CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on Tuesday, 1 August, 1972, at 11 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. LIONEL CRAWFORD, 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. ROBERT CARR, M.P, Secretary of State for the Home Department and Lord President of the Council
The Right Hon. GEOFFREY RIPPON, 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 (Items 1-4)

The following were also present:
The Right Hon. JULIAN AMERY, M.P, Minister for Housing and Construction (Item 5)
The Right Hon. JOHN PEYTON, M.P, Minister for Transport Industries (Item 4)
The Right Hon. FRANCIS PYM, M.P, Parliamentary Secretary, Treasury
**Secretariat:**
Sir Burke Trend  
Mr. J. J. B. Hunt  
Sir Philip Adams  
Mr. K. T. Barnett  
Mr. A. P. Hockaday  
Mr. I. T. Lawman

**Contents**

<table>
<thead>
<tr>
<th>Item</th>
<th>Subject</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Parliamentary Affairs</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Oversea Affairs</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Malta</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Egypt</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Northern Ireland</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Industrial Affairs</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Civil Emergencies Arrangements</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Docks Strike</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Housing Finance Act</td>
<td>6</td>
</tr>
</tbody>
</table>
1. The Cabinet were informed of the business to be taken in the House of Commons in the period remaining before the House adjourned for the Summer Recess on 9 August. Unless an earlier recall became necessary, the House would reassemble on Tuesday 17 October.

2. The Foreign and Commonwealth Secretary informed the Cabinet that the Prime Minister of Malta, Mr. Dom Mintoff, had visited London on 27 and 28 July for discussions with himself and other Ministers. The general atmosphere of the meetings had been friendly; and, although Mr. Mintoff had laid great stress upon the difficulties which Malta was facing as a result of our decision to allow the pound to float, he had been given no undertaking that we were prepared to accept liability to make good such losses as the Maltese Government might sustain. It had been agreed, however, that British officials should pay an early visit to Malta to discuss exchange control and related financial matters.

The Foreign and Commonwealth Secretary said that the latest assessment of the extent of the Soviet withdrawal from Egypt suggested that this might be on a larger scale than had at first seemed probable. The situation was being kept under review; in particular we were considering how far we might be able to take this opportunity to establish a position of greater influence in Egypt without inheriting the responsibility of the Soviet Government as her principal supplier of arms. He would shortly be presenting proposals to his colleagues.

The Cabinet—

Took note of the statements by the Foreign and Commonwealth Secretary.

3. The Prime Minister informed the Cabinet that, following their decision at their previous meeting that a military operation should be mounted on Monday 31 July, to reoccupy those areas in Northern Ireland from which extremists sought to exclude the security forces, he had agreed, after discussion with the Ministers most directly concerned, that the Secretary of State for Northern Ireland should broadcast on Friday 28 July, a statement of the Government's determination to restore the protection of the security forces to all sections of the community, coupled with an appeal for the removal of barricades. It had also been agreed that the Secretary of State should issue a warning on the evening of Sunday 30 July, that military operations were imminent and that innocent persons should, for their own safety, remain indoors. Thereafter, the operation had been launched at 4.00 a.m. on Monday 31 July, and had rapidly achieved a complete reoccupation of the areas concerned. There had been very few casualties, either to the security forces or to civilians; but a single bomb explosion had occurred at Claudy, near Londonderry, which had resulted in six
deaths and a number of injuries. It had already proved possible to reintroduce patrolling by the Royal Ulster Constabulary in some of the areas previously dominated by extremists. The “Provisional” wing of the Irish Republican Army had offered very little resistance to the operation; but it must be expected that they would continue to mount guerilla attacks. Heads of friendly Governments, including the Prime Minister of the Irish Republic, Mr. Lynch, had shown a satisfactory understanding of the reasons which had led the Government to decide upon this military operation. The Cabinet would wish to congratulate the General Officer Commanding, Northern Ireland, and the forces under his command upon the successful execution of the operation with so few casualties.

