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PS/ *Secretary of State for Industry*

30 January 1981

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

① MR LANKESTER to see

② PRIME MINISTER

You were interested in the post office unofficial disputes. Here is a further report. Industry emphasise the need not to make too much noise at this stage

Dear Nick

INDUSTRIAL DISPUTES IN THE POST OFFICE

The Prime Minister asked for further information about progress in settling the unofficial industrial disputes affecting the mails in London and Manchester. I enclose a short note prepared by officials here.

2 I understand that Mr Dearing is anxious to ensure that the disputes are settled by the local managements concerned. He is, of course, taking a close personal interest in the disputes but he considers that the eradication of restrictive labour practices (and of their converse, management deficiencies which have allowed the practices to persist) should be handled by those directly concerned. He believes that any public comment by the Government might entrench the attitudes of those taking unofficial action (and of those whose restrictive practices management intends to deal with next) which could prolong disputes, delay the mails and damage the Post Office's finances.

Yours ever

Ian Ellison

I K C ELLISON
Private Secretary

MS
30/1



POST OFFICE : UNOFFICIAL DISPUTE AT LONDON RAILWAY STATIONS

The dispute was settled overnight with a full return to normal working at 6 a.m. today (Friday 30th) on management's terms. The Post Office insisted that overtime (whether for Readers' Digest or anything else) should only be worked and paid for if the traffic justified it. The workforce has accepted this; the settlement is permanent.

The Chairman is concerned, however, not to publicise his success at this stage since resolution of this dispute on his terms is only part of a much wider and determined effort to eradicate a range of costly restrictive practices in the postal service (either by the workers entering a productivity scheme or, if they refuse, by removing the practices anyway.)

The Manchester dispute continues, since management is standing firm, and Mr Dearing feels that to emphasize to the public the success in London would worsen the chances of the Manchester workforce (who are, apparently firmly and militantly led at local level) being brought to see reason. To win at Manchester is vital for the wider strategy, since similar efforts to remove restrictive practices are to be made in other difficult offices.

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