



The sale of council houses and record mortgage rates where are we heading?

Michael Jones

The Tories: Bringing the House Down

THE RIGHT ON THE OFFENSIVE

'The personal fortunes of 54 per cent of Britain's population who live in their own houses depend directly on distortions in the financial markets and the tax system which are now threatening to damage the economy on a scale which the Government cannot afford to ignore. This . . . has been achieved at least in part at the cost of industrial investment and the value of equities. Steps must be taken to ensure that in the long-run, the housing market no longer occupies a uniquely privileged position in Britain's financial system. Inevitably this means reviewing the tax relief that owner occupiers now enjoy'.

These words, far from being a critique from the Left of the Tory government's housing policies, are the response of the leader writer of the *Financial Times* only six months after the General Election of May 1979. At this election, housing policy assumed a crucial political role for the first time for fifteen years, although the content of the housing debate, and the policy issues which were raised, were radically new in character.

The key issue, one which played a decisive role in the electoral victory of the Tory Party, was the proposal to give every council tenant a statutory right to buy the dwelling in which he or she lived, and to do so at a discount below the market price of the dwelling of between 30 and 50 per cent.

The manner in which the 'right to buy' has assumed a central position in these debates over housing policy reflects the extent to which the perception of the housing problem has itself changed from the problem of housing condition to the problem of housing tenure. The focus of the debate is no longer the problem of supply, the absolute need for housing, the physical condition of the stock and the

necessity of state intervention, but rather the problem of demand, the restrictions on access to council housing, its unsatisfactory character and the allegedly 'natural' desire for individual ownership.

The political identification of the Tory Party with the growth of owner occupation and the ideological significance which it has placed on the concept of the 'property-owning democracy' has created one of the new but fundamental contradictions of the current housing problem. The Tory Party is effectively trapped between the need for further concessions to stimulate the growth of the owner occupied sector and the economic consequences of owner occupation in its present form.

'The prospect of very high mortgage interest rates deters some people from buying their homes and the reality can cause acute difficulties to those who have done so. Mortgage rates have risen steeply because of the Government's financial mismanagement. Our plans for cutting government spending and borrowing will lower them'.

An unfortunate hostage to fortune from the 1979 Tory election manifesto.

In reality the Tory Party has been obliged to advocate increased state intervention in the operation of the market in order to protect their electoral base. During the summer of 1979 when rising interest rates in the money markets were pressurising the building societies to increase the mortgage interest rate, the Government intervened to prevent the necessary increase.

The consequences of the Tory economic strategy could not be resisted indefinitely however, and with the rise in Minimum Lending Rate to 17% in November 1979, the Building Societies Association quickly 'recommended' to its members the 15% mortgage interest rate. At a stroke this increased mortgage repayments by nearly 25%, caused a loss of £400m revenue to the government through higher tax relief, and more than eliminated the 'benefits' of the Budget tax cuts to basic rate taxpayers with mortgages.

Sale of council houses

Economic reality however has not prevented the Tory Party from pursuing the policy of the sale of council houses in order to extend its social base regardless of the wider consequences. As a policy it has had a number of political attractions for the Tories.

Firstly, it represented a direct assault on one of the most concrete manifestations of the Welfare State, and one of the most significant advances of social democratic reformism, by allowing the disposal of state assets at a cut price to the benefit of individuals. This would have the dual effect of beginning to dismantle the state sector of council housing, reducing its role to a residual welfare provision, and of increasing the absolute predominance of owner occupation as the major form of housing tenure.

Secondly, it is being used to draw a sharp demarcation between the

poor quality of much state sector provision, its apparently arbitrary distribution, its bureaucratic and paternalistic administration

politics of consensus and the militant ideology of the new Right. The introduction of a statutory 'right to buy', in undermining local authorities' powers to deal with housing problems as they see fit, and the introduction of unprecedented powers for the Secretary of State to take over the functions of any dissenting or dilatory council, mark a new stage in the concentration of powers by central government and the refusal of local democracy and autonomy to individual councils.

Thirdly, it was electorally crucial in dividing a working class movement, deeply disillusioned by the apparent inadequacies of the

Welfare State and politically embittered by the economic policies pursued by the Labour government after 1976, by its populist appeal to the anti-bureaucratic, individualist and self-sufficient ideology of home ownership. While election results cannot be ascribed to any one factor, the development of the 'right to buy' as a leading element in Tory electoral strategy, and its appeal particularly to skilled workers with higher incomes, was tested in practice. In the South-East alone, May 1977 saw the Tory victory in the Greater London Council and the introduction of the 'Sale of the Century', May 1978 saw Tory victories in Wandsworth and Hillingdon at the Borough elections, while May 1979 saw substantial swings to the Tories in seats such as Basildon, all areas where the sales issue played a prominent role in Tory campaigns.

