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BF 9/6/80

10 DOWNING STREET

From the Private Secretary

28 May 1980

The Prime Minister has seen your letter of 21 May about postal charges on articles for the blind.

Mrs. Thatcher is not happy with the line proposed in the penultimate paragraph of your letter.

Her initial view is that only a small subsidy would be required to cover the cost of the concession which the Post Office is now likely to withdraw, and that the Government should be prepared to cope with this. She recognises that there would be no question of providing finance for an extension of this concession.

It would be helpful if you could now let me have a note of exactly what costs would be involved if the Government was to meet the cost of "National Music for the Blind" on the understanding that the Post Office would maintain its basic concession on reading needs for the blind.

I am copying this letter to John Wiggins (HM Treasury), Don Brereton (Department of Health and Social Security) and David Wright (Cabinet Office).

M. A. PATTISON

Jonathan Hudson, Esq.,
Department of Industry.

(Adam Butler's office)

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PRIME MINISTER

The attached letter from Adam Butler's Office warns of possible criticism of the Post Office over its concessions for the blind.

These have been reviewed, following the 1978 row over the proposed withdrawal of free postage for "National Music for the Blind." The Post Office has now concluded that it cannot continue to provide the concession to "National Music for the Blind" nor can it afford to extend such a concession to similar groups.

Mr. Butler proposes to tell the Post Office that the Government will not subsidise either the basic concession for the blind or an extension of it to cover entertainment material. He will ask the Post Office to consult the Government again if it decides to go further than the removal of the concession for entertainment material.

There is bound to be bad publicity for the move which the Post Office has in mind. This will cause further criticism of the powers of monopoly services, but Keith Joseph is already working on the monopoly question. It is not an appropriate moment for Government to offer new subsidies.

Agree the line proposed by Mr. Butler?

MAP

27 May 1980

No - the subsidy will be very small or less as mentioned. We can't extend it to other groups. There should



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From the
Minister of State's Office

The Hon Adam Butler MP

Nick Sanders Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

21 May 1980

Dear Nick,

POSTAL CHARGES ON ARTICLES FOR THE BLIND

My Minister has asked me to let you know that the Post Office is reconsidering the postage concessions it operates for the blind. This could ultimately lead to public criticism of the Post Office and, by association, the Government.

The concessions were originally introduced in 1906 because of the weight of books etc, in Braille. Voice recordings ("talking books") are also eligible for the concessions. However, a distinction is drawn between the basic reading needs of the blind and entertainment material such as music, commentaries, interviews, message tapes etc which do not qualify for the basic concession.

In the last year or two there has been pressure on the Post Office to apply the concession to entertainment material prepared especially for the blind. In 1978/79, the Post Office withdrew the free postage concession from National Music for the Blind, an organisation which specialises in distributing to the blind cassettes in which much of the content consists of entertainment material. This led to criticism of the Post Office by the BBC and a written PQ. As a result the Post Office continued to provide the concession to National Music for the Blind pending a review of all its services for the blind.

That review has now been completed and the Post Office has concluded that it cannot continue to extend the basic concession to entertainment material. It estimates that to do so would raise the revenue foregone from £5.6 million to £7-£8 million per annum and more important - for the "talking books" concession - open the floodgates to claimants from other, possibly more deserving, organisations for the blind and other disabled groups.

/ ... The Post



The Post Office has put it to us that it should bear none of the cost of concessions to the blind, since it is required to act commercially. It has asked the Government to subsidise the whole of the concessions to the blind.

Officials here have discussed this with the DHSS but I understand that that Department would not be prepared to make specific subsidies available, as their view is that the most appropriate way of helping the needy and disabled is by providing cash benefits.

It is most unlikely that the Post Office would in fact go so far as to withdraw the long standing basic concession to the blind. It is, however, fairly certain to shortly withdraw the concession from entertainment material if no Government subsidy is forthcoming. Moreover, the Post Office has made it clear that when the inevitable public criticism occurs it will say that it has been refused help from the Government.

The Post Office Users' National Council has said that it has no evidence to show that Post Office customers generally are unwilling to finance the basic concession, but it sees no reason to extend the concession to entertainment for either the blind or other disabled. The Royal National Institute for the Blind has traditionally supported the Post Office's policy and has not pressed for an extension of the basic concession to cover entertainment.

We would therefore propose to tell the Post Office that the Government is not prepared to provide a subsidy towards either the basic concession for the blind or towards an extension of that concession to cover entertainment material. We would also ask the Post Office to consult us again should it decide to go further than the removal of the concession for entertainment material. I should be grateful if you could confirm that the Prime Minister is content with this way of proceeding.

I am copying this letter to Anthony Wiggins at the Treasury, and to Don Brereton at the Department of Health and Social Services.

Yours sincerely,

Jonathan Hudson

JONATHAN HUDSON
Private Secretary



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