

Postal Service

Sir Keith Joseph delivered a short Statement (attached). He was attacked from the Labour side for his remarks about ending the Post Office monopoly, which was said to be bad for morale among the hard-pressed postal workers.

In response he said that he very much hoped that productivity in the Post Office would improve and regretted that the unions had not agreed to the productivity package which had been offered to them. He said, to general agreement from all sides of the House, that the deterioration in standards in the postal service had been going on for several years. On the monopoly point, he said that monopolies had responsibilities and obligations as well as privileges. All he was asking for was protection for the public against the misuse of monopoly in the public sector.

Tension was lower for this Statement, largely as a result of press reports that overtime working this weekend had very much reduced the letter backlog. Sir Keith did not move further in substance on the ending of the Post Office monopoly, but there will be many questions in the autumn about whether he has received the report which he has commissioned on it.

M/S

2 July 1979



DRAFT STATEMENT BY THE SECRETARY OF STATE FOR INDUSTRY ON  
THE POSTAL SERVICES

In the middle of last week the Post Office had a backlog of one and a third days mail - some 40 million letters. This was the cumulative effect of industrial action in the Post Office; and on the railways; bad weather earlier in the year, staff shortages and letter bombs in Birmingham.

The worst effects have been in the London area.

Over the weekend there was extensive working to reduce this backlog and I welcome these efforts. But while improvements were made some problems remain, particularly in parts of London and the South East. Continued efforts will be necessary.

Although I recognise that special circumstances, some of them beyond the Post Office's immediate control, played a considerable part in last week's difficulties these problems have only confirmed that much needs to be done to improve the efficiency and productivity of the postal service, and I have made this clear to the Chairman of the Post Office - for whom I have great respect. I am particularly disappointed that an offer by the Post Office of better pay for reduced costs, higher productivity and better services have been refused by the workforce.

If cooperation to improve services is not manifest it will be necessary to review the Post Office's monopoly for the carriage of letters. I am asking to be given before the end of this year reports on possible modifications, their practicability and their implications.

2 JUL 1979