The end of consensus

The political emphasis placed by the Tory Party on the sale of council houses is one of the indicators which have marked the shift away from the developing convergence between the housing policies of the two major political parties during the postwar period. The Tory Party had accepted an increasing degree of state intervention in ensuring the continued provision of housing construction and improvement, while the Labour Party accepted owner occupation as the dominant form of housing tenure and developed policies to support its extension.

This process reached its apogee in 1974 after the February General Election with the adoption by the incoming Labour government of the previous Tory government's Housing Bill, to form the Housing Act 1974. This initiated the growth in area improvement policies and greatly extended the role of housing associations as a 'third force' in housing by developing the central government appointed and quasi autonomous Housing Corporation. The acceptance by the Labour Party of the principle that the housing problem was confined to limited and definable geographical areas, and that an alternative form of tenure to that of council housing was desirable, were both matched by the continued willingness of the Tory Party to contemplate further extensions of state expenditure and state intervention in order to achieve these objectives.

Under the impact of the international recession after 1973 and the growing weakness of British capital, the forces within the Tory Party and the Right in general which were opposed to the ideological acceptance of continued state intervention began to gain ground. By 1979 any element of a 'bi-partisan' acceptance of the broad principles of the Welfare State had disappeared, and the Tory Party had adopted an attitude of hostility towards the state sector and support for individualism and laissez-faire economics not seen since the 1930s. In the housing field this radical move to the ideological right was built on two main foundations.

The first was an increased questioning of the validity of the Welfare State itself. This took place both among theorists of the social market and at a popular level, with an increasing disillusion among many of the recipients of social benefits as to the worth and value of state provision when compared to that of the private sector. The poor quality of much state sector provision, its apparently arbitrary distribution, its bureaucratic and paternalistic administration and its apparent inability to effect a significant redistribution of wealth in society all combined to underwrite the ideological and practical attractions of the second element.

This was the increasing dominance of individual owner occupation within the housing market and the ideological consequences of its spread. The extensive economic benefits conferred on the homeowner, particularly by inflation and the tax advantages of ownership, contrasted sharply with the ever-rising costs and poor services of the council housing sector. An important element in the ideological justification of home ownership has also been the emphasis on self reliance, thrift, independence and individualism which has

found a strong echo in aspects of the nonconformist tradition which has had such a powerful influence within the British labour movement.

The Left on the defensive

The combination of these two elements posed an ideological problem to which the Left proved unable to formulate a coherent and effective answer, and which indeed was accepted by some elements within the progressive spectrum as a further, and valid, development of

there has been a continuing
deterioration in the physical condition
of repair of the private rented stock.

reformist ideas. An example of this effective capitulation is provided by the former Director of the Child Poverty Action Group, and current Labour MP for Birkenhead, Frank Field. He wrote in a pamphlet: 'There is a certain sourness, not to say bitterness in the land . . . as tenants become more and more aware of the extent of the serfdom imposed upon them by their council tenancies' and went on to advocate the sale of council houses on three grounds:

'In the first place it would be a massive redistribution of wealth in our community. Secondly, it would extend the new dimensions of individual freedom to a large number of people: freedom from the petty rules and restrictions imposed by bureaucracy, and also freedom to move around the country. Thirdly, this approach would be a direct attack on the cycle of poverty in that we would for the first time be giving many poor people that crucial thing they lack — and that is access to wealth'.

Ideas of this type are indistinguishable from the position of the ideologists of the Tory Party and the new Right. They indicate the extent to which the Left has failed to provide an effective counter to the attacks on the public sector, and has left the way open for the disillusion with the inadequacies of the sector to become despair at the apparently insoluble nature of the problem.

The effects of this loss of initiative by the progressive forces in this country are becoming increasingly evident. The Tory Party has been able to open an offensive on a broad front against the structure of local authority housing and the role of the public sector in meeting housing need which will, if allowed to develop unchecked, roll back many of the gains established by the labour and progressive movement over the last sixty years. The cuts in capital expenditure, the ban on municipalisation, the restriction of direct labour, the abandonment of the Community Land Act and the encouragement of the private landlord are an indication of the opportunities which are being created for private capital.

SOCIAL DEMOCRACY AND HOUSING POLICY: THE BRITISH EXPERIENCE

The realignments in social policy brought about by the crisis of the imperialist war between 1914 and 1918 and the incorporation of the social reforms and growing class struggle of the pre-war period into a social order which was able to withstand the crises of the 1920s and 1930s, formed the basis for the development of the specific forms of the Welfare State and the consensus of social democratic reformism which followed the 1939-45 war.