The Cabinet—

(1) Took note of the statement by the Prime Minister.

(2) Invited the Secretary of State for Defence to convey to the General Officer Commanding, Northern Ireland, and the forces under his command their congratulations upon the successful execution of the operations conducted on Monday 31 July.

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4. The Prime Minister informed the Cabinet that he had circulated a Note (CP (72) 84) describing new arrangements to ensure greater efficiency in planning for, and dealing with, civil emergencies whether they were occasioned by industrial action or were the result of major accidents or national disasters. These arrangements included a comprehensive review of the long-term contingency planning which Departments already had in train and the further steps which might usefully be taken to counter other foreseeable civil emergencies. A Committee of Ministers under his chairmanship would be established to consider major issues of industrial policy which were liable to develop in an emergency; and a group of senior officials of the Departments principally concerned, under the chairmanship of the Lord Privy Seal, would be responsible for co-ordinating the action required to ensure an effective response to specific emergencies.

The Secretary of State for Employment said that Lord Aldington, the Chairman of the Port of London Authority, and Mr. Jack Jones, the General Secretary of the Transport and General Workers Union, whom he would be meeting again later that day, were continuing their efforts to promote acceptance of the recommendations in the Interim Report of their Joint Special Committee on the ports industry. Lord Aldington had made it clear that the employers were ready to proceed with both the recommendations in the Interim Report and the review of job opportunities for dock workers and the other tasks planned for the second phase of the Committee’s work. Lord Aldington would be likely to raise with him the question of the position of the non-Scheme ports in the present situation in the industry, although it was unlikely that he would be seeking any Government commitment on the matter at this stage. It was too soon to forecast when Mr. Jones might judge the time opportune
to reconvene the Docks Delegate Conference, since he would wish to be reasonably certain in advance that on this occasion he would be able to secure acceptance of the Joint Committee’s report. Although this might be possible after about ten days, it would be wise to plan on the assumption that the dock strike might last for another three weeks. One of the main problems in the meantime would be to try to ensure that the task of the Joint Committee would not be made more difficult by the bankruptcy of further port employers, particularly at London and Liverpool. The Joint Committee had accepted that cross-subsidisation between companies within the industry was an essential part of their proposals; and it might become difficult for the Government to avoid becoming involved in this plan if the numbers of unemployed dockers to be reallocated to the remaining firms increased sharply.

The Lord Privy Seal said that a review of the situation on the previous day had shown that there was not, as yet, any substantive need for the Proclamation of a State of Emergency that week, although the supply of animal foodstuffs was giving some cause for concern. Emergency Powers would admittedly enable the Port Emergency Committees to be set up in readiness. But there was little in the way of practical measures which could be done in advance of the introduction of troops to distribute essential supplies; and the need to conserve food stocks was not likely to warrant action of this kind before the following week. On the other hand, public opinion now expected the Government to take early action in relation to the dock strike, especially since Emergency Powers had been taken after only three days during the 1970 strike. Moreover, such Powers would need to be confirmed by Affirmative Resolutions of both Houses of Parliament within seven days of the laying of the Regulations, if they were to continue in force thereafter. If, therefore, the Powers were not taken during the current week, Parliament might have to be recalled in order to pass the Resolutions. The Proclamation of a State of Emergency might not, in itself, be regarded by the dockers as provocative; but there was some risk that, if the Proclamation were made just before the resumed Docks Delegate Conference, militant elements would seize the opportunity to inflame feeling against acceptance of the report of the Joint Committee. Lord Aldington was particularly concerned that the Government should avoid creating the impression that they had given up hope of securing acceptance of the Joint Committee’s recommendations. On balance, therefore, it seemed desirable to recommend the Proclamation of a State of Emergency either on the following day or later that week, and in either case as far in advance as possible of the Docks Delegate Conference. Provisional arrangements had been made for a Privy Council accordingly. The contingency plans for the employment of Servicemen to unload and distribute essential supplies required seven days’ notice before the troops could be fully deployed; but a proportion could be made available after three days. If Servicemen were used, however, the attitude of the dockers might harden; and there was a risk of sympathetic action by lorry drivers and others.
In discussion it was agreed that it would be important to avoid any action which might make it more difficult for the Joint Committee to secure acceptance of their proposals by the dockers. On the other hand, a shortage of animal feeding stuffs was beginning to develop and might become acute in some areas by the weekend. The situation in this respect was more serious on this occasion than during the 1970 dock strike, partly because this year's harvest was late and partly because the smaller ports, through which stocks had been imported on the earlier occasion, had now been closed by intimidation from dockers at the major ports.

