CABINET

CONCLUSIONS of a Meeting of the Cabinet held at
10 Downing Street, on Tuesday, 18 January, 1972,
at 11.30 a.m.

Present:
The Right Hon. EDWARD HEATH, M P, Prime Minister

The Right Hon. REGINALD MAUDLING, M P, Secretary of State for the Home Department

The Right Hon. LORD HAILSHAM OF ST. MARYLEBONE, Lord Chancellor

The Right Hon. WILLIAM WHITELAW, M P, Lord President of the Council

The Right Hon. SIR KEITH JOSEPH, M P, Secretary of State for Social Services

The Right Hon. ROBERT CARR, M P, Secretary of State for Employment

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. 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, M P, Secretary of State for Defence

The Right Hon. GEOFFREY RIPPON, Q C, M P, Chancellor of the Duchy of Lancaster

The Right Hon. MARGARET THATCHER, M P, Secretary of State for Education and Science

The Right Hon. THE EARL JELLICOE, 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 and President of the Board of Trade

The following were also present:
The Right Hon. CHRISTOPHER CHATAWAY, M P, Minister of Posts and Telecommunications (Item 3)

The Right Hon. FRANCIS PYM, M P, Parliamentary Secretary, Treasury

SECRET
## Secretariat:

SIR BURKE TREND  
Mr. N. F. CAIRNCROSS  
Mr. B. G. TUCKER  
Mr. J. ANSON  
Mr. J. F. MAYNE

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1. The Cabinet considered the arrangements for the debate in the House of Commons on Thursday, 20 January, on the Opposition Motion relating to the signature of the Treaty of Accession to the European Communities. They approved the terms of the Government Amendment to the Motion.

2. The Chancellor of the Exchequer said that the decision by the Colliery Officials Staff Association (COSA) to join the miners' strike, contrary to the advice of the National Union of Mineworkers (NUM), implied that miners would not now be receiving the tax refunds due to them under the Pay As You Earn (PAYE) system during the strike. In consequence, the immediate supplementary benefit payments to miners' families were likely to be correspondingly increased, although unmarried miners would not in general be able to recoup the loss in this way. When an employer was unable to arrange the payment of PAYE refunds, the Board of Inland Revenue were under some duty to make arrangements to discharge this liability by calling in the employees' tax records and making the refunds direct. In present circumstances, however, the Board could not assume this function without hiring premises for the establishment of special offices in the mining areas and diverting some 400 staff, with the probable result of jeopardising the fulfilment of the Government's plan for the repayment of Post-War Credits in the current year. There appeared to be general public acceptance of the fact that the colliery clerks' withdrawal of their labour would prevent the payment of PAYE refunds in the normal way; and a decision that the Board of Inland Revenue should open special offices would be liable both to revive public interest in the matter and to constitute an invitation to other unions engaged in industrial disputes to seek support from the staffs dealing with their members' pay in the hope that by delaying PAYE refunds, they could increase their entitlement to social security benefits. He had therefore concluded that no special arrangements should be made by the Inland Revenue.

The Secretary of State for Employment recalled that the NUM had rejected his invitation to meet officials of the Department of Employment shortly before the strike began in order that he might be fully informed of the positions of both parties to the dispute. The reaction of the President of the Union to recent Press inquiries whether he would be willing for the dispute to be referred to arbitration or to a court of inquiry indicated that the NUM would not yet be ready to respond to any initiative which the Government might take to institute conciliation. There had also been Press reports, however, that the Trades Union Congress (TUC) were seeking to bring the parties together under TUC chairmanship. After discussion with the Secretary of State for Trade and Industry, he saw no ground for seeking to deter the National Coal Board (NCB) from accepting such an invitation, if it were made.