The inflationary effects of funding the immense expansion of industrial production required for the war after 1914 led to demands from private landlords, then owning 90% of all dwellings, in order to maintain the value of the return on their investments. This in turn led to industrial action by workers to maintain the value of wages and thus to a conflict between the landlord and industrial fractions of capital.

This struggle was most pronounced on Clydeside where the

combination of industrial action by the working class and pressure from the industrial employers led the Government to introduce the Increase of Rent and Mortgage Interest (War Restrictions) Act in 1915. Although intended as a temporary measure, this laid the basis for the control of rent levels in the post war period, at levels below those which would provide landlords with a profitable return on their investments.

Although the private landlord, as a fraction of the capitalist class, had been sacrificed in the interests of the survival of capitalism itself, no measures were taken by the state to deal with the consequences of the policy of rent control. This meant the virtual end of investment in the private rented dwelling stock. Provision was made to deal with the worst dwellings, through the programmes of slum clearance which provided for the compulsory acquisition by the public sector of the private landlords' investments, accompanied by appropriately generous compensation, but no comprehensive programme of public acquisition was ever conceived or implemented. The costs of

thereby stigmatising homelessness as a social 'problem' akin to alcoholism or criminality and not as a housing problem.

compensation at market prices were too great to be contemplated, while the Labour Party was politically incapable of proposing the solution of expropriation.

The introduction of rent control led in practice not to the abolition of the private landlord class, but rather to its slow strangulation. This had the consequence of effectively 'freezing' the majority of the housing stock in its existing condition and at the standards of the late nineteenth century with little prospect of continuing repair or improvement.

Decline of private rented sector

The consequences of rent control in the private sector below a level which would attract investment have been twofold. Firstly, there has been a continuing deterioration in the physical condition of repair of the private rented stock. Secondly, there has been a continuing decline in the size of the private rented sector. This has resulted partly from demolitions by the public sector, but principally from the realisation by landlords of the capital value of their investments, selling mainly to owner occupiers and at periods in the 1960s and 1970s to local authorities. It should be noted that in the period of the later 1940s and 1950s, when owner occupation grew to become the dominant form of housing tenure in Britain, that this growth came more from the sales of previously tenanted property than from speculative housebuilding. The effective size of the private rented sector, in terms of dwellings available for re-letting on the open market is now probably less than 5% of the total housing stock in Britain.

The response of the state in the period after 1918 to the effective disappearance of the small investor from the housing market, the catastrophic housing problem and the greatly increased organisation and militancy of the labour movement was to embark on a substantial programme of state subsidised housebuilding, principally by the local authorities but also by offering in the 1920s subsidies to private housebuilders to build for rent and sale. This programme was to be financed by borrowing from the investing public and rents were to be subsidised by central government grant and from local property taxation, a system which has lasted without significant change to the present.

The Minister in charge of housing in the first Labour government,

in 1924, was John Wheatley, the left-wing socialist from Clydeside, who outlined the social relations which the policies of social democracy were to underwrite for the next 55 years:

I say today there is no investment in working class homes . . . Are we to remain without houses merely because people who have money to invest refuse to invest that money directly in working class houses? . . . I do not kill the small investor. I say to the small investor: You will find in the local authority a much safer investment for your small savings than you ever found in owning and letting working class houses. I am the benefactor of the people'.

EMERGING CONTRADICTIONS AND THE NEW HOUSING PROBLEM

Substantial concrete advances were made by the policies of social democratic reform pursued by both Labour and Tory governments in the post-war period, in each of the dimensions used to measure and define the housing problem in Britain during this time: eliminating the national housing shortage, clearing the slums, providing every household with the 'standard amenities', reducing densities and improving the environment. As a consequence, the previous notion of the 'housing problem' virtually disappeared.

The re-emergence of the housing question at the centre of the political debate in the late 1970s is a reflection partly of the new ideological significance of the attack on the public sector and partly of the new contradictions which have emerged since the late 1960s as a consequence of the forms which state intervention has adopted in relation to the housing question.

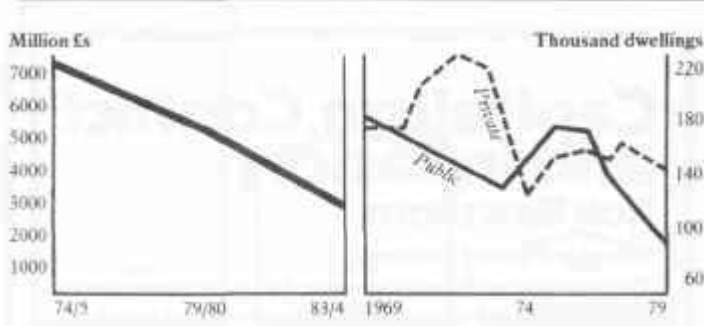
Among the most evident of these emerging contradictions has been that of the problem of homelessness, a problem of sufficient severity to have already been recognised in government legislation in the Housing (Homeless Persons) Act 1977. The progressive polarisation of the housing market between the two tenure groups of owner occupation and council housing, and the parallel decline of the private rented sector has increasingly limited flexibility in housing supply. Each of the two main tenure groups has relatively rigid rules governing access to housing.

