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CABINET

THE BUILDING INDUSTRY AND THE HOUSING PROGRAMME

MEMORANDUM BY THE MINISTER OF HOUSING AND LOCAL GOVERNMENT

The double effect of financial economies and shortage of steel is likely to have a marked effect upon the building industry.

2. This at once presents a danger and offers an opportunity. The postponement of starting dates and the widespread talk of a serious restriction of the building industry will make contractors and workmen uneasy. It would be fatal if fear of unemployment caused a slowing up of work or an unwillingness to recruit apprentices. On the other hand, we have a great chance of pressing forward with those forms of building which do not require any large quantity of steel, and thus are not in competition with defence and other vital requirements.

These are house-building, conversions of houses into flats, house-repairing and general repairing. It is vital to make full use of the craftsmen who may become available.

3. After discussion with the Cabinet Building Committee, the Minister of Works and I put forward these proposals:—

4. I ask authority to build new houses, with the necessary housing services, at the rate of 300,000 houses a year (Great Britain figures). I should hope to reach this result by stages, viz. :—

1952	...	...	...	...	230,000
1953	...	...	...	...	260,000
1954	...	...	...	...	300,000

If I can do better, I will.

5. This would make 800,000 in the first three years of the Government's life. I have already put these proposals to the Investment Programmes Committee.

If this 3-year plan is approved, the Minister of Works can begin to plan necessary materials and fitments on a steadily expanding basis.

6. The shortage of steel for building work has caused us to review the arrangements for house conversion and building maintenance.

The Minister of Works finds that the licensing system in force is inflexible. The value of the work which he may license is now restricted to 80 per cent. of the amount authorised in 1949. Since then costs have risen, and there are serious arrears. Thus the amount is insufficient to provide conversion into flats and reconditioning of houses to the extent that is desirable.

7. He therefore asks for a restoration of the 20 per cent. cut on the 1949 figure. This would form a reserve against which licences would only be given where there is a surplus of building resources and after consultation with the Departments concerned so as not to impinge upon approved building programmes, including new houses.

8. I have consulted the Secretary of State for Scotland, who agrees with these proposals.

H. M.

Ministry of Housing and Local Government, S.W. 1,
14th December, 1951.