In discussion there was general agreement with the views expressed by the Chancellor of the Exchequer and the Secretary of State for Employment. The Government's attitude towards initiatives
to promote a settlement of the dispute should not be unsympathetic; but it would be inadvisable for the Government themselves to intervene at present. It was still too early to judge on what terms a settlement might ultimately be possible; and, while it might be doubted whether a resumption of work could be secured without some degree of concession to the miners, it would be very damaging to the Government’s policy of achieving a progressive reduction in the level of pay settlements if any such concession appeared to have been won too easily. The Government should therefore remain firm in their present posture that there was as yet no evident scope for invoking the Department of Employment’s conciliation services.

The Prime Minister, summing up the discussion, said that the Cabinet agreed that the Board of Inland Revenue should not open special offices or divert staff from other work in order to make PAYE refunds to the strikers. The Secretary of State for Social Services should pursue with the Supplementary Benefits Commission the possibility of making appropriate deductions from Supplementary Benefit claimed by striking miners or their families when the striker received or benefited from allowances paid by the NUM in respect of his employment on picketing duties. In the Parliamentary Debate on the strike that afternoon Ministers should seek to counter the public impression, which the NUM had sought to foster, that the pay of many miners was as little as £11 per week; and they should emphasise both the importance of maintaining the effort to halt inflation and the manner in which the strike could aggravate the current problem of unemployment. While the Government should not seek to discourage the NCB from attending any meeting arranged by the TUC to bring together the parties to the dispute under TUC chairmanship, the time was not yet opportune for the Secretary of State for Employment to offer his Department’s services of conciliation.

The Cabinet—

Took note, with approval, of the Prime Minister’s summing up of their discussion and invited the Ministers concerned to be guided accordingly.

3. The Cabinet considered a memorandum by the Minister of Posts and Telecommunications (CP(72)1) about proposals by the Independent Television Authority (ITA) for a second service of independent television, together with the question of Ministerial control over the number of hours of broadcasting.

The Minister of Posts and Telecommunications said that the ITA had asked him to approve a second service of independent television for introduction in 1974. The Authority contended that two complementary services would offer a wider choice to their audiences; that the existing service did not fully employ the human and material resources of the programme companies; and that it was unfair that the British Broadcasting Corporation (BBC) should
be allowed to present two programmes while Independent Television (ITV) could offer only one. The ITA proposal, however, was opposed by the national Press, who claimed that they would be seriously endangered by the resultant diversion of advertising revenue; by the advertising industry themselves; by many of the Government's supporters, who favoured a competing, rather than a complementary, second ITV service; and by the workers in independent television. The proposal would also impede the development of the programme for extending the three existing television services to less well served areas; and, by reducing the profits of the independent television companies, it would generate pressure for reduction of the levy. The British public already enjoyed more television than any other Western European country; and there was at present no great public demand for a second ITV service.

The Ministerial Committee on Broadcasting had accordingly agreed that the ITA had not made out a case for immediate allocation of a second ITV service and that it would be preferable to defer a decision on the issue for the time being in order that there might be a thorough study of the various options open to the Government before they had to take decisions on the future of radio and television broadcasting after 1976, when the BBC Charter and the Television Act, 1964, would expire. It would be possible, however, to give satisfaction to the ITA on their request that the present Ministerial control over the hours of broadcasting should be removed. There was a strong argument of principle against this kind of detailed Government control. If the abolition of the control resulted in breakfast-time television, there was admittedly a risk that this would damage the national Press. But it seemed unlikely that either the BBC or the ITA would in fact wish to introduce breakfast-time television at this juncture; and they were, indeed, prepared to give assurances to this effect. Provided that such assurances could be obtained, the Ministerial Committee had agreed that, if the ITA were not granted a second programme, the control of hours should be removed. Subject to the agreement of the Cabinet, he proposed to make an early announcement that the Government had decided not to allocate frequency channels for the fourth television programme with a view to its starting before 1976 and that Ministerial control would no longer be exercised over the number of hours of broadcasting.