Access to the owner occupied sector, apart from the level of income required for house purchase, is also determined by the mode of earning in relation to the need to raise substantial credit over long repayment periods, and increasingly by the requirement to pay a greater proportion of the purchase price in the form of a deposit, thus demanding levels of saving which represent a considerable diversion of income away from consumption for many households.

Access to the public sector, by contrast, is controlled politically and subject to little control by central government. Statutory rights of housing in the public sector were traditionally only available to certain categories of household displaced by slum clearance or redevelopment, while a statutory right to register with the local authority for housing only exists in Greater London, and that only since 1964. Otherwise, local authorities may refuse to admit any particular category of household, may insist on a minimum period of residence within the area before rehousing, and may allocate housing according to any criteria of their choice, which range in practice from personal interview by elected councillors through simple queueing systems which rank applicants according to length of waiting time to complex systems of 'pointing' applicants by various measures of housing need such as overcrowding or lack of amenity.

Homelessness

From the mid 1960s this situation has led to an increasing number of households who have **either** literally been unable to **find** housing of **any kind**, or whose **housing** circumstances are so precarious or



Public expenditure on housing: past and projected.

New houses started

From *Housing and Construction Statistics*, DOE

(Note: this excludes mortgage tax relief)

From *The Governments Expenditure Plans 1980-81 to 1983-84*, Cmnd 7841, March 1980.

temporary as to render them effectively homeless. Most local authorities dealt with this increasing problem by attempting to suppress the symptoms, partly by only admitting certain categories of homeless, usually limited to families with children, partly by offering only temporary accommodation such as cheap hotels or hostels supplying 'bed and breakfast' only or inadequate accommodation such as 'short-life' property awaiting demolition or difficult to let flats on old estates, and partly by the administrative measure of dealing with homelessness through the social services departments and thereby stigmatising homelessness as a social 'problem' akin to alcoholism or criminality and not as a housing problem.

These attitudes are symptomatic of the profound deference to established ideology, and the capitulation to the values of capitalist individualism, which characterises the politics of social democracy in Britain.

A crucial influence, however, in undermining the complacent paternalism of social democracy has been the internal contradictions of the public sector itself.

Possibly the most important of these contradictions is an apparent crisis of demand. In each of the major cities in Britain today a significant number of council dwellings exists for which the local authorities have found it difficult or even impossible to find a stable population of tenants. This problem has developed because of the increasing disparity between the physical and environmental standards of large sections of the publicly rented housing stock and the aspirations of those categories of household which the local authorities are admitting to the public sector housing market.

An important consequence of the problems posed by the 'difficult to let' phenomenon has been the disposal or the destruction of public sector capital investments in an attempt to resolve the contradiction. In Liverpool, three blocks of flats whose notorious conditions led to the tenants naming them 'The Piggeries' were vacated and sold to private speculators, while in a well-publicised example the neighbouring local authority, Birkenhead, has demolished two blocks of vacant and vandalised dwellings. Glasgow, which with a stock of some 180,000 dwellings is the largest public housing authority in Western Europe, will have demolished several thousand flats by the end of 1980, some of them built only eight years ago.

The image of council housing as a series of stigmatised estates, plagued by vandalism, of crushing uniformity, far from services of any kind, populated by a class dependent upon state benefits, and in which life is structured by rules and regulations only one step removed from the institution, is a popular myth. As a characterisation of the living conditions of the 6 million households, or one third of the population of Britain, that five in the council sector, this is an absurdity. Nevertheless, it is an image founded in the real contradictions of the provision of public sector housing in Britain.

Paternalism of the council sector

At the same time, the condition of existence of those living within the public sector has been determined by a complex framework of rules and restrictions, relating to questions ranging from the freedom of individuals and communities to decorate the exterior of their homes, to the ability of tenants to keep animals or to take in lodgers. The ultimate sanction in this paternalistic and bureaucratic relationship has been the absence of any legally established security of tenure in the public sector. The establishment of security of tenure for most tenants in the private sector in order to prevent harassment and eviction by landlords contrasts sharply with the opposition to its introduction in the public sector by local authorities who wished to preserve their rights of arbitrary eviction.

