

CONFIDENTIAL

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10 DOWNING STREET

From the Private Secretary

17 December 1979

Dear Mr. Edmonds

The Prime Minister has seen a copy of your Secretary of State's letter of 14 December to the Chief Secretary on the right to a mortgage, and also a copy of his earlier letter of 11 December.

The Prime Minister considers it important that the Housing Bill should be introduced before Christmas. It fulfils one of the main election Manifesto commitments, and the Government needs to make progress with what is a lengthy and controversial Bill as soon as possible after the House reassembles in the New Year. Mrs. Thatcher therefore urges your Secretary of State and the Chief Secretary to do everything possible to resolve the differences which exist between them on the right to a mortgage before the Bill comes to Legislation Committee next Tuesday. She shares their concern that the hostile local authorities must not be allowed to frustrate the Government's policy. Equally, she wishes to see everything possible done to achieve a substantial injection of private finance into the sale of council houses.

If, in the event, your Secretary of State and the Chief Secretary cannot reach an accommodation before Legislation Committee, she recognises that the Government will have to face the prospect of the immediate introduction of the Bill with the matter unresolved, with a view to taking a policy decision as quickly as possible, and carrying through any necessary amendments to the Bill in Committee. She considers that, if the Government intends to insist that a tenant who wants a mortgage should approach a building society in the first instance, this should at least be stated when the Bill is introduced, even if the provisions cannot be included in the draft Bill in time. It would therefore be much better to resolve the difference now.

I am sending copies of this letter to Alistair Pirie (Chief Secretary's Office), Ian Maxwell (Lord Chancellor's Office), and to the Private Secretaries of the other members of Legislation Committee, as well as to Martin Vile (Cabinet Office).

*ABO*  
for Mike Pattoan