In further discussion considerable concern was expressed about the opening of 13 additional offices in dock areas for the payment of social security benefit to dockers’ families. This had already given rise to adverse comment on the grounds that strikers should not be entitled to special facilities of this kind. On the other hand the Government were under a statutory obligation to provide staff to enable the Supplementary Benefits Commission to discharge their duties in such circumstances; and the additional offices were required primarily in order to ensure that the existing offices remained able to cater for the needs of the normal recipients of supplementary benefit, especially the elderly and the infirm. Twelve further offices would therefore need to be opened in due course.

The Prime Minister, summing up the discussion, said that the Cabinet agreed to defer a decision on the Proclamation of a State of Emergency until they knew the outcome of Lord Aldington’s forthcoming meeting with the port employers. The Ministers concerned should therefore consider the position again on the following day, when the Minister of Agriculture should report further on the shortage of animal feeding stuffs.

The Cabinet—

Took note, with approval, of the Prime Minister’s summing up of their discussion.

5. The Cabinet resumed their consideration of the steps which should be taken if some local authorities failed to implement the housing finance legislation. They had before them memoranda by the Secretary of State for the Environment and the Secretary of State for Wales, reviewing the present position in England and Wales (CP (72) 83) and providing an assessment of the impact of the rent increases (CP (72) 78).

The Secretary of State for the Environment said that, while the situation was still uncertain, there were signs that the measures taken to present the Government’s policy effectively were beginning to have the desired effect. The representatives of Labour groups in local authorities who had met at Transport House on 8 July, had refrained from resolving to refuse to implement the legislation. A number of local authorities would probably be satisfied to obtain his agreement to their making increases of an average of less than £1 a week in October under Section 62(4) of the Act. Most of the
local authorities who had been contemplating defying the Act would probably not finally make up their minds immediately. A few smaller authorities, however, might have committed themselves so far that a substantial measure of defiance on their part might be inevitable. The Government should therefore continue to present their policy on the lines agreed by the Cabinet on 29 June. Plans had now been made for a national Press and television campaign, starting in September, in order to publicise the rebates and allowances which would become available to tenants for the first time. He expected to be in a position to identify towards the end of August those authorities who would probably refuse to implement the Act; and he would then bring before the Cabinet proposals for dealing with the situation.

The Cabinet were informed that a broadly similar situation existed in Scotland in relation to the Housing (Financial Provisions) (Scotland) Act. The relevant provisions of that Act would come into force on 3 August; and the reaction of the local authorities in the course of the month of August would be closely watched. In Wales the number of authorities who had given formal notice that they would not implement the Act had risen from three to four, leaving 21 still undecided.

The Prime Minister, summing up a brief discussion, said that the Cabinet agreed that the effective presentation of the Government's policy in relation to the two Acts must be sustained. The Secretaries of State for Scotland, for the Environment and for Wales should report to the Cabinet early in September on the arrangements being made by local authorities for the implementation of these Acts and on the steps which might be considered for dealing with any authorities who remained recalcitrant.

The Cabinet—

Took note, with approval, of the summing up of their discussion by the Prime Minister and invited the Secretaries of State for Scotland, for the Environment and for Wales to be guided accordingly.

Cabinet Office

1 August, 1972.