SECRET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W.1, on Thursday 27 July, 1972, at 11.00 a.m.

Present:

The Right Hon. EDWARD HEATH, M P, Prime Minister
The Right Hon. SIR ALEC DOUGLAS-HOME, M P, Secretary of State for Foreign and Commonwealth Affairs
The Right Hon. ANTHONY BARBER, M P, Chancellor of the Exchequer
The Right Hon. LORD CARRINGTON, Secretary of State for Defence
The Right Hon. SIR KEITH JOSEPH, M P, Secretary of State for Social Services
The Right Hon. MARGARET THATCHER, M P, Secretary of State for Education and Science
The Right Hon. THE EARL JELLIICOE, Lord Privy Seal
The Right Hon. PETER THOMAS, Q C, M P, Secretary of State for Wales
The Right Hon. JOHN DAVIES, M P, Secretary of State for Trade and Industry
The Right Hon. LORD HAILSHAM OF ST. MARYLEBONE, Lord Chancellor
The Right Hon. WILLIAM WHITELAW, M P, Secretary of State for Northern Ireland
The Right Hon. ROBERT CARR, M P, Secretary of State for the Home Department and Lord President of the Council
The Right Hon. GEOFFREY RIFFON, Q C, M P, Chancellor of the Duchy of Lancaster
The Right Hon. GORDON CAMPBELL, M P, Secretary of State for Scotland
The Right Hon. PETER WALKER, M P, Secretary of State for the Environment
The Right Hon. JAMES PRIOR, M P, Minister of Agriculture, Fisheries and Food
The Right Hon. MAURICE MACMILLAN, M P, Secretary of State for Employment

The following were also present:

The Right Hon. JOHN PEYTON, M P, Minister for Transport Industries
The Right Hon. FRANCIS PYM, M P, Parliamentary Secretary, Treasury

The Right Hon. SIR PETER RAWLINSON, Q C, M P, Attorney-General (Items 3–4)
## Secretariat

Mr. J. J. B. Hunt  
Mr. K. T. Barnett  
Mr. A. P. Hockaday  
Mr. I. T. Lawman  
Mr. J. W. D. Margetson  
Mr. J. B. W. Robins

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1. The Cabinet were informed of the business to be taken in the House of Commons in the following week. It was proposed that the House should rise on Wednesday 9 August and should reassemble in the week beginning 16 October. The House of Lords would not rise until at least Friday 11 August; and it was proposed that they should return on Monday 11 September for a period of not more than two weeks before adjourning again until 16 October.

2. The Foreign and Commonwealth Secretary said it was too early to assess how far the Soviet military withdrawal from Egypt would be taken. It appeared that Soviet personnel manning SAM-3 missile sites and instructors engaged in MiG training were still there.

The Foreign and Commonwealth Secretary said that Senor Lopez Bravo, the Spanish Foreign Minister, had brought with him on his recent visit to London a paper proposing a treaty between our two countries. This would involve transferring sovereignty over Gibraltar to Spain, but would at the same time provide for an autonomous régime in Gibraltar preserving all Gibraltar’s existing legal, administrative and customary forms. Such a proposal would not be acceptable to the Gibraltarians—it would, for instance, involve the appointment of a Spanish Commissioner of Police. Senor Lopez Bravo had been persuaded not to deliver the proposals in written form and had agreed with reluctance to take the paper away for further consideration. It was our aim to keep the dialogue with Spain going—the next meeting with Senor Lopez Bravo was due to take place in October—and Sir Joshua Hassan, Chief Minister of Gibraltar, had expressed satisfaction that the process of “thinking together” was continuing. Unfortunately the Spanish, in the absence of agreement over Gibraltar, would not commit themselves to placing large orders in this country for re-equipping their navy.

The Cabinet—
Took note of the statements by the Foreign and Commonwealth Secretary.

3. The Cabinet were informed of the latest developments in Northern Ireland. Their discussions and the conclusions reached were separately recorded and issued only to The Queen, the Prime Minister and those Ministers who had to take action.