This longstanding and entrenched paternalism of the state has been increasingly challenged by the tenants' movement and by housing rights workers in the call for a 'charter' of tenants' rights. Despite the consistent, and continuing, opposition of the local authority associations, the need for a charter of rights for public sector tenants has now been accepted by central government. The Labour government's belated and unimplemented proposals in this field have ironically been adopted by the present Tory government in the Housing Bill as a political *quid pro quo* for the introduction of the 'right to buy'. The first major extension in popular and democratic rights for public sector tenants will thus come from a political party bitterly opposed to the principle of state intervention itself.

The emerging contradictions within the public sector were paralleled during the 1970s by arguments which questioned the possibility of resolving these contradictions within the context of state intervention and which challenged the role of state intervention in the provision and administration of housing.

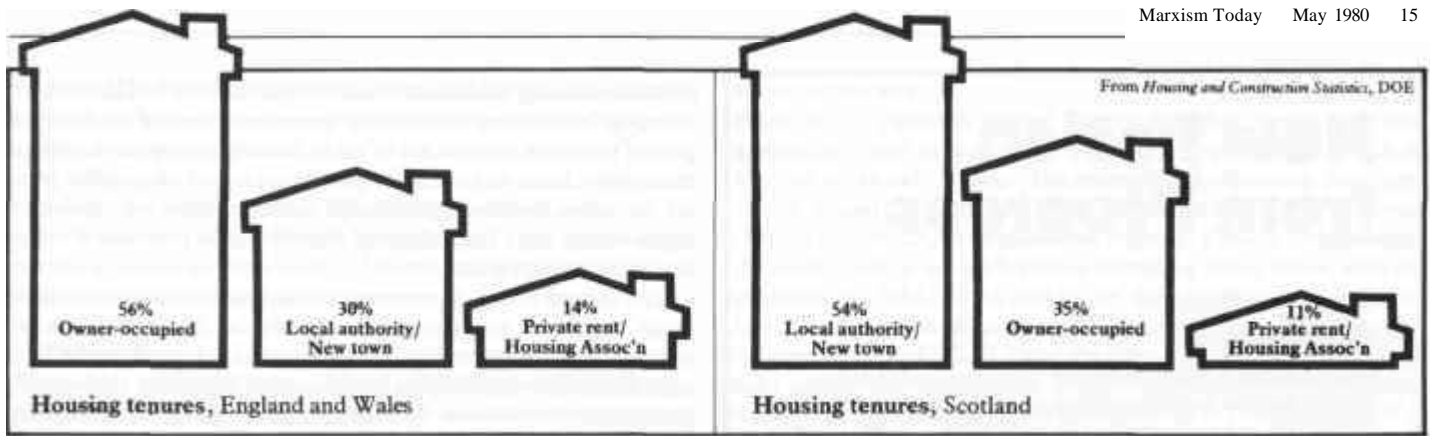
This means that the Left must question the basis of compensation paid to private landlords

The development of contradictions within the public housing sector, and the political perception of the necessity to reduce state expenditure through increasing housing costs, have not yet developed a parallel in the owner occupied sector. Although a number of contradictions are developing within this tenure—as indicated earlier—the overwhelming emphasis on promoting the ideology of private ownership and individualism has so far prevented these problems from becoming visible at a political level and has confined discussion to relatively restricted interests.

Owner occupation

The development of owner occupation to the dominant form of housing tenure in Britain, representing 55% of all households, originated under the tutelage of the Tory Party, whose ideological commitment to the contribution which the concept of a 'property owning democracy' could make to the maintenance of social stability and the consolidation of capitalist ideology was translated under successive Tory governments into a fiscal and legislative framework increasingly favourable to owner occupation.

The position of the Labour Party has been more contradictory, ranging from a view of owner occupation as inextricably capitalist in character and therefore incompatible with the ideological and political development of the working class, to one which argues for the universal extension of owner occupation so that all classes may share in its supposed benefits over renting from the public sector. Inevitably this has led to Labour governments being able to pursue a pragmatic policy, recognising the electoral advantages from the consolidation and extension of the sector's benefits. This view reached its most



developed expression in the Housing Policy Review, which accepted the existence of owner occupation as the 'natural' form of housing tenure and which envisaged the reduction of the public sector to a residual 'welfare' role.

The principal area of perceived contradiction in the owner occupied sector stem from the problems presented by the political desire to extend the sector to greater proportions of the population. Ownership is dependent upon the availability of private sector credit, borrowed short term and lent long term and therefore dependent upon stability in the market. Attempts to extend owner occupation to other groups at the margin of the market have therefore focused on providing an equivalent subsidy to tax relief to those who do not pay tax, adjusting the method of repayment to reduce repayments in the early years of the loan, offering savings 'bonuses' provided by central government to increase deposits, guarantees by local authorities to private sector lending institutions to underwrite loans and direct lending for mortgage finance by local authorities themselves. These measures are however directed towards problems which are marginal effects of the contradictions of the sector.

