As regards (f), it is suggested that this question might be referred to a suitable Committee for consideration, as there are various directions in which research work on the Nitrogen problem could be pursued with advantage, independently of the Trade.
MEMORANDUM BY THE MINISTER OF HEALTH.

I. Progress to date.

The present position of the National Housing Scheme is far from satisfactory. The rate of progress is disappointingly slow and difficulties and obstructions have been encountered at every step. Many of these difficulties have already been surmounted either by reason of the operation of the new Housing Act or by administrative action. Nevertheless there remain causes of serious delay which, in my judgment, can only be removed by drastic action on the lines recommended herein.

A sketch of the existing machinery and of the position at that date was contained in my previous Memorandum of 15th August (G.T.8015) and I do not propose to repeat the information contained in that Memorandum. A summary statement of the present position is appended to this Memorandum (Appendix 1).

When I wrote my previous Memorandum the organisation both central and local had been completed, the Housing Act had been passed, and the first stage, namely: the acquisition of sites, had been advanced further than might reasonably have been expected. At that date the site plans already submitted for approval were sufficient for over 380,000 houses. At the present date site applications are sufficient for 450,000 houses, so that we may safely claim to have mastered our first great difficulty of securing and approving sites.

The serious feature of the present position is that plans have only been submitted for 41,023 houses and there is therefore a clear need for some effective action which will accelerate the submission of house plans and the actual commencement of building on the sites already acquired.

II. Difficulties.

The chief difficulties with which we are at present confronted arise out of:

(1) the cumbersome procedure and dilatory methods of the local authorities;
(2) the disinclination of the builders to take their share in the National Housing Scheme; and

(3) the high prices, the supply of labour, and the deficiency of transport.

These various points of difficulty tend in some degree to interact upon and aggravate one another, and there can be no doubt that the difficulties of local authorities are increased and prices are raised owing to the conditions now prevailing in the building trade. Apart from the question of rates of wages which is dealt with in a later part of this Memorandum there is evidence that cottage building is at the present time less attractive than other forms of work. The Labour Gazette of October 1919 shows that in the third quarter of this year building plans were passed by 84 Urban Authorities for £5,900,000 of building work, and of this only £370,000 related to dwelling-houses.

III. Present Powers of Direct Action.

(1) In cases of Default. Every local authority is required by the recent Housing Act to prepare and submit a housing scheme before October 31st, and thereafter whenever the Ministry consider it necessary. If the local authority fail in this duty, the Ministry may either transfer the obligation to the County Council, or undertake the necessary work themselves.

(2) Supplementary Action. The Ministry may also assist a local authority by direct action in order to secure immediate provision of accommodation pending the preparation of the local authority's scheme. This supplementary action, however, can only be taken with the consent of the local authority. It has been used in London in connection with the conversion of houses into flats, and after considerable delay the consent of 18 Metropolitan Boroughs has been obtained. But under our present powers the results of such action can only be brought into the scheme of the local authority, with their consent, and this involves difficulty and delay.
Remedies proposed.

The time which has elapsed since the Act came into force has been used to prepare a plan of campaign which can be put into operation in important centres where direct action becomes possible, to carry on trials of new methods of construction, and to conclude the agreements with the Building Trade referred to below.

1) Direct Action.

The cases of complete default on the part of the larger local authorities will be exceptional. The cases of delay are unfortunately numerous. In so far as delay is due to the difficulty in acquiring, by agreement, sites capable of immediate development, or houses suitable for conversion, the wide-spread use of compulsory purchase orders which I have set on foot is having an immediate effect. At the same time I am setting up a special organisation for dealing immediately with the cases of default when the period of grace (October 31st) expires. The method of direct action which I propose can be adopted not merely to cases of default but to any case in which the provision of houses is urgently needed. If there appears to be any likelihood of delay on the part of the local authorities, I propose that the Office of Works should at once undertake a definite part of the local authority’s schemes. If, for example, I find that the urgent requirements of a local authority are for 2,000 houses and that the resources of the local authority and of the local builders are only sufficient to provide 1,000 houses, I should either directly enter into agreements with the building trade according to the arrangements herein explained or ask the Office of Works to make immediate arrangements for the provision of the other thousand.

The enquiries which I have made satisfy me that some of the large London firms are willing and able to undertake the building of thousands of houses all over the country and I need scarcely say that wherever possible I contemplate that arrangements of this kind should be entered into with firms who have devised speedy
and economical methods of construction.

But to make direct action effective without destroying the basis of the financial arrangements between the Exchequer and the local authorities I must be in a position to take such action to recover the cost from the local authority, and to transfer to the local authority the responsibility for managing the houses when erected, even without the consent of the local authority. I have accordingly given instructions for a Bill to be prepared for this purpose and a preliminary draft of the Bill is appended hereto. (Appendix II)

(2) New Methods of Construction.