The conclusions are recorded separately in the standard file held by the Secretary of the Cabinet.
4. *The Secretary of State for Employment* said that the decision by the General Council of the Trades Union Congress (TUC) the previous day to call a one-day national strike on the following Monday unless the five dockers in prison were by then released had been taken by 18 votes to 7, with 6 abstentions. The TUC would meet again later that day to review their decision in the light of the men's release; and, although they might be expected to call off the strike, there would be strong pressures within the TUC for a strike still to be held as a demonstration of the strength of feeling against the Industrial Relations Act. The outcome was by no means certain. It seemed likely that, even if the TUC called off the official strike a number of unions, including the National Graphical Association, would hold one-day protest strikes on Monday on this basis. Mr. Jack Jones, the General Secretary of the Transport and General Workers Union (TGWU), had also called for a one-day protest strike, but this appeared to be bound up with tactics to secure the acceptance by the dockers' Delegate Conference taking place that day of the recommendations in the Interim Report of the Joint Special Committee on the future of the dock industry. It would be important, in the context of other expected confrontations with individual unions, later in the year, to render the impact of any strike as innocuous as possible by seeking to minimise publicly the inconvenience which had been caused. There was also a risk that, despite the release of the five dockers, blacking of container depots would be resumed. If these circumstances arose it would be inevitable that action should be taken against the union concerned, if the Industrial Relations Act were not to lose credibility. It would be desirable for him to see Mr. Jones to make this clear; it might then be possible to obtain some co-operation from the TGWU in preventing such blacking.

*The Lord Privy Seal* said that a review of the situation that morning had shown that there had been a fairly widespread return to work as a result of the release of the dockers. Some ports employing non-registered dockers were now operating again, as were coalmines in South Wales. The TUC had agreed that, if the national strike on the following Monday took place, essential services such as medical supplies, ambulances, fire services, telephones, water, gas and electricity should be kept in operation. There would, however, be no public transport and little movement at docks and airports. The Customs and Excise and Immigration services were likely to be severely curtailed and there might be some delay in the payment of social security benefits. The Milk Marketing Board might have difficulty in distributing milk and in disposing of the unused milk, the cost of which, amounting to about £1 million, might eventually fall on the Exchequer. Departments responsible for the nationalised industries were already discussing with them the problems which might arise in the maintenance of essential services. Since there would be no newspapers it was important to endeavour to ensure that radio and television news services were still broadcast. Although the absence of public transport would undoubtedly lead to traffic congestion in the major cities, there appeared to be
insufficient justification in the case of a one-day strike for introducing special arrangements other than the traffic control and parking arrangements which the Metropolitan Police were accustomed to implementing in such circumstances. The need to distribute essential supplies held at the docks was not at present sufficient to justify the declaration of a State of Emergency, but it should be noted that, if it were desired to do this urgently on political grounds, there were problems, such as the printing of the Emergency Regulations in the event of a national strike, which meant that a decision would be desirable by that afternoon if the Regulations were to come into effect before the following Wednesday.

The Cabinet—

Took note of the statement by the Secretary of State for Employment and the Lord Privy Seal.

5. The Cabinet considered a memorandum by the Secretary of State for Social Services (CP (72) 82) about further provision for heating in the Supplementary Benefits Scheme.

