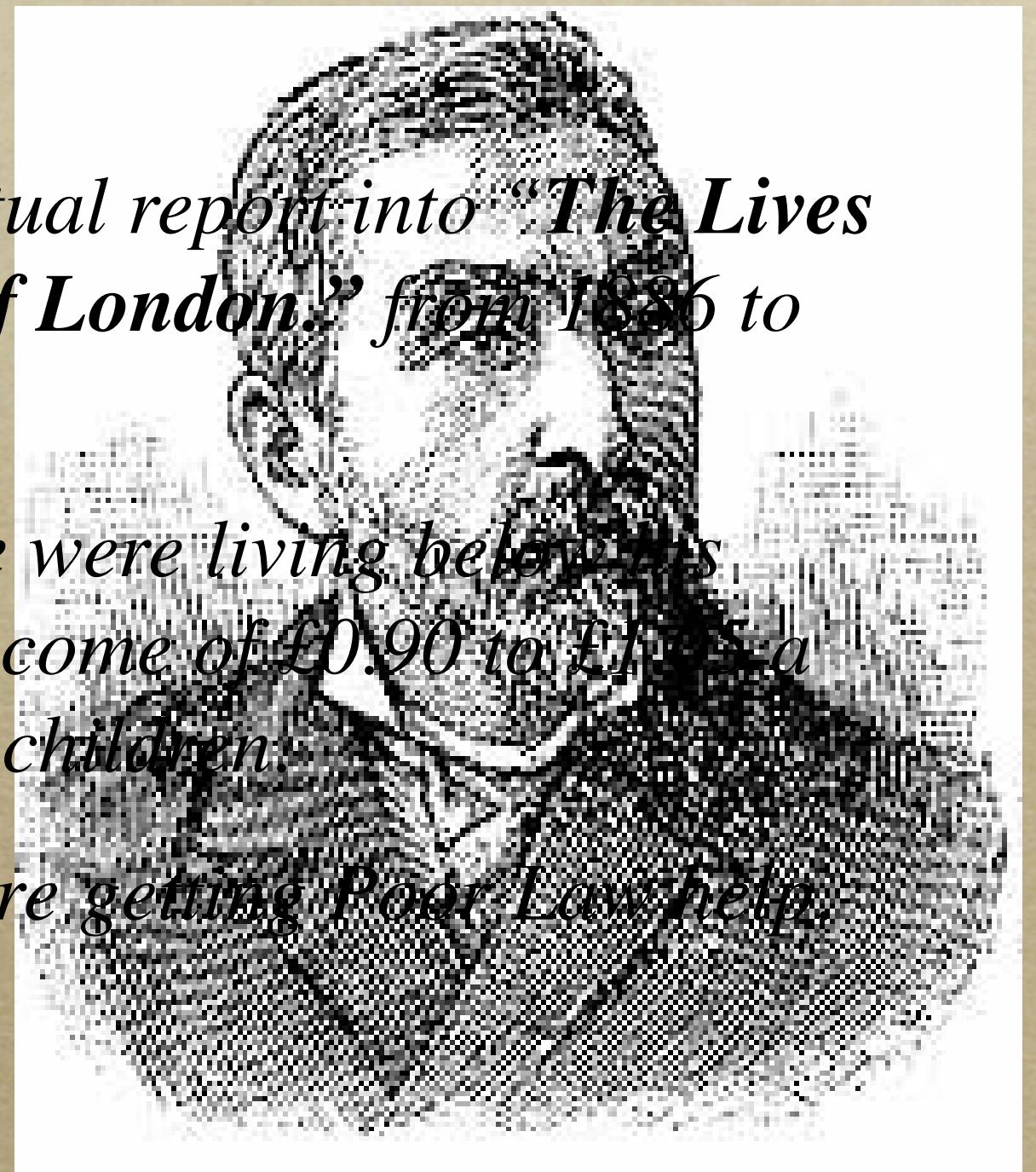
*These reforms covered such areas as education (Education Act 1891), Public Health Acts, housing (Housing Act 1890) and protection at work (Workmen’s Compensation Acts 1897, 1900)*



# Reports on Poverty: Charles Booth

---

- *Extensive, objective and factual report into “**The Lives and Labour of the People of London.**” from 1886 to 1903.*
- *Revealed that **30%** of people were living below his “**poverty line**” - minimum income of £0.90 to £1.05 a week for a family with three children.*
- *Only **3%** out of that 30% were getting Poor Law help.*





# BOOTH'S *Classification of People*

**A** *The lowest class—occasional labourers, loafers and semi-criminals.*

**B** *The very poor—casual labourer, hand-to-mouth existence, chronic want.*

**C&D** *The poor—including alike those whose earnings are small, because of irregularity of employment and those whose work, though regular, is ill-paid.*

**E&F** *The regularly employed and fairly paid working class of all grades.*

**G&H** *Lower and upper middle class and all above this level.*

*The proportion of the different classes shown for all London are as follows:*

A (lowest class)	37,610	or	0.9%
------------------	--------	----	------

B (very poor)	316,834	or	7.5%
---------------	---------	----	------

C&D (poor)	938,293	or	22.3%
------------	---------	----	-------

E&F (working class comfortable)	2,166,503	or	51.5%
------------------------------------	-----------	----	-------

G&H (middle class and above)	749,930	or	17.8%
---------------------------------	---------	----	-------