State subsidies to housing in Britain, in all tenures, are currently some £5.5bn per year, or the equivalent of one third of the amount raised by income tax. Approximately 40% of this goes to owner occupiers in the form of income tax relief on mortgage interest payments. In addition to being highly regressive, this subsidy establishes an economic incentive to individual households to maximise the amount borrowed to finance their dwelling purchases. Given that capital gains made on ordinary dwellings are not taxed, this contributes to making privately owned housing one of the most secure and effective forms of investment, so that it currently represents about 50% of all personal saving.

Furthermore, the favourable tax position of the building societies, the principal lending institutions, makes it possible for them to extend credit for dwelling purchases at relatively low rates of interest compared to other financial institutions. This system of credit and subsidies contributes to maintaining very high levels of demand for owner occupation in relation to the supply of dwellings. This has in turn assured a level of house price inflation in excess of that in the economy as a whole, and which in recent years has been between 20% and 30% in most areas.

Owner occupied dwellings change hands roughly once in every seven years and therefore are regularly being refinanced on the basis of their current market price. A result of this is that a massive and spiralling volume of credit is required to sustain the owner occupied sector. This represents a considerable and growing diversion of investment and resources from other sectors of the economy such as manufacturing industry with consequent long term implications for the British economy as a whole. It is particularly significant since the proportion of building society lending on investment in newly constructed dwellings, as opposed to the refinancing of the exchange of existing ones, represents only some 17% of all lending.

THE LEFT AND HOUSING

The emergence of these new and complex contradictions in housing, and the simplistic aggression of Tory policy towards the public sector and in favour of individual ownership pose important questions to which the Left must provide an answer. This response must be one which recognises the complexities of the issues raised and which responds to them in a way which relates immediate demands within the different housing tenure groups to an overall strategy and perspective in the struggle for socialism. The necessity of overcoming the existing sectional divisions between owning and renting, between public and private sectors, is an essential part of the development of popular alliances in opposition to the selfish and individualistic outlook promoted by the Tory Party. This perspective will involve developing policies, and action based around these policies, in the three main housing tenures.

1. Private rented sector

In the first area, the remnant of the private rented sector, the main struggle must be to oppose the weakening of the provisions for security of tenure, to oppose the measures aimed at increasing rents and to press local authorities to make vigorous use of the powers available to them in enforcement action against substandard and insecure housing. In the wider perspective, the end of private landlordism through a resurgence in the municipalisation programme is required. This means that the Left must question the basis of compensation paid to private landlords and must seek to offset the past flow of profits and the costs of repair and modernisation more fully against any compensation paid, if the issue of expropriation cannot be placed on the political agenda.

2. Owner occupation

In the second area, that of owner occupation, a more complex response is required of the Left. This must be based on an acceptance of the reality that individual home ownership is now both the absolute majority form of housing tenure and in addition the one which is ideologically dominant. Too frequently owner occupation has been portrayed on the Left as if it were confined to a relative minority of the middle classes, and has been dismissed as unacceptably individualistic when contrasted to the 'socialised' character of council housing. There has been as a consequence little debate of a serious nature on the Left on policies towards owner occupation, but a number of possible measures can be sketched here in the light of the emerging contradictions identified earlier, and within a general perspective of developing effective policies towards owner occupation which develop politically explicit relations between owner occupiers and the state.

The first group of measures are related to the problem of diverting funds from exchange towards investment, both in new construction and in the improvement and repair of the existing stock, and to controlling the spiral of prices within the sector. Such measures could

New fiction from Progress

Who is to Blame?

Alexander Herzen

First published in 1845, Gorky said of the book and its author, 'Herzen was the first Russian thinker; no one before him studied Russian life so deeply and from so many sides... In this novel he first raised the question of the position of women.'

7147 1443 7. Hbk, 275pp, illus

£2.95

Stories and Poems

Ivan Bunin

His writings are an example of the stiff demands an artist can make on himself, of the noble terseness of the Russian literary language, of clarity and lofty simplicity.

7147 1446 1. Hbk, 508p, 9pp illus

£3.95

The Collected Works of Maxim Gorky

Vol 3, Mother

Vol 4, Plays

Gorky's famous novel, published in 300 editions throughout the world, and the only complete edition of his plays in the English language, form the next two volumes in this attractively produced edition, in ten volumes, of the works of one of the greatest of Soviet writers.

Vol 3: 7147 1444 5. Hbk, 384pp

£3.50

Vol 4: 7147 1445 3. Hbk, 860pp

£3.50

A Brush with Hate

Lev Korneshov

A novel set in the West Ukraine in 1945, about a young village teacher turned intelligence agent for the sake of her native Ukraine.

