A PROPERTY OWNING DEMOCRACY

NOTE BY THE LORD PRESIDENT OF THE COUNCIL

Having regard to our general endorsement of the idea of a property owning democracy, I ask my colleagues to consider whether it would not be possible for us to advance this excellent principle into practice.

We are now, in my submission concentrating unduly on the provision of Council houses, which make a considerable drain on the resources of the Exchequer. All Council houses involve raising from public funds the whole cost of the house, and some of this is repayable over a long period of amortisation; the rest, in the form of subsidy, is never repaid, and remains an annual drain on our resources.

The present cost of building is so high that it is reasonable to suppose that over a period of years it will drop. 1920 houses cost well over £1,000, and by the middle thirties builders were doing everything they knew to sell similar houses for £300 to £400. The difficulties of a man who wants to put up his own house, with the aid of a Building Society, have also been made greater by our own financial policy of putting up interest rates. A man who wants to buy his own house from a Building Society may have to pay 45.5% a week (for twenty years); but the subsidised tenant of a precisely similar post-war Council house finished to-day only has to pay a rent of about 18s.

These facts force me to the following conclusions:

(1) We would do well to implement our promise and help people to own their houses.

(2) We should allow anyone who wants to build a house of up to, say, 1,000 square feet to be free to do so anywhere, without any restriction due to local limits to numbers of houses licensed.

(3) We should be prepared to pay a subsidy to the private purchaser of a single house which he proposes to use for himself, with control over resale or letting for a period of years (on the lines of the conditions for municipal houses in the Bill at present before Parliament).

The adoption of such a policy would not make any large drain on our material resources: it would encourage the small local builder, who now mainly occupies himself with repairs and could be at least as well occupied in building some new houses; it would remove in some measure the herding of more people into these huge County Council housing areas, which become predominantly Socialist in political outlook: it might assist in the provision of houses in rural areas, where large Council building estates are not either easy to provide or suitable: and it would relieve the Exchequer of the need to raise the amount of the local loan that would be saved by the property owner using his own money or borrowing from a Building Society.

W.

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