Inmates of Institutions	99,830		
-------------------------------	--------	--	--

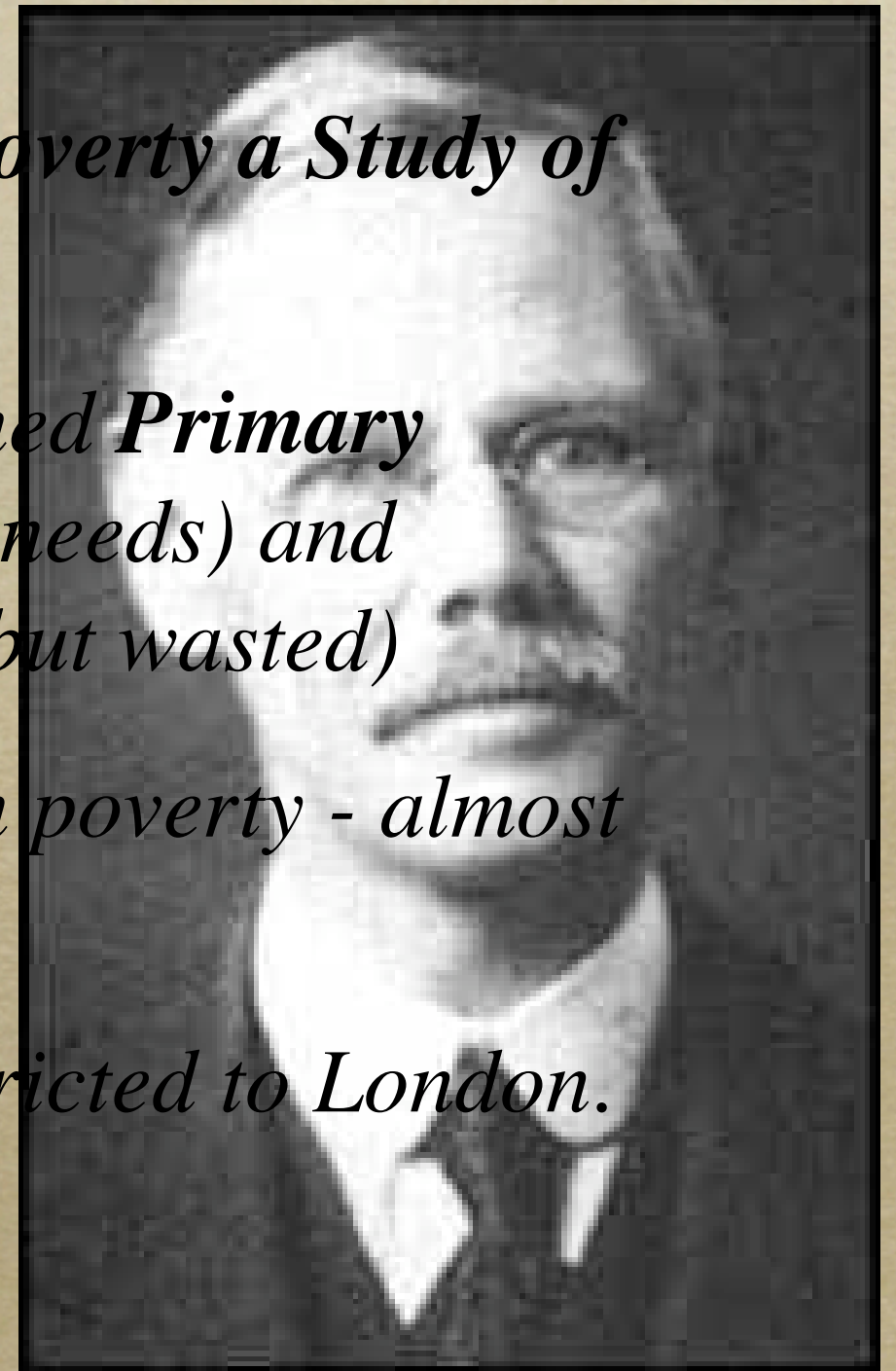
**Table 4.2** Source: C Booth, *Life and Labour of the People in London* (1892) Vol 11 pages 20–21



