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CABINET.

HOUSING SUBSIDY.

Copy No. 2 of

Memorandum by the Minister of Health.

1. I think it is desirable, pending the consideration of the general questions of housing and slum clearance which are engaging my attention, to bring to the notice of my colleagues the question whether some action should not be taken in the immediate future as regards housing subsidies.

2. At present the Exchequer subsidy for houses in England and Wales provided under the Housing (Financial Provisions) Act, 1924, is £7.10.0 a year for 40 years, while the subsidy under the Housing etc. Act, 1923, is £4 a year for 20 years.

By the operation of an Order made under the Act of 1924 after Debate in the House of Commons on the 12th December last these rates of subsidy will be changed for houses completed after 30th September next. The subsidy under the 1924 Act in respect of such houses will be reduced to £6 a year for 40 years: the subsidy under the 1923 Act will disappear altogether.

3. It seems to me to be important, in order to encourage local authorities to proceed uninterruptedly with the development of their housing programmes and to avoid a discontinuity in the amount of local authority building after October next, to take steps to prevent the cut in the subsidy for houses provided under the 1924 Act from coming into operation: the subsidy under the 1923 Act goes practically entirely to assist private enterprise building

0 In agricultural parishes the Exchequer pays an additional £3.10. a house.

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and I do not think that we need object to its disappearance.

4. I am advised that it is not practicable to vary the Order made in December last by a further resolution of the House of Commons, but that legislation will be necessary.

I have in mind a very short Bill providing that the Order of December last shall be of no effect so far as it deals with subsidies under the Act of 1924, the practical effect of which would be that subsidies under the 1924 Act would for the present remain unaltered. In the absence of further legislation the subsidies would then come up again for review after October, 1930.

It would be necessary to introduce such a Bill very early after the assembly of Parliament and to pass it through all its stages before the Recess.

I should be glad to have the approval of my colleagues to proceeding on the lines I have indicated.

A. G.

June, 1929.