7147 1418 6. Hbk, 310pp

£2.75

Under Summer Skies

Vytautas Bubnys

Awarded the Lithuanian Republic Literary Prize, this novel is about the Lithuanian countryside today and the difficulties of coping with change. Strikingly illustrated.

7147 1430 5. Pbk, 249pp, illus throughout

£1.75

A Life Reviewed

Visvaldis Lams

Lams, a well-known Latvian author, writes of working men who build their lives with their own hands, strikingly individual characters with their own views and troubles.

7147 1434 8. Hbk, 253pp

£2.25

UK Distributors

Central Books

14 The Leathermarket, London SE1 3ER

Telephone 01-407 5447

include: allowing inflation to erode the real value of the £25,000 limit to tax relief; limiting the existing regressive nature of tax relief by paying mortgage interest net of tax at the basic rate as in the option mortgage scheme and insurance premiums; introducing capital gains tax on sales; introducing tax relief on expenditure on repair and improvement; and extending and simplifying the provision of repair and improvement grants.

The second group of measures are designed to involve the state more closely in the provision of funds for house purchase by developing the relationships between central government, the local authorities and the building societies, by: extending the existing 'consultative' processes with central government; extending the building society support lending scheme with local authorities; using state support and intervention to even the flow of funds through the societies; encouraging further mergers and restricting the meaningless High Street competition for funds; developing rules for lending to eliminate discriminatory practices such as 'redlining'; extending mortgage 'top-up' facilities through the local authorities; and legislating to curb second mortgage and fringe lending activity.

The third group of measures are ones which involve the state more closely in the provision of housing itself through: effective nationalisation of all development land; the release of state owned land for building for sale; the involvement of direct labour organisations both in building directly for sale and in providing maintenance services to owner occupiers; and the more effective control over standards in the private sector through the use of planning and building control powers.

The fourth group of measures are ones which affect the sale and purchase of houses by undermining the effective monopoly of the various professional groups of estate agents, brokers and solicitors by such activities as: establishing an open public register of all land

BOOKMARX CLUB

SPRING QUARTER 1980

This is a list of the books on offer for the second quarter of 1980. The format of the club has changed from the 'traditional lists' to a single list of books available at a discount price, separately. Minimum order value of £8.50 at bookclub prices—the retail price is given in brackets.

- | | |
|---|--|
| 1. NEVER AGAIN—The Hows and Whys of Fighting Fascism —by Colin Sparks: a guide to fascism and why we say 'Never Again!'. £1.25 (£1.95) | 9. NATIONAL HEALTH Counter Information Services (CIS) 75p (£1) |
| 2. POLICING THE POLICE Volume 2 by Kettle, Campbell and Bello. Articles on Political Policing, Surveillance & the SPG. £3.35 (£4.50) | 10. SOUTHALL by National Council for Civil Liberties. £1.50 (£2) |
| 3. INDIGNANT HEART by Charles Denby. A Black Socialist carworker tells his story. £2.25 (£2.95) | 11. WARM WORLDS AND OTHERWISE by James Tiptree Jr. SF short stories with an unforgettable feminist sting. 60p (80p) |
| 4. ONE FOR THE MONEY—Politics of Rock & Roll by David Harker. A revolutionary looks at the music business. £2.95 (£3.95) | 12. OUR LIVES Young people's autobiographies—ILEA. English Centre. £1.30 (£1.75) |
| 5. GRASSROOTS by Joe Ashton. A novel which takes the reader through (and inadvertently exposes) the Labour version of democracy. £2.25 (£2.95) | 13. WALL PAINTINGS FROM THE PORTUGUESE REVOLUTION (full colour). £1.95 |
| 6. FREEDOM ROAD by Howard Fast. Classic novel of the era when US slaves won their freedom. 70p (90p) | 14. MAKING OF MARX'S CAPITAL —Roadolsky. Highly recommended. £3.70 (£4.95) |
| 7. LONG JOURNEY HOME by Julius Lester. Stories for children (of all ages) of the same period. 50p (70p) | 15. HAMBURG AT THE BARRICADES —by Larissa Reisner. Powerful glimpse of the German Revolution. £1.50 (£1.95) |
| 8. WHERE IS THE OTHER NEWS <i>Newtrade and the Radical Press</i> by the Minority Press Group. Whistle blower on W H Smith. 95p (£1.25) | |

Special Selections for £8.50 each

SELECTION A: Titles 3, 15, 1, 8, 6
SELECTION B: Titles 1, 5, 6, 11, 13, 7
SELECTION C: Titles 4, 2, 8

Name

Address

Please send me the titles/selections I have ringed

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 A B C

I enclose the sum of £..... (minimum £8.50) in payment

RETURN TO: Bookmarx Club, 265 Seven Sisters Road, London N4

ownership, and establishing estate agency and conveyancing services within local authorities, an area where the sale of council houses is rapidly developing expertise.