# Reports on Poverty: Seebohm Rowntree

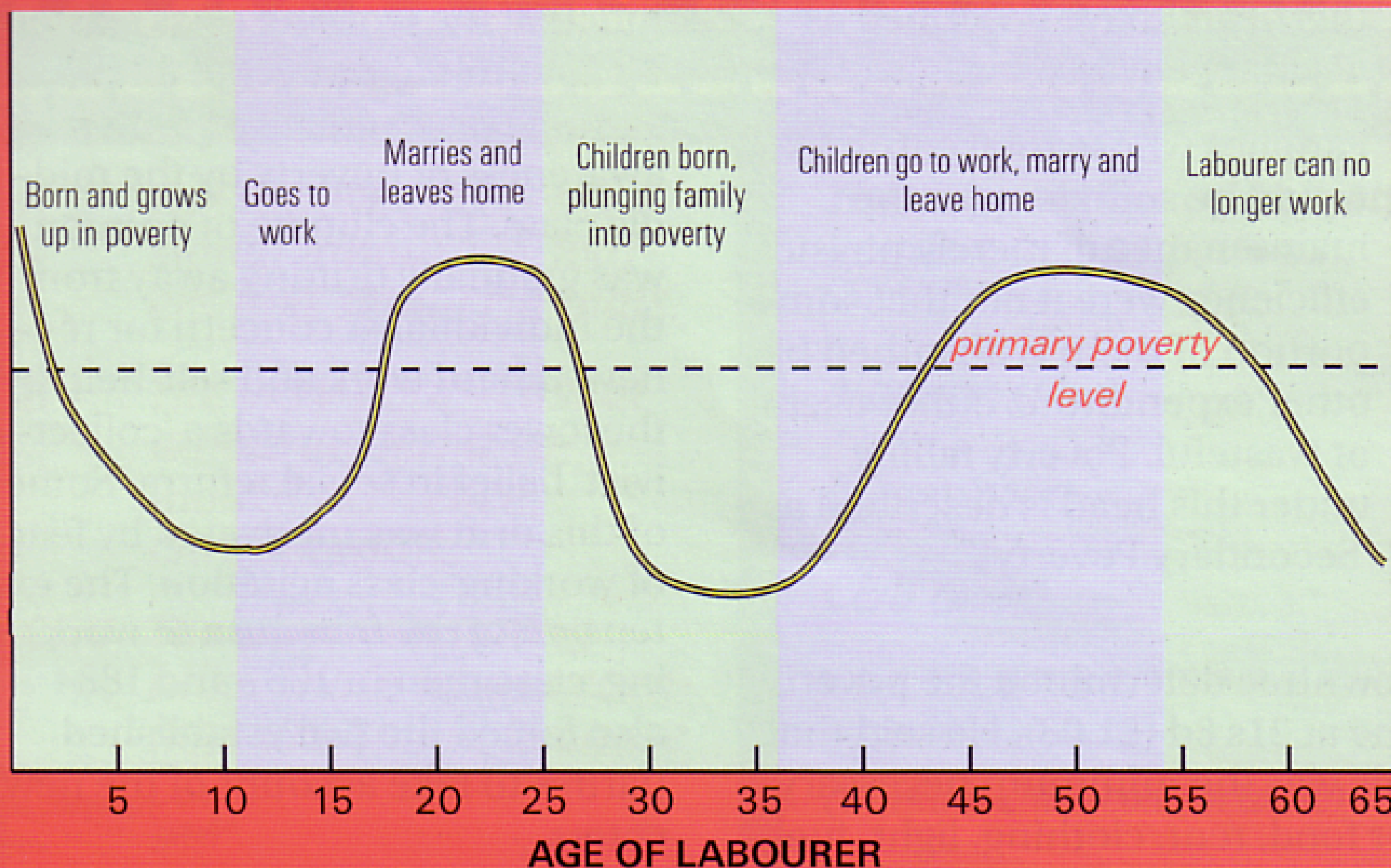
---

- Investigated poverty in *York* in his “*Poverty a Study of Town Life*” in 1901.
- Used Booth’s “poverty line” and defined **Primary** poverty (not enough income for basic needs) and **Secondary** poverty (enough income , but wasted)
- Found 27.8 % of people were living in poverty - almost the same figure as Booth’s for London
- Proof that this was not a problem restricted to London.





## *The **POVERTY** Cycle of a Labourer's Family*



A labourer is thus in poverty and therefore underfed:

- in childhood when his constitution is being built up;
- in early middle age when he should be in his prime;
- in old age.

**Figure 4.1**

Source: BS Rowntree *Poverty: A Study of Town Life* 1901, pages 136–137



# Importance of Booth and Rowntree

- *They both studied the **causes** of poverty and found that the factors were mainly outside the control of the individual, and could not therefore be tackled by self-help.*

*Found main causes were not:*

*laziness  
drunkenness  
gambling*



*Children in the  
slums of York*

*Found that main causes were:*

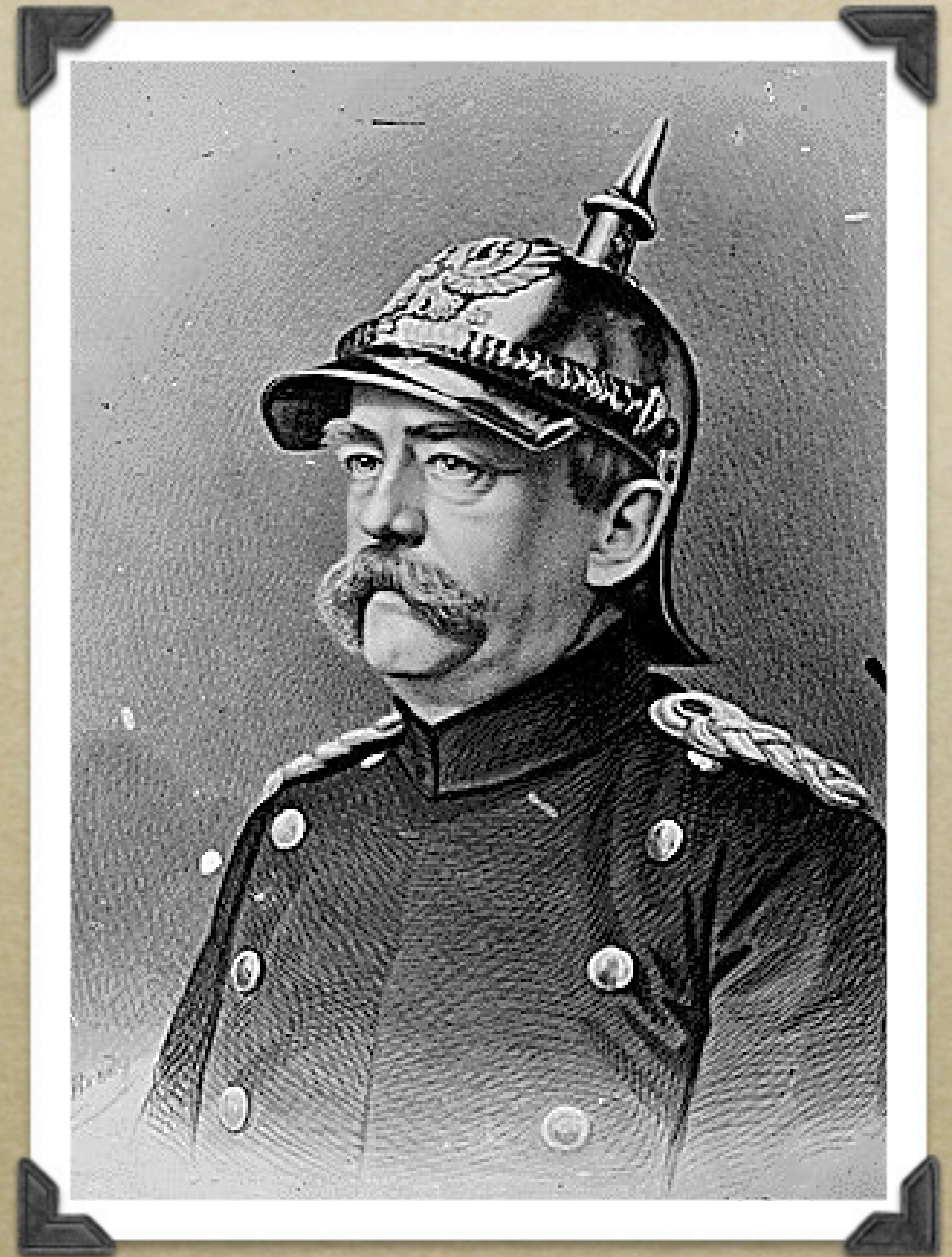
*casual labour  
low pay  
unemployment  
ill health  
old age  
large families*



# Examples of Other Countries

*Leading Liberals were impressed and influenced by advances in other countries such as Germany's military strength and social legislation.*

