

THE HOUSE OF LORDS
AND THE HOUSING FINANCE SPECIAL PROVISIONS BILL

[Paper by Lord Carrington]

We shall have to decide what we should do about the Lords' amendments to the Housing Finance Special Provisions Bill. Rejected by the Commons, save for the "Clay Cross" amendment. The amendments are explained in the attached paper prepared by the Conservative Research Department. The Government defeat on Clause 4 was clearly organised by the Labour Whips, no doubt to avoid the problems which its rejection would entail and to place the Conservatives in the Lords in a less certain position.

If the House of Lords insists upon these amendments, the Government has three courses: either to accept the amendments, to abandon the Bill, or to invoke the operation of the Parliament Act. They would almost certainly decide upon the last of these alternatives and at the same time seek to divert attention from the merits of the case by a Paers v. the People - "an unselected House interfering with the democratic majority", campaign.

I set out below the arguments for and against the House of Lords insisting on these amendments:-

FOR

- (1) This is a bad Bill which should be opposed by all available means.
- (2) The amendment on which the Government was defeated does not deal with the principle. This is dealt with in the amendments which were rejected by the Commons. The Clay Cross amendment has no effect one way or the other since the councillors, owing to a subsequent offence, suffer disenfranchisement anyway.
- (3) Some of our supporters in Parliament, and some of our supporters in the country, will not understand the tactic which accepts the shadow of Clay Cross for the substance of principle.
- (4) It is difficult to see on what basis except political expediency a speech could be made which could justify our not insisting on the remaining amendments.
- (5) The disadvantages seem to be all political and not matters of principle.
- (6) If the Bill remains as it now stands, the Clay Cross councillors will be treated worse than any other possible offenders who will be pardoned in advance, whilst the Clay Cross councillors' penalty remains.

AGAINST

- (1) To the general public the Government suffered a substantial defeat over Clay Cross. They were beaten in the House of Commons. The Clay Cross councillors' penalties stand and it is generally believed that the Government suffered a conspicuous reverse.
- (2) It was the Clay Cross councillors which caught the public imagination. The other amendments are not mainly concerned with Clay Cross and consequently much more difficult to explain.

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- (3) There was a considerable amount of Press comment after the vote in the House of Commons. Almost without exception the editorials counselled the House of Lords against taking the matter any further. I doubt therefore whether we should have much Press support or understanding of our position.
- (4) It is doubtful whether most Crossbenchers would support us at the next stage, though it is possible that the Liberal Leadership might want to do so.
It is becoming increasingly less desirable for the Conservative majority to defeat the Government on matters of substance without the support of Liberals and Crossbenchers.
- (5) Does the Party at this time want a pseudo constitutional crisis? Would it perhaps enable the Government to obscure other matters of much greater importance?
- (6) Insistence on the amendments might be made to appear vindictive - now that Clay Cross has been disposed of.
- (7) There is another issue on which it will be necessary for us to make a decision - the Goodman amendment on the Trade Union Bill. In this case the Crossbenchers and all the Liberals will be against the Government and we should get the support of the Press. For that reason it might be better to concentrate on that issue.

Whichever course we adopt there will undoubtedly be those in the Conservative Party in the House of Lords who would wish to do the opposite. No doubt too there will also be a divergence of opinion in the Commons.

On balance, I think that it would be best not to press this issue any further. I do not believe that it is possible in the light of the Government defeat on the Clay Cross amendment to explain in simple terms, which will be readily understandable to public opinion, why the House of Lords is set on a course which could provoke some kind of a constitutional difficulty at this particular time.