



PRIME MINISTER

POST OFFICE MANAGEMENT

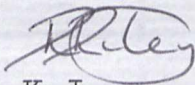
1 In my minute of 24 October on the Post Office's proposals for a tariff increase I mentioned that we now have a Chairman who can devote his full attention to the postal business and give a firm lead from the top in tackling bad labour practices which have developed over many years.

2 I thought that in the light of this you would be interested ... to see the attached letter from Mr Dearing to Adam Butler as an example of this new attitude of realism and firmness in Post Office management. We have yet to see tangible results from Mr Dearing's strategy and the general public cannot be expected to put up for too long a period with reductions in quality of service caused by industrial action in response to firm management. However, I believe that Mr Dearing's strategy is right in present circumstances and that we should be prepared to give him our support over the coming months. Adam Butler will be replying to Mr Dearing in that sense.

3 When the Telecommunications Bill becomes law I shall, of course, have the power to make derogations from the postal monopoly if the Post Office is not by then serving its customers satisfactorily.



4 I am copying this minute to Geoffrey Howe, Jim Prior, John Nott, and to Sir Robert Armstrong.


for K J
11 December 1980

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(approved by the Secretary
of State and signed in his
absence)