*Bismarck introduced sickness and accident insurance and old age pension schemes in the 1880s to counter the growth of socialism in Germany.*





# National Security

*When the Boer War in South Africa started in 1899 volunteers rushed to join up, but almost 25% of them were rejected as unfit as a result poor diet and living conditions.*

*If men of military age were so unfit and unhealthy, the government worried about Britain's future ability to defend itself against a stronger enemy.*



*There was also a need to tackle the annual deaths of 75,000 from T.B.*



# Rejection from the Army: 1891-1902

## CAUSES OF REJECTION

### *of Army Recruits on Inspection (1891-1902)*

Ratio per 1,000												
Cause	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902
Under chest measure	93	96	108	110	126	140	89	74	66	60	49	57
Defective vision	40	42	41	42	39	40	41	42	41	36	35	39
Underweight	32	27	39	39	36	35	45	34	33	28	25	21
Underheight	27	32	33	28	28	28	24	20	20	15	13	12
Imperfect constitution	18	10	9	5	3	4	4	5	6	5	3	4
Disease of veins	16	16	17	15	15	15	15	15	14	11	14	12
Disease of heart	16	18	17	19	20	18	17	17	15	13	16	17
Disease of lower extremities	15	17	14	17	18	18	18	17	13	10	16	12
Varicocele	13	12	13	14	12	13	13	12	11	11	14	12
Flat feet	11	9	12	14	13	17	16	12	12	9	11	12
Loss or decay of teeth	11	14	15	16	18	20	24	26	25	20	26	49

**Table 5.2**



# National Efficiency

---

*By the end of the 19th century, Britain was no longer the world's strongest industrial nation and was facing serious competition from new industrial nations such as Germany and USA.*

*Some politicians thought that the workforce had to be better educated and healthier to improve our **national efficiency** and compete with these countries*





## Comparisons of Height and Weight of British and American Schoolchildren



	British	Boston	Aberdeen	Edinburgh
<i>Height (inches)</i>				
Boys 6-9	45.7	46.2	46.0	44.5
Girls 6-9	44.6	45.9	45.4	44.5
Boys 9-12	51.7	52.1	51.2	50.2
Girls 9-12	50.9	51.7	50.1	49.9
Boys 12-15	57.1	53.3	57.3	55.3
Girls 12-15	57.7	58.7	57.4	55.7
<i>Weight (pounds)</i>				
Boys 6-9	49.6	49.6	51.1	46.1
Girls 6-9	47.1	48.2	47.9	45.6
Boys 9-12	66.6	66.3	64.0	59.5
Girls 9-12	61.8	63.9	60.9	57.8
Boys 12-15	83.7	89.1	84.5	74.0
Girls 12-15	86.7	90.9	83.3	78.4

**Table 5.3**



# Political Developments and Pragmatism

---

- *Most working class men had been given the vote by the 1867 and 1884 Reform Acts and the Liberals had to compete with the Conservatives to attract these votes.*
- *In the late 19th century the trade unions were growing in power and were demanding social reform for the working classes.*
- *By 1906 the new Labour Party was becoming a serious threat to the Liberals and if they were to remain a dominant political force they would have to introduce real social reforms to meet the needs of the working classes.*



# New Liberalism

---

*It would be too harsh to say that the Liberals introduced these reforms simply to win votes. When the “old Liberal” Prime Minister Campbell-Bannerman died in 1908...*

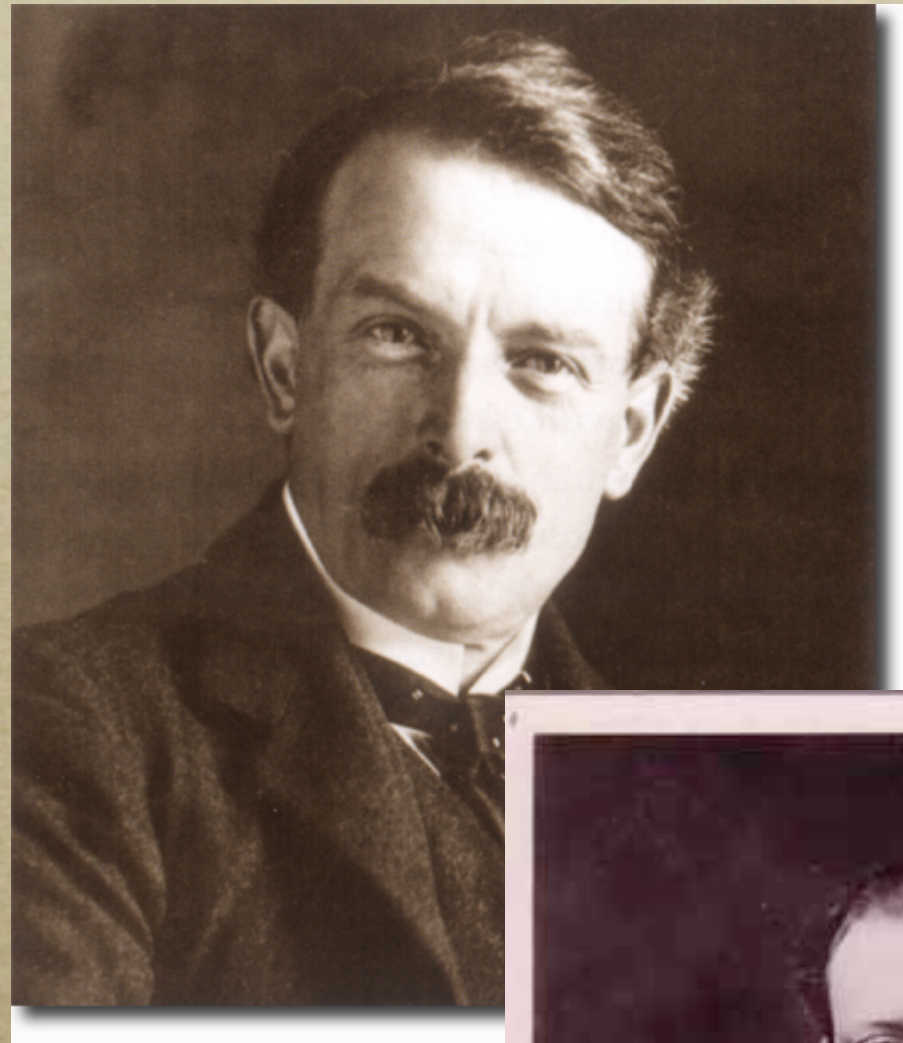
*... he was replaced by Herbert Asquith and “**New Liberalism**” was introduced which marked a move away from laissez-faire towards limited state intervention for humanitarian reasons.*





