

Please quote our
reference in your reply



R2504
BRADFORD
Chamber of Commerce *2*

LF/JBQ

Registered Office
Commerce House
Cheapside
Bradford BD1 4JZ

20th November, 1980

Telephone Bradford 28166-9 (Std code 0274)
Telex 51449 Chacom G

The Prime Minister,
House of Commons,
LONDON W1. *R25/11*

Director
D Woodcock JP

Sent by: L. Fullylove
Deputy President

Dear Mrs. Thatcher,

Your letter of 13th October 1980, addressed to me as Deputy President of the Bradford Chamber of Commerce, concerning the general economic situation was read to our Members at the Council meeting on 28th October 1980.

You will be heartened to know that the reaction was one of "despite our worries, stick to your guns, Margaret, we still have great faith in you! Please do not lose touch with the people who gave you support."

From this you will see that we are still your ardent supporters and that we have achieved our objective of letting you know our industrial predicament. We are always concerned that in your high office you may not be getting the grass roots effect of government policies but, I personally, am quite sure that you will always be "man" enough to come back and tell us the harsh realities of what lies ahead.

Continue to steer your course wisely without major confrontation and from your side, have faith in the ordinary British voter whom, I feel sure, may be disenchanted from time to time, but who will listen to straight commonsense and give you the time you need to achieve your and our objectives.

Yours sincerