



(c) crown copyright

SECRET  
P.15(33)Copy No. 37CABINET.HOUSING (FINANCIAL PROVISIONS) BILL.Memorandum by the Minister of Health.

Supporters of the Government are agitating for two additions to this Bill, (1) to make further provision for improving slums by reconditioning houses not bad enough to pull down; and (2) to encourage the provision or holding of small houses by public utility societies and similar bodies.

1. Reconditioning.

On second reading Sir Austen Chamberlain, in a speech that received much publicity, advocated conferring on local authorities further powers to enable them to purchase and recondition houses unfit for human habitation, and that some subsidy should be available for the purpose.

Local authorities have now power to purchase houses for reconditioning by agreement only, and no subsidy is available for the purpose (except for rural labourers' cottages).

2. Public Utility Societies.

A strong movement has developed both inside and outside the House for further assistance for housing corporations on "public utility" lines, i.e. with limited profits. There are many different forms of the proposal, from the establishment of a big semi-public housing corporation for the whole country, to a mere extension of the limited guarantees under Section 2 of the Bill to loans by local authorities to associations of the sort.

The Bill is in fact so limited in its scope that it is most improbable that amendments dealing with either matter can be brought into order. Nevertheless, the position is not one in which it will, in my judgment, be wise to rely wholly on the rules of order to clear the front of the Bill. There is a very considerable body of support for these views in the House: and in the matter of reconditioning it can make a strong case.

The passage of the bill and the cessation of general subsidies will introduce a new epoch in housing. The adaptation of our housing legislation to the conditions of the new epoch will require attention. In particular the most effective use of the money and machinery available for slum clearance should receive prompt reconsideration.

If my colleagues agree, I propose therefore to inform the House at an early opportunity in debate that it is my intention as soon as the Bill is passed to set up a departmental committee to consider in particular reconditioning and the promotion of the building and ownership of small houses by public utility societies, and any other improvements in our legislation for the promotion of house-building and the abolition of slums.

I should propose to state expressly that the reference must be subject to the declared policy of the Government as to the cessation of the direct subsidies under the Acts of 1923 and 1924, and that direct subsidies cannot be replaced by indirect.

To this principle I should propose a minor exception, that the Committee should not be precluded from considering the necessity of some sort of help from the Exchequer for "reconditioning" in urban areas as well as rural. The Chancellor of the Exchequer tells me that he has no objection to this exception.

I have reason to suppose that the announcement of such a fresh inquiry, and an undertaking to give sympathetic consideration to any practical proposals to which it may lead, will do much to satisfy the chief advocates of further legislation. Apart from that, I think such a review of the situation will be very useful: and that it is indeed necessary.

The report of such a committee may, of course, produce a situation which will lead to some further legislation. I see no likelihood of the legislation being very wide in scope.

(Intld.) E.H.Y.

27th January, 1933.