# Key Individuals

- *With Herbert Asquith as Prime Minister* some important appointments were made to the Cabinet who had “interventionist” ideas and they helped to introduce these reforms:
- *David Lloyd George as Chancellor of the Exchequer* and *Winston Churchill as President of the Board of Trade*





# Key Liberal Ministers

## *Key* LIBERAL MINISTERS

### *Prime Minister*

Sir H Campbell Bannerman 1906–8

H Asquith 1908–15

### *Chancellor of the Exchequer*

H Asquith 1906–8

D Lloyd George 1908–15

S Buxton 1910–14

### *President of the Board of Trade*

D Lloyd George 1906–8

WS Churchill 1908–10

R McKenna 1911–15

### *Home Secretary*

H Gladstone 1906–10

WS Churchill 1910–11

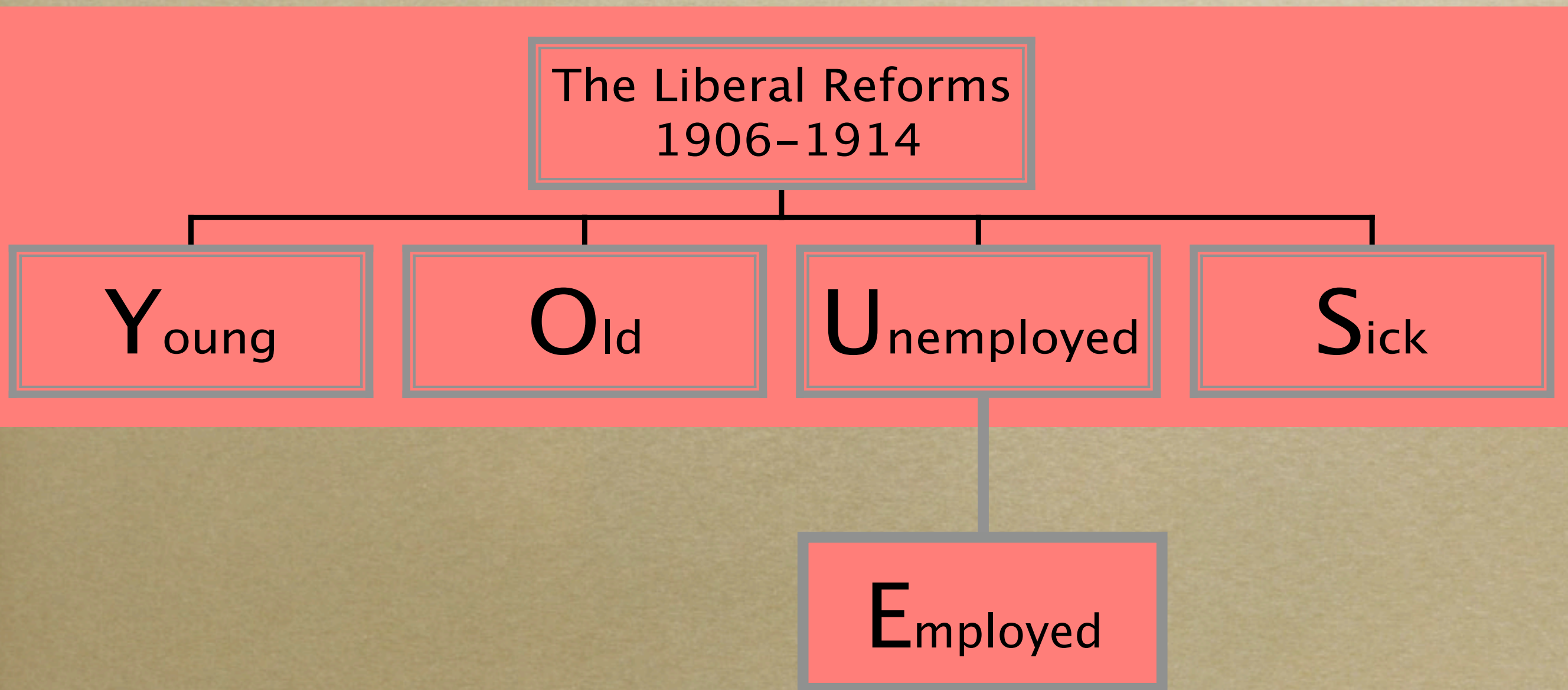


# The Reforms

---



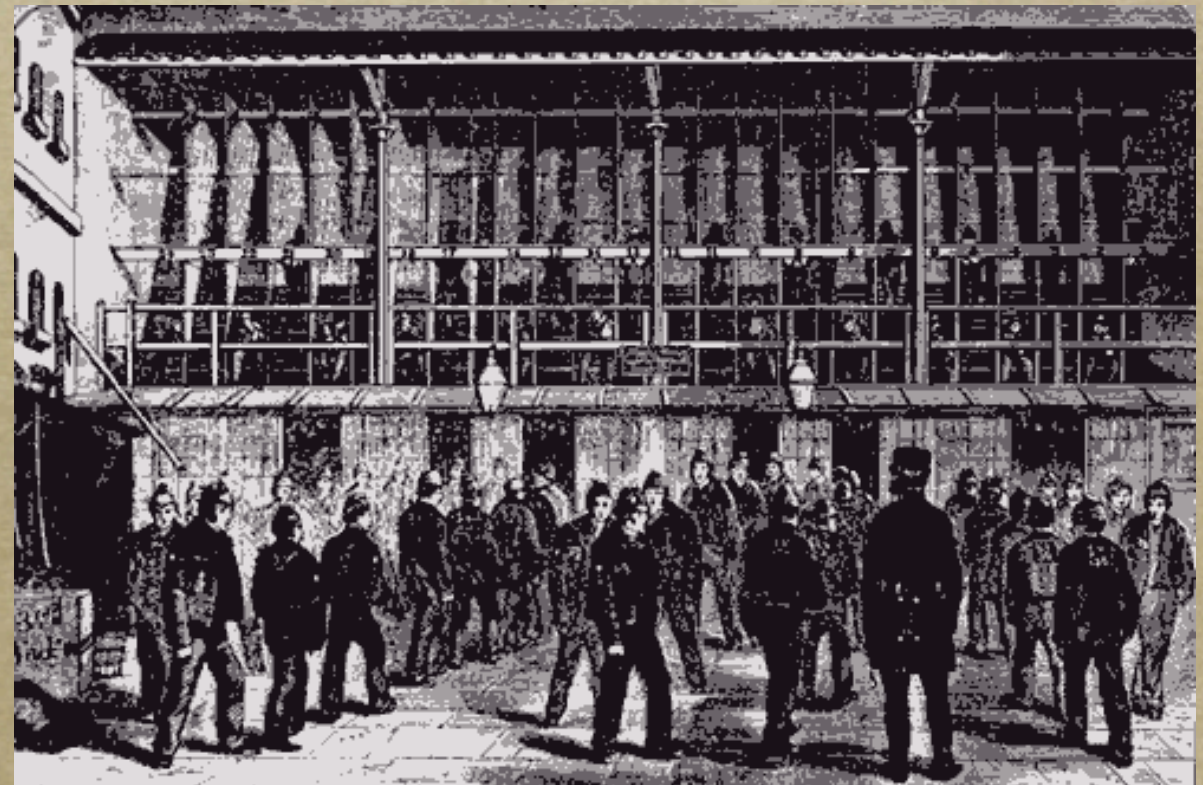
# “Yous(e)” Better Not Forget This!





# The Young

- *From 1906 local education authorities were allowed to provide free school meals to needy children. This became compulsory in 1914.*
- *In 1907 School Medical Inspections started - but it was not until 1912 that free medical treatment was available.*
- *1908 - “Children’s Charter”*
  - *Borstals or probation for young offenders rather than adult prisons.*
  - *Identity of young offenders to be kept secret.*
  - *Sale of alcohol and cigarettes to young people restricted.*
  - *Children to be protected from cruelty and corruption - parents guilty of neglect could be fined.*





## **SCHOOL MEDICAL INSPECTIONS**

"... the statutory medical inspection ... should take account of the following matters:

- 1 Previous disease including infectious diseases.
- 2 General condition and circumstances.