I am encouraging by every means the adoption of new forms of construction wherever these promise to be rapid and economical. A special Committee has been at work for some months on this subject and I annex a list which is about to be published giving particulars of methods of construction, other than brick, which have already been approved. (Appendix III)

Steps are being taken to draw the attention of the local authorities to these methods of construction and I am arranging with the firms to quote definite prices for the production of houses in large numbers. A number of firms are now getting out definite prices and it is expected that quotations will be obtained for erection in large numbers of good houses of concrete or concrete block at £550 to £650 per house. Definite arrangements of this nature have been made with Messrs Boulton and Paul, Ltd. Norwich (timber-framed houses), George E. Clare, Harrow (interlocking terra cotta hollow block system), Dorman, Long & Co. Ltd., Westminster (steel and concrete system) and Major Waller, Dorsetshire, (reinforced concrete construction).
(3) Direct Agreement with the Trade.

In order to deal with delay and at the same time to secure the co-operation of the builders, certain new methods of procedure will be necessary. Those methods can be operated in some cases by the local authorities either as a supplement to, or a substitution for, the normal procedure. In other cases it will be necessary to act directly through the machinery of the Ministry of Health or through the Office of Works.

(a) Section 12 (3) of the Housing Act 1919 provides that, subject to the consent of the Ministry a local authority (or in cases of default the Ministry directly) may contract for the purchase by, or lease to them, of houses suitable for the working classes whether built at the date of the contract or intended to be built thereafter. This Section is capable of operation by the Ministry as well as by the local authority in cases in which the Ministry exercises the powers of the local authority.

After considerable negotiation a model form of agreement has been prepared whereby the local authority will undertake to purchase houses of an approved type, to be completed before a specified date, for a fixed sum which must be approved by the Ministry of Health.

(b) With a view to persuading contractors to place their resources at the command of the Government Housing Scheme the Building Resettlement Committee have recently suggested that it might be possible "by minimising the amount of useless work involved in tendering, by removing from Firms the necessity of fighting for fair forms of contract, and by distributing the jobs in such a way that the very great number of smaller firms will be able to take up contracts of suitable size, to remove many of the causes which are now set up deterring contractors from touching the Housing Schemes." I have now concluded an arrangement with the Resettlement Committee to give effect to this suggestion.
suggestion, and more or less definite arrangements on these lines have been made with builders' federations in Birmingham and Newcastle.

Under these arrangements, a fair price per house will be fixed in consultation between the members of the Building Trade and the Quantity Surveyors of the local authority and of the Ministry, and the work then distributed among the builders. The Resettlement Committee assure me that this procedure will attract builders, and at the same time I am persuaded that, by bringing in the Quantity Surveyors at the initial stage of the negotiations and by allowing the builders to make practical suggestions for reducing the cost of building, houses can be erected under this procedure at no more, and I hope even at less, cost than those secured by means of competitive tenders.

(4) **Bonus to Private Builders.**

The proposal to subsidise private enterprise by way of a State grant to builders of £100 or thereabouts per house erected in accordance with approved plans has again been brought forward. This proposal has been rejected as impracticable by every Committee which has reviewed the housing problem, and their decision has, I understand, been endorsed by the Cabinet. There can be no doubt, however, that a scheme on those lines would produce the houses.

(5) **Control of Wages and Building Operations.**

I have very carefully considered the Memoranda by the Chancellor of the Exchequer (G.T.3554), the Minister of Labour (G.T.3272), and the Chief Commissioners of Works (G.T. 8248), on the subject/
subject of rates of wages in the building trade, and I have proposals
prepared for preventing the diversion of the resources of the trade
from the Government Housing Scheme to other works of less public
utility and to checking an unreasonable increase in the already high
cost of providing houses for the working classes. The powers
necessary to give effect to this proposal are contained in clause 2
of the draft Bill now submitted.

While, however, I think it is essential that measures
should be taken for this purpose without undue delay, I am not in
favour of a complete control of the building trade such as the
Minister of Labour suggests, and I agree with the Chancellor of the
Exchequer that it is doubtful whether Parliament would consent to the
establishment of a new control of so extensive a character.

I may remind the Cabinet that the control of the building
trade established during the War was far from satisfactory, and that
even the limited amount of regulation proposed by the Building
Materials Supply Committee was rejected by the Minister in charge of
Demobilisation in December last. And the Parliamentary Housing
Group with whom I discussed some aspects of this problem during the
summer were decidedly opposed to the reimposition of any form of
control such as obtained during the War.

The system of licences which was adopted during the
War is not only irritating to the trade and to the public as experience
has shown but it lends itself to evasion and it involves a complex
and costly organisation. And any attempt to re-introduce such a
system would, I am sure, be regarded with great suspicion by the
trade unions.

It is sufficient, I think, that powers should be taken
to prohibit or restrict any buildings or class of buildings in any
area which are of less public utility than dwelling houses. The
administration of a simple measure of this kind would require no
special organisation, but it would be effective in preventing the
absorption in works of doubtful utility of labour and materials required for the necessary purpose and I believe it would command strong public support.