The Secretary of State for Social Services said that there was mounting public and Parliamentary criticism that significant numbers of supplementary pensioners were cold in winter and suffered much misery because they could not afford to heat themselves adequately. The Opposition would certainly focus attention on this criticism and attribute the blame to a mean and indifferent Government; there were already indications of concern amongst the Government's own supporters; and in the coming winter the criticism would grow as disturbing cases were brought to light as a result of campaigns to draw attention to the plight of the old and cold. Even with the increases in supplementary benefits to be made next October, the present provision would not be substantial enough to rest on next winter. The next all-round increase in benefits was not due until November 1973; and it would be claimed that price increases after next October discredited the Government's promise to protect the most vulnerable next year. In preparation for the coming winter he was arranging for local authorities and voluntary bodies to help identify old people with heating needs in order that the Supplementary Benefits Commission could consider helping in cash under their discretionary powers and that local authorities could consider improving living conditions. The new local authority social service departments were, however, still finding their feet and it was clear that next winter at least there would still be many people at risk who might be entitled to special help with heating costs under the supplementary benefit scheme but who would not receive it because they could not be identified. He proposed, therefore, that the general supplementary benefit provision for heating should be increased by an extra provision consisting of a lump sum payment intended as a general contribution towards winter heating costs. A lump sum would be preferable to the alternative of an additional weekly
payment for a defined number of weeks. To meet the need the lump sum could not be much less than £10, but it could not be much more without upsetting the relativities within the supplementary benefits scheme. Broadly, it would be made to all recipients of supplementary benefit who received the long-term addition, namely, supplementary pensioners (about 1,900,000) and those under pension age who had been in receipt of benefit for at least two years (about 300,000). Supplementary pensioners in residential accommodation would be excluded since they did not have to meet heating costs. The cost would be some £22 million. He could offer no savings from the social security programme to offset this extra cost and indeed he believed that the programme already made insufficient provision for improvement in the level of benefits and in other respects. A short Bill of two clauses would need to be enacted very speedily at the beginning of the new Parliamentary Session. If payments were to start towards the end of November it would be necessary to make a decision now, so that the necessary administrative preparations could be put in hand. In future there would be progressive improvement in the identification of people at risk but once there was a power to make lump sum payments it would be difficult to avoid repeating the payments at least in any year in which there was not a general uprating in relation to price movements. Indeed the possibility of making a lump sum supplementary benefit payment for heating would be one of the factors to be taken into account in the uprating policy. The Home and Social Affairs Committee had considered the proposals and were attracted by the general arguments in favour of them although they considered that it would be preferable to present them as an extra winter allowance rather than as provision specifically for heating. From the political point of view he believed that his proposals commanded a high degree of priority. Action must be taken now if it was to be taken at all; it would be too late when the criticisms were made.

The Chancellor of the Exchequer said that while he recognised the nature of the problem, he must advise the Cabinet not to accept the proposals. The extra cost of £22 million could not be met unless compensating savings were made in other directions. Moreover, once these payments had been made, it would not be possible to avoid similar payments in future years. Although the increases in benefits already announced might be criticised as inadequate, there had been two increases in real terms in the past three years; moreover, we had also announced our intention to review the benefits annually in future. The proposal offended against the principle of providing extra financial assistance on a selective basis. Even those already receiving a supplementary allowance for heating would receive the lump sum payment now proposed.

In discussion it was argued that the proposal had merit because of the difficulties caused to old people as a result of inflation and because of the present inability to identify all those in need. A lump sum payment not only would make more impact than a weekly payment, but also would meet a need at a time when substantial expenditure had to be incurred. On the other hand concern was expressed that a payment on the basis proposed would have to be repeated in
future years in one form or another. Moreover, if the policy of providing selective assistance, to which the Government had in the past attached importance were breached in this way, there would be severe criticism from those who had supported such a policy. It would also become increasingly difficult to resist other claims for assistance on a similar basis.

The Prime Minister, summing up the discussion, said that the consensus was not in favour of accepting the proposal in CP (72) 82. It would be preferable to deal with the problem by seeking out those in real need. The most effective publicity should be given to the help which people could obtain from the Supplementary Benefits Commission towards their heating costs. In addition, a major effort should be made to identify those in need; the number of domiciliary visits should be increased so far as practicable, and urgent consideration should be given to ways of recruiting more volunteers for this work. It was for consideration whether in the long-term it might be possible to recast the supplementary benefit scheme to provide for lump sum payments at particular times of the year; further thought should be given to this possibility.

The Cabinet—
1. Took note, with approval, of the summing up of their discussion by the Prime Minister.
2. Invited the Secretary of State for Social Services—
   (i) to make arrangements, in consultation with the Chancellor of Exchequer and the Home Secretary and Lord President of the Council, for an effective campaign of publicity to be undertaken;
   (ii) to arrange for efforts to identify those in need to be intensified,

as indicated in the Prime Minister’s summing up.