  - a height and weight
  - b nutrition (good, medium, bad)
  - c cleanliness (including vermin of head and body)
  - d clothing (sufficiency, cleanliness and footgear)
- 3 Throat, nose and articulation (mouth-breathing, snoring, stammering, tonsillar and glandular conditions, adenoids).
- 4 External eye disease and vision testing.
- 5 Ear disease and deafness.
- 6 Teeth and oral sepsis.
- 7 Mental capacity (normal, backward, defective).
- 8 Present disease or defect."

# School Medical Inspection



# Verdict - Young

---

## *Good*

*The state had taken a big step towards taking responsibility for the health of the people and had struck a blow against the idea of 'self-help'.*

*Researchers found that during school holidays growth of poor children slowed - suggests that school meals were an important part in the health of poor children*

*They did protect children from abuse*

## *Bad*

*Medical inspections did little to solve the problems they discovered - it was not until free medical treatment started in 1912 that these problems could be dealt with.*

*Attempts at protecting children from 'social evils' of smoking and drinking had limited success.*

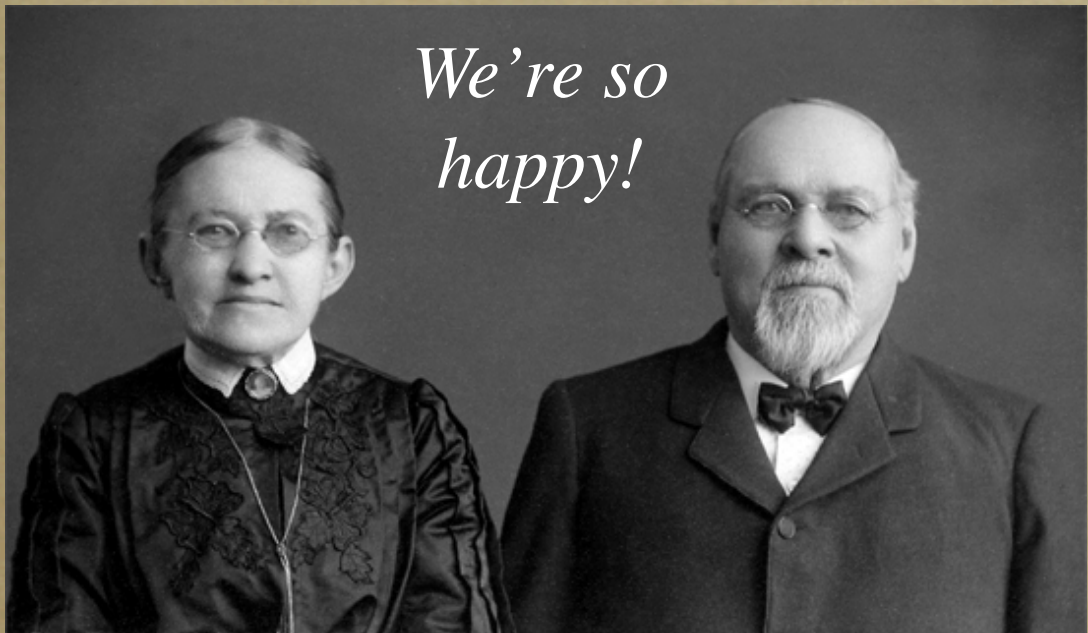


# The Old

*Workhouses remained*



*We're so  
happy!*



- *In 1908 **Old Age Pensions** were introduced for those **over 70** on an income of less than £21 a year*
- *5 shillings (25p) a week for a single person and 37½p for a married couple. Less was paid to better off - those with over £31.50 income a year got nothing.*
- *Not all the elderly poor qualified - those who had not worked, had criminal records or were habitually drunk were disqualified.*