It will be observed that if I possessed the powers proposed to be conferred on me under the terms of this Bill I should be in a position to make a bargain with the builders in any locality whereby it could be made a condition of allowing any buildings to proceed, that the rate of wages proposed in respect of such buildings should not exceed the agreed rates for the district. It would thus be possible not only to secure the labour required for housing schemes but also to check indirectly any tendency to pay wages in excess of the agreed district rates.

With reference to the concluding paragraph of the Chancellor of the Exchequer's Memorandum I think it right in view of the statements which have appeared in the press, to point out that serious as the present cost of building undoubtedly is, the sensational figures which have been quoted present an exaggerated idea of the cost of construction. The average cost of a house (exclusive of charges for land and drainage etc.) based on the tenders for the first 6,000 houses works out at £704. The average cost of land per house is £20 and the average for drainage etc. is £60. The total inclusive cost would thus be about £790 at the present moment.

Ministry of Health

C. ADDISON

27.10.19.
Statement as to Housing Schemes of Local Authorities and Public Utility Societies submitted and approved by the Ministry of Health during the week ended 19th October 1919.

(Detailed information for each Housing Commissioner's Region is given to the statement marked in "(5)" annexed.)

<table>
<thead>
<tr>
<th>SITES</th>
<th>LAY OUTS</th>
<th>HOUSES</th>
<th>TENDERS</th>
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<tr>
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<td>Number</td>
<td>Number in which area is stated</td>
<td>Area</td>
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<td>1.</td>
<td>2.</td>
<td>3.</td>
<td>4.</td>
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<tr>
<td></td>
<td>Acres</td>
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<tr>
<td>During the week</td>
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<tr>
<td>Schemes submitted</td>
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<tr>
<td>Schemes approved</td>
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<td>Position at end of week</td>
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<td></td>
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<tr>
<td>Schemes submitted</td>
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<td>5130</td>
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<tr>
<td>Schemes approved</td>
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<td>1637</td>
<td>21715.88</td>
</tr>
</tbody>
</table>

The Schemes of Public Utility Societies included in the above figures for the position at the end of the week are:

| Schemes submitted | 59 | 60 | 3077.70 | 36 | 30 | 4,667 | 238 |
| Schemes approved   | 21 | 20 | 613.06  | 18 | 19 | 849   | 208 |

Housing Department,
21st October, 1919.
Appendix II.

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BILL,

to

Facilitate the early provision of dwelling accommodation and for other purposes connected therewith.

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

1.-(1) Where it appears to the Minister of Health that the provision of dwelling accommodation is urgently needed for the area of any local authority and that it is expedient that the whole or any part of such accommodation should be provided by him, it shall be lawful for the Minister himself to provide such accommodation and for this purpose to exercise any of the powers of the local authority under the Housing Acts whether in respect of land already acquired or appropriated by the local authority for housing purposes or in respect of any other land.

(2) Any expenses incurred by the Minister in the exercise of such powers as aforesaid shall in the first instance be paid out of monies provided by Parliament and the Minister may if he thinks fit by Order direct that such expenses shall be paid by the local authority as if they were expenses of a scheme to which Section 7 of the Housing, Town Planning &c. Act 1919 applies and shall be recoverable as a debt due to the Crown and the payment of the sum so payable shall be a purpose for which the local authority may borrow under Part III of the Housing of the Working Classes Act, 1890.
(3) Any such Order may contain such consequential and supplemental provisions with regard to the vesting of any lands and houses in the local authority or otherwise as the Minister may think necessary.

2.-(1) Where the Minister of Health is satisfied that the provision of dwelling accommodation is, or may be, hindered by difficulties with regard to the supply of labour or materials, the Minister may by order prohibit or restrict the erection of any buildings and works connected therewith (including alterations and additions to existing buildings) which appear to him to be of less public utility than the provision of dwelling houses.

(2) Any Order made under this Section may be made subject to such conditions as to time or otherwise as the Minister may think fit, and may be revoked or varied by any subsequent Order.

(3) If any person contravenes any provisions of any order made under this Section or fails to comply with any conditions subject to which the order may be suspended as respects any class of buildings he shall be guilty of an offence against this Act and be liable on summary conviction to a fine not exceeding pounds, and where the person guilty of an offence is a company, every director and officer of the company shall be guilty of a like offence unless he proves that the act constituting the offence took place without his knowledge and consent.

(4) Where the non-fulfilment of any contract is due to the compliance on the part of any person with any such Order as aforesaid proof of that act shall be a good defence to any action or proceeding in respect of the non-fulfilment of the contract.

(5) For the purposes of this Section the expression "local authority" means any local authority or county council having powers under the Housing of the Working Classes Acts, 1890 to 1919.

3. - (1) This Act may be cited as the Housing (Facilities) Act, 1919.

(2) This Act shall not extend to Scotland or Ireland.
(3) This Act shall continue in force for two years after the passing thereof, and no longer unless Parliament otherwise determines:

Provided that section thirty-eight of the Interpretation Act 1889 (which relates to the effect of repeals), shall apply as if this Act had been repealed by another Act passed on the date of the expiration of this Act.