

PRIME MINISTER

Attached is an H paper from Mr. Jenkin covering proposed amendments to the Housing and Building Control Bill which has its Second Reading next Tuesday. The amendments will be made in Committee and would:

- (i) reduce the three-year qualification period for a right to buy to two;
- (ii) extend the discount scale to a maximum of 70 per cent for tenants of 40 years' standing;
- (iii) extend the applicability of tenants' entitlement to other public sector accommodation;
- (iv) introduce a right to buy for tenants of charitable housing associations amended following the House of Lords vote in the last Parliament.

I gather that Ian Gow spoke to you about the proposals set out in the paper. May I take it that you are content with them?

Yes ml

RF

29 June 1983

COUNCIL HOUSE SALES

ENGLAND

April 1979 - March 1982

257,000 SOLD

250,000 approx. applications in pipeline

SCOTLAND

May 1979 - 31 March 1982

(55,800 applications in total)

20,180 SOLD

- 11,958

Local Authority

4,163

Scottish Special Housing Association

4,059

New Towns

7,329 applications in pipeline

28,291 applications withdrawn, refused or awaiting acceptance
for processing

hon. Lady still content to allow cruise missiles to be deployed in Britain, especially when there is no effective British veto on their use? Will she recognise that the smokescreen of smears put out by the Secretary of State for Defence will not conceal a bankruptcy of argument?

The Prime Minister: I would have said that the hon. Gentleman's supplementary question was a smear on President Reagan. He has, after all, made proposals substantially to reduce the number of intercontinental ballistic missiles. He is the only Head of Government who, supported by the rest of us, has put forward a zero option for INF. The President has put forward those two bold measures of disarmament, but the weakness is that the Soviet Union has taken up neither.

Q4. **Mr. Hannam** asked the Prime Minister if she will list her official engagements for Tuesday 26 April.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

ANSAR
6/4/83

Mr. Hannam: Has my right hon. Friend seen the commitment in the Labour party's policy document to abolish the right of council tenants to buy their own homes? Does she agree that the number of council tenants who have purchased their own homes since 1979, and of those in the process of buying their own homes, show that most council tenants would prefer to own their own homes rather than be tenants?

The Prime Minister: Yes. About 500,000 tenants have purchased their houses either from councils or other parts of the public sector, such as new towns. Those 500,000 would never have had the opportunity to do so under a Labour Government. It seems that the Labour party does not want them to have the dignity of owning their own homes by purchasing from local authorities. Another 200,000 applications are in the pipeline. I hope that in our next period of Government there will be many more.

Mr. Foot: If the right hon. Lady would like to comment accurately upon the policy document, I shall send her a copy and she can study it. Has the right hon. Lady had the opportunity to read the answer given recently to my hon. Friend the Member for Lewisham, West (Mr. Price), which shows that capital spending on housing in England has sunk to no more than one sixth of the level achieved under the Labour Government? How many fewer houses has that meant, and how many building workers has that policy thrown out of a job?

The Prime Minister: Is the right hon. Gentleman denying that the Labour party manifesto states that a Labour Government will terminate the right to buy—
[HON. MEMBERS: "Answer".]

Mr. Heffer: What about the right to work?

The Prime Minister: The Leader of the Opposition will be delighted to know that the construction of new housing is considerably up on a year ago, and that improvement grants are running nearly as high as they were in 1973.

Mr. Foot: Obviously I should like to give the right hon. Lady the opportunity to read the entire document instead of only parts of it. When she talks about restoring the rate of building as an excuse for having cut it to one sixth of the level that was achieved under the Labour

Government, does she agree that even with the higher figures to which she referred, and the much-vaunted improvement of the past two months, construction is at half the level that prevailed under a Labour Government? Will she also consider what she has done to council house tenants? Why has she more than doubled their rents over the past four years?

The Prime Minister: The right hon. Gentleman knows that there was a period when the Labour Government were in office when council house rents were about 40 per cent. of council house costs. That could not continue. The difference had to be borne by the ratepayer. Of course, rates are at their worst under local authorities. The Labour Government never reached the levels of home improvement grants that we have reached and which were reached under previous Conservative Governments.

Mr. Foot: The right hon. Lady is really saying that we tried to keep council house rents down and that she has succeeded in pushing them up.

The Prime Minister: No. The right hon. Gentleman was always prepared to put the burden of council house rents on the ratepayer.

Q5. **Mr. Robert Atkins** asked the Prime Minister if she will list her official engagements for 26 April.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.