# Verdict - Old

---

## *Good*

*Old Age Pension did give some help to the elderly poor.*

*Old people did not have to make a contribution to receive the pension.*

*The pension was collected at the Post Office and there was no stigma attached to this.*

## *Bad*

*As Rowntree had calculated that the poverty line for an individual was 35p a week and the pension only paid 25p, then it was not enough to live on - it was a 'top-up' only.*

*It was not a universal benefit with OAPs being means-tested to assess how much help they should get.*

*Many old people died before reaching 70.*

*Many old people needed help long before reaching 70.*



# The Unemployed

*“The problem of unemployment lies at the root of most of the other social problems” (William Beveridge - Adviser to Lloyd-George)*

- **Labour Exchanges:** started in 1909 to put workers in touch with jobs in their area.
- **National Insurance Act (Pt. 2), Unemployment Benefit: 1911** - made insurance compulsory for low-paid workers in insecure and seasonal trades e.g. building. Covered 2.5 million workers. Workers, employers and state made weekly contributions. Unemployed worker got 35p a week for up to 15 weeks in any one year.



*Clydebank Labour Exchange*



# NATIONAL INSURANCE ACT (1911)

## *Provision of Part II*

### ✓ CONTRIBUTIONS

Workers 2½d per week.

Employers 2½d per week.

The State 3d per week.

### ✓ TRADES INVOLVED

Shipbuilding, mechanical engineering, building, construction, iron founding and sawmilling, (the scheme was compulsory for these trades because of the cyclical/ seasonal pattern of unemployment).

### ✓ ENTITLEMENT

After a week of unemployment, the insured worker would get 7 shillings (35p) a week for up to 15 weeks in any one year.

### ✓ PAYMENT

The insured worker had to register as unemployed at the Labour Exchange and he would get paid at the Exchange.

### ✓ CONDITIONS

If a worker was dismissed for his conduct, then he would not be entitled to benefit.

# National Insurance Act 1911

## *Part 2: Unemployment Benefit*



# Verdict - Unemployed

---

## *Good*

*Insurance Act was highly original - no other scheme like it in the world.*

*No distinction made between deserving and undeserving - removed stigma and undermined idea of 'self-help'.*

*Act recognised that unemployment had complex causes.*

## *Bad*

*Labour Exchange scheme was voluntary. Only 400 by 1914.*

*Workers did not have to register. Employers did not have to inform exchanges of vacancies.*

*Insurance Act provided no cover for the rest of the family - only the contributor.*

*Provided cover for only a limited period - Poor Law had to be used thereafter.*

*Covered a very limited number of industries*



# The Employed

*While the Liberal Reforms are mainly about the weak and needy, there were some reforms which helped those in work.*

- ***The Workman's Compensation Act, 1906:** Extended earlier acts.*
- ***Coal Mines Act, 1908:** Limited working day in mines to 8 hours.*
- ***Trade Boards Act, 1909:** Boards set up to fix minimum wage rates in “sweated industries” such as tailoring.*
- ***Shops Act, 1911:** Gave shop worker a half-day a week holiday and a maximum 60 hour week.*





- *The National Insurance Act (Pt 1), Sickness Benefit, 1911*
  - *All workers earning less than £160 p.a. had to contribute 4d, his employer 3d and the state 2d (ninepence for fourpence).*
  - *Insured worker got 10 shillings (50p) for 13 weeks and 5 shillings (25p) for 13 weeks if off work sick.*
  - *Free medical treatment for worker.*
  - *30 shillings maternity benefit for each child born.*

