CABINET

HOUSING POLICY; HOME OWNERSHIP

Memorandum by the Minister of Housing and Local Government
and Minister for Welsh Affairs

On 29th September the Cabinet approved the proposals set out in C. (58) 195 for a scheme to assist house purchase through the building societies, provided that the societies agreed to pay interest on money borrowed from the Government at a rate not more than ½ per cent lower than the rate charged to their own borrowers (C.C.(58) 73rd Conclusions, Minute 6).

2. I am glad to report that the representatives of the societies have now agreed to this.

3. Immediately after the meeting of the Cabinet, the Lord Chancellor authorised me to have the drafting of the Bill put in hand; and that has been done. In accordance with the decision of the Cabinet, the Bill will also provide for a revised system of improvement and conversion grants. The Bill should be ready for submission to the Legislation Committee by the end of November.

4. I hope that the Cabinet will now agree that a reference should be made to this Bill in the Queen's Speech. I would then in the Debate on the Address explain the essentials of the scheme, viz. that it would be operated through approved building societies, and that it would ensure 95 per cent advances on the older houses.

5. The representatives of the societies are extremely anxious that the details of the agreement reached with them should be published as soon as possible after it is announced that the scheme will be operated through them. Individual societies will obviously clamour for these, and the public at large will also want to know how the scheme will work. It is particularly important for the societies to know the conditions with which they will have to comply if they are to achieve trustee status and to be able to participate in the scheme for Government loans. These have been agreed between their representatives and the Registrar of Friendly Societies, but the only way of making them widely known is by a White Paper.

6. I would therefore propose that a week or so after the Debate on the Address the Secretary of State for Scotland and I should lay a White Paper explaining what has been agreed, and that I should mention during the Debate that this would be done. It appears to me that any demand for a debate on the White Paper could be staved off by reference to opportunities for debate on the Bill.
7. There has not been time to join the Secretary of State in this paper, but he is aware that I am circulating it and, I understand, is content that I should do so.

8. I seek the Cabinet's approval to the programme outlined.

H.B.

Ministry of Housing
and Local Government, S.W.1.

20th October, 1958