

PRIME MINISTER

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STATEMENTS IN THE HOUSE

The two statements today - Sir Keith Joseph on Post Office Industrial Democracy and Mr. Walker on the Agriculture Council - passed off quietly. Copies of both statements are attached.

Sir Keith emphasised repeatedly that the reason for the ending of the Post Office experiment was that there was no agreement between the management and the unions. There was some criticism from the Government side, in the person of Sir Derek Walker Smith, who said that he would have liked to see participation making progress. Several members asked about consumer representation on the Post Office Board, and there were questions about whether the Government would publish a report on the experiment.

Sir Keith Joseph said that industrial democracy was in itself a misleading phrase, and that participation had not been put back by this decision. He said that the Government would make available the Warwick University Report and the minutes of the Post Office Board discussions. He said that the whole Board's job was to look after the service to consumers but that the Government would bear in mind consumer representation when appointing new independent members in the near future.

Agriculture

Mr. Walker also had a quiet ride. Mr. Mason said that it was the Government's own economic policies which were forcing it to increase the returns to farmers. He said that the average family's food budget would rise by 50p per week as a result of the devaluation and that it would put 2 per cent on the food index. He said that farmers would benefit by £300 million but that the total cost to consumers would be £450 million.

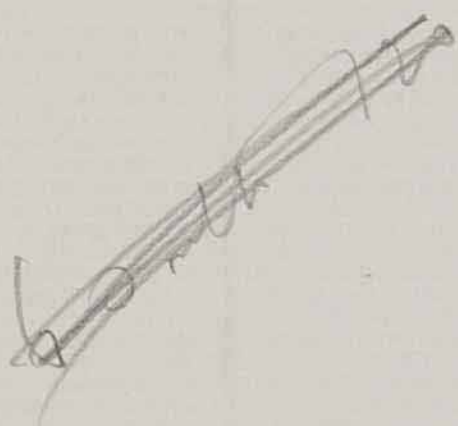
Mr. Walker said in response that the biggest extra cost to farmers was the increase in farm workers' wages, which would cost £220 million. He said that the wine package would be of net benefit to Britain and that he made no concessions of any

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sort on sheepmeat. He reaffirmed that in no circumstances would the Government change its position on New Zealand imports without the agreement of the New Zealand Government itself.

In response to Mr. Ross, Mr. Walker said that the Cabinet hoped that it would be possible to reduce interest rates "in the near future". He said in response to another question that he was glad to put the record straight on the health regulations on milk. He said that the packaging regulations would expire at the end of the year but the health regulations would not. He regarded them as totally justified until a European regulation was agreed. That could not happen before 1982 and there would then be two more years before it came into force.

There are also questions on apples, the alcohol regime, sugar beat and lamb exports to France. On the last point, Mr. Walker said that the Government's proposals on the green pound had received support from all the other members of the Community except France at least partly because the French were suffering as a result of their illegal position. He finally said that any criticism of the effect of the devaluation on food prices from the Labour side was a bit rich, given their record of increasing food prices by 2 per cent a month while in office.



MS

12 December 1979



PARLIAMENTARY STATEMENT ON THE POST OFFICE  
INDUSTRIAL DEMOCRACY EXPERIMENT

With permission, I will make a statement about the future of the Post Office Board.

It is the Government's policy to encourage increased involvement of employees in decisions affecting their interests. But it is not for the Government to lay down how this should be achieved. The precise arrangements are for discussion and agreement between employers and their employees in the light of the particular circumstances of each individual business. This applies equally to nationalised industries, subject to any necessary Government and Parliamentary approval.

In the case of the Post Office, the management and the Council of Post Office Unions agreed two years ago that there should be an experiment in industrial democracy at all levels in the business, including the main Board. My predecessor facilitated in January 1978 the main Board experiment by appointing seven representatives of the Post Office trade unions to be part-time members of the Board. He also appointed 2 consumer representatives. These appointments are due to expire on 31 December, at the end of the agreed two-year period of the experiment.

In accordance with our general policy, it is for the Post Office and the Post Office unions to decide together what form they wish employee participation to take after the end of this year. One thing is quite clear at the present time; they do not agree that



this particular experiment at main Board level should continue. Broadly, the unions are in favour of a continuation, whilst management and a majority of the independent members of the Board are not.

The Chairman of the Post Office is continuing consultations with the unions and is making new proposals for close employee involvement in top level Post Office decision-making. It is for the Post Office management and the unions to agree on the way forward. I shall, of course, be ready to take any action that might fall to me to facilitate whatever new arrangements might be agreed between the Post Office and the unions. If an agreement were to be reached within the next two months which required such action, this could include bringing before Parliament an Order under the terms of the Post Office Act 1977 to make permanent the statutory powers to make additional appointments to the Board.

However, in the absence of agreement that the 2 year experiment should continue, the Board appointments made for the purpose of that experiment will lapse at the end of the year.

I would like to express my appreciation for the contribution made by all those who have played a part in this experiment.