In discussion it was suggested that the Cabinet should perhaps be more sensitive to the needs of the consumer, who might prefer television to newspapers. In any case the demand for a fourth television programme would probably prevail eventually. On the other hand the effect in the United States of permitting radio and television broadcasting to exercise increasing competition with the Press was not reassuring. Moreover, it was not clear that in this country there was yet a real consumer demand for a fourth programme. If it were to divert engineering resources from the extension of the three existing programmes to outlying areas, it would be strongly criticised in Scotland and Wales; and its use for independent television would also be resented by the strong body of opinion which wished to see it used for transmissions in the Welsh language. If the Government were to authorise the introduction
of a second ITV service now, any failure of a major newspaper there­after would be attributed, rightly or wrongly, to this decision. There would need to be overriding reasons to justify a step which would cause serious alarm and resentment among the national Press; and in the absence of strongly expressed consumer demand for a fourth programme such overriding reasons did not seem to exist at present.

On the other hand there seemed to be a good case for the removal of Ministerial control over broadcasting hours; and it was questionable whether it was necessary to stipulate that the new freedom should not be used to permit breakfast-time television. Extension of television to breakfast time might be regarded as distasteful in some quarters; and it might have an adverse effect on the advertising revenues of the Press, particularly since commercial radio would also be operating at breakfast-time. This, however, did not seem to be sufficient justification for refusing to meet any demand which there might be for breakfast-time television. There might be a risk that the BBC would seek an increase in the licence fee as a result; but it should be possible to resist this on the grounds that the Corporation were already using their two channels to transmit television programmes for considerably more hours per week than the ITA could accommodate within their single channel and that they therefore did not need to increase their total transmission hours in order to compete with independent television.

In further discussion it was noted that no decision had yet been taken on the manner in which the review of the future of radio and television broadcasting after 1976 should be carried out. There were arguments against instituting another major inquiry, which could cause disturbance in the industry out of all proportion to the likely value of its findings. It might be desirable, however, at an appropriate time to set in hand a study of the main criticisms of the present system and the options for its development, as a basis for the decisions which would need to be taken by the Government in due course.

The Prime Minister, summing up the discussion, said that the Cabinet agreed that the Government should not approve at the present time the ITA proposal for a second independent television service, although this ban need not be associated with any specific time limit. The Cabinet also agreed that Ministerial control of broadcasting hours should no longer be exercised, without necessarily linking this relaxation with a ban on transmissions at breakfast-time. The Minister of Posts and Telecommunications, in consultation with the Lord President, should make an appropriate Parliamentary announcement on the following day. Further consideration should be given in due course to the steps which would need to be taken in preparation for the review of the future of radio and television broadcasting after 1976.

The Cabinet—
Took note, with approval, of the summing up of their discussion by the Prime Minister and invited the Minister of Posts and Telecommunications to proceed accordingly.
4. The Cabinet considered a memorandum by the Chief Secretary, Treasury (CP(71)151), on publication of Programme Analysis and Review (PAR) material.

The Chief Secretary, Treasury, said that the Cabinet had earlier agreed that it would be undesirable to reveal publicly the fact that any particular topic was being reviewed under the PAR system. This decision was in accordance with the normal principle that the methods by which Ministers were reviewing any particular subject were not disclosed. But PAR had originally been announced as a special type of analytical system; and, as the 1971 PAR reports reached completion, it was appropriate to consider whether Ministers, when announcing a policy decision or publishing analytical material, should be free to say that the decision or material was based on a PAR report. If a decision in this sense were taken, it might prove more difficult to hold to the normal practice in other instances. On the other hand, it should be possible, in public presentation of a particular decision, to reveal that the relevant programme had been reviewed by means of PAR before the decision was taken, without being obliged, at the same time or subsequently, to reveal what topics were being or had been reviewed by PAR. It might be easier to maintain the distinction if PAR was not represented as being a special and distinct process.

The Prime Minister, summing up a short discussion, said that the Government’s aim was to improve all the techniques for reviewing policy as a basis for better decisions; and it would be preferable that PAR should not be presented as having some special or unique validity in this respect. On balance, therefore, the Cabinet agreed that no indication should be given that any particular decision or published material was specifically attributable to a PAR report.

The Cabinet—

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

Cabinet Office,