In addition to these, measures need to be developed which allow owner occupation to be seen as a particular phase within people's life cycle, with many elderly people wishing to sell their homes to the council in return for the security of maintenance and the relief from responsibility which this offers.

3. The public sector

This relates to the third area, that of extending and developing the public sector. This must involve the Left in a conscious struggle to develop the concept of the public sector not only as a means of dealing with poor housing conditions, or of housing those who cannot afford to buy, but as the supplier of rented housing to all who need or wish to rent. This emphasises the need for variety of provision within the public sector, for different age groups and household sizes, for 'special needs' such as the elderly and handicapped, and for experiments in different ways of living. A struggle to develop the public sector in this way will involve action on a number of issues.

This emphasises the need for variety of provision within the public sector, for different age groups and household sizes

First, there is the question of opposition to the cuts in the programmes of capital spending which have been imposed by the Tory government. The borrowing allocations to local authorities for their Housing Investment Programmes in 1980/81 have been cut by 21% compared to the 1979/80 actual expenditure and by over 30% compared to the 1979/80 allocation, which was itself suffering from the cuts in public expenditure under the Labour government. Many local authorities will only be able to complete existing contracts in 1980/81 and will be prevented from starting any new schemes.

Second, there is the need for increases in current expenditure on housing maintenance and housing staffing levels, involving opposition to cuts in the level of Rate Support Grant, to the proposed unitary grant system, and to the new powers to impose penalties on local authorities proposed for the Secretary of State.

Third, the Left will need to debate the role of public sector rents and to define its attitude to rent levels. The Left needs to develop its ideas on the proportion of housing costs to be met by rents, the role of means tested rebate schemes, and in particular the use of rents as a means of holding down the cost of living and therefore of indirectly subsidising wages.

Fourth, the Left must campaign for a thorough-going democratisation of local authorities housing management. The right for tenants to elect their own representatives to relevant Council committees must be established, and the Left will need to consider whether the law governing the voting composition of Council committees will need alteration in this instance. The Left will also need to debate the relationship between management by salaried professional staff and self-management by tenants in the public sector, although the failure on the Left to arrive at any clear conclusion in relation to housing co-operatives indicates the difficulty inherent in this debate.

Fifth, the Left must oppose the abandonment of the 'Parker Morris' standards and campaign for improving the quality of housing in the public sector, in terms of physical and environmental standards inside and outside the dwelling, in terms of the running cost of housing and especially heating systems, and in terms of the standard of maintenance and repair and in particular the combatting of dampness and condensation.

We're on the way

Many of the elements needed for the fightback against the Tory government and to establish a new Left strategy for advance in housing are already present. The examples are numerous: the efforts of the tenants' movement, with the assistance of the National Consumer Council, to establish the National Tenants Organisation; the involvement of the trade unions in housing policy issues, with the statement by NALGO on cuts in the public sector, by NUPE and Services to Community Action and Tenants on housing policy, and the involvement of UCATT and the other construction unions in the fight against the strangulation of direct labour; the development of local housing policies by Trades Councils such as Leeds in *Which Way Home?* and South Shields in *Demolishing the Myths*; and the work of professional groups ranging from the Community Development Projects through Shelter and the Housing Workshop of the Conference of Socialist Economists to individual groups such as the Nottingham study of council house sales *Where Have All the Assets Gone?* All show the diversity and growth of the progressive and labour movement on the housing question. This growth however remains in many ways scattered, disparate and incoherent: the period ahead needs concerted effort in developing a strategy for the Left which is capable of countering, at a mass, popular level, the ideology of the Tory Party.

In developing this strategy against Tory misrule and the class interests of capital, there are two general questions which affect policy and struggle in relation to the Welfare State to which the Left must address itself.

One is the relationship between self-management and management by professionals, the relationship between the genuine exercise of local or grass-roots democracy and participation or consultation in the decision-making process.

Another is the relationship between local authority democracy, or autonomy, and central government policy: the Left tends to ambiguity on this issue, favouring the imposition of comprehensive education as a matter of central government policy and castigating rebel local authorities such as Salford which disobey, and condemning the imposition of the sale of council houses as an example of increasing centralisation and authoritarianism by the state at the expense of local democracy. The Tory government is currently extending the power of central government over local authorities, and introducing a system of penalties, which would prove very useful to any future Left government in carrying through its programme, and the Left needs to clarify its attitude to this relationship between local democracy and government policy.

This article is adapted from a paper prepared by the author and Paul Mugnaioni for the conference 'Housing and the Left in Europe' organised by the Instituto Gramsci, Venice, March 1980.