# The Sick





# THE RIGHT TICKET FOR YOU!

## YOU ARE TRAVELLING ON A SAFE LINE

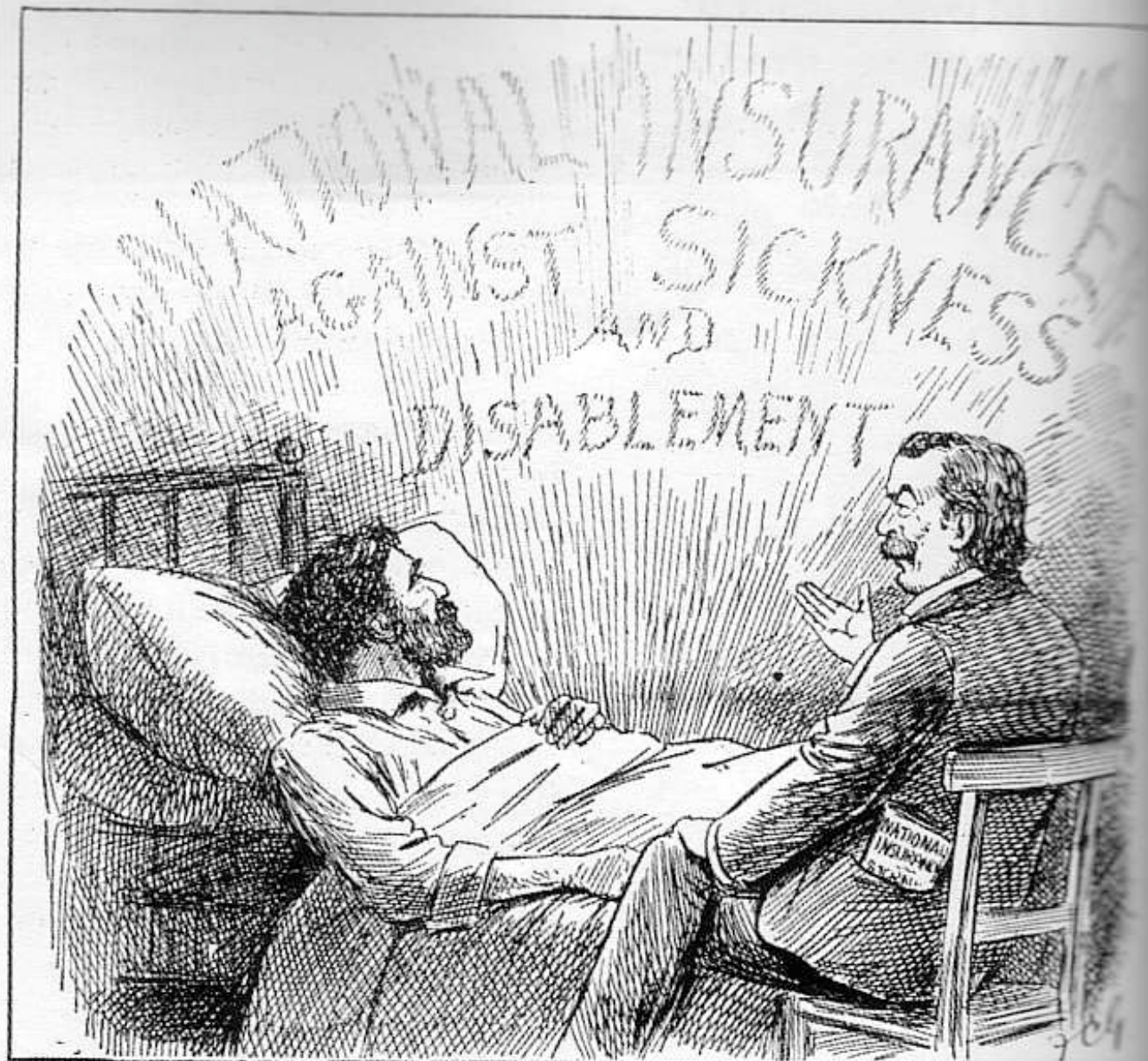


## AND ARE ASSURED A SAFE RETURN

A Liberal Party election poster of 1913 concerning health insurance.



# THE DAWN OF HOPE.



Mr. LLOYD GEORGE'S National Health Insurance Bill provides for the insurance of the Worker in case of Sickness.

**Support the Liberal Government**  
in their policy of  
**SOCIAL REFORM.**

Published by the LIBERAL PUBLICATION DEPARTMENT (in connection with the National Liberal Federation and the Liberal Central Association),  
42, Parliament Street, Westminster, S.W., and Printed by the National Press Agency Limited, Whitefriars House, London, E.C.

LEAFLET No. 2383.]

28/6/11.

[Price 5s. per 1000.]

**The Dawn of Hope.' Leaflet published in support of Liberal social reforms.**



# Verdict - The Sick

## *Good*

*Workers made contribution to the National Insurance scheme thereby retaining their respectability and not relying on 'getting something for nothing'.*

*Illness and absence from work were the major cause of poverty, so any such scheme would help a family through hard times.*

## *Bad*

*After using up 26 week entitlement worker had to rely on the Poor Law once more.*

*Only the insured worker received the free medical treatment - it did not apply to any of the rest of the family.*

*Many workers angry at being forced to contribute from their pay packet. Friendly Societies and private insurance companies objected as it hit their own schemes.*



# Summary of the Reforms

## Liberal Welfare Legislation 1906–14

Group	Assistance Given	Legislation
<b>YOUNG</b>	School meals	<i>Education (Provision of Meals) Act 1906</i>
	Medical inspection	<i>Education (Administrative Provisions) Act 1907</i>
<b>OLD</b>	Pensions	<i>Old Age Pensions Act 1908</i>
<b>SICK</b>	Health Insurance	<i>National Insurance Act Part I 1911</i>
<b>EMPLOYED</b>	Compensation for injuries sustained at work	<i>Workmen's Compensation Act 1906</i>
	Eight-hour day for miners	<i>Coal Mines Act 1908</i>
	Minimum wages for 'sweated industry' workers	<i>Trade Boards Act 1909</i>
	Half-day off for shop assistants	<i>Shops Act 1911</i>
<b>UNEMPLOYED</b>	Help to find work	<i>Labour Exchanges Act 1909</i>
	Unemployment insurance	<i>National Insurance Act Part II 1911</i>



# Did the reforms mark the end of ‘laissez-faire’?

---

- *Taken together these reforms did represent a major departure from the 19th century principles of ‘laissez-faire’ and ‘self-help’, with government now accepting that the causes of poverty were often no fault of the poor themselves, and sees the state taking responsibility for the needs of the poor for the first time.*
- *However, many of the reforms were very limited in their scope and effectiveness, particularly those that were permissive rather than compulsory.*
- *The importance of these reforms lies in the fact that they happened at all, and the principles they established, rather than the extent of the reforms themselves.*



# Did the Liberals create a Welfare State?

- *The Liberals did not create a Welfare State.*
  - *The Liberal reforms did mark a transition point between old laissez-faire attitudes and prepared the way for the coming of the welfare state with the Labour reforms of 1945-51.*
  - *In the early 20th century many people still sympathised with the idea of self-help as the best way for people to escape poverty. They felt it was wrong for the better off to be taxed to support the poor who may develop a dependency culture.*
  - *The National Insurance Acts illustrate the transition in government policy and the thinking behind the reforms - the government was prepared to intervene to help the poor, but as part of the deal the poor also had to help themselves by paying contributions towards their benefits.*
- ***In the words of Winston Churchill: “If we see a drowning man we do not drag him to the shore. Instead we provide help to allow him to swim ashore”***



# Essay: How effectively did the Liberal Reforms deal with the problem of poverty?

---

- *Introduction:*

- *What were the problems of poverty ?*

- Causes - old age, unemployment, sickness, housing, education etc.*

- *What was the evidence of poverty?*

- Booth and Rowntree, army recruiting.*

- *Brief outline of reforms.*



# Essay: How effectively did the Liberal Reforms deal with the problem of poverty?

---

- *Main Body:*

- *Go through all of the reform areas - young, old, unemployed, sick etc. detailing the reforms in each and, above all, assessing the effectiveness of each one (both positively and negatively) in relation to the question.*
- *It must not simply be a list of the terms of the various acts*



# Essay: How effectively did the Liberal Reforms deal with the problem of poverty?

---

- ***Conclusion:***

- *Sum up the overall effectiveness of the Liberal reforms in dealing with the problem of poverty.*
- *Point out those reforms which were particularly beneficial, and those which had serious weaknesses.*
- *Make clear that there were some serious causes and areas of poverty which were not tackled at all, such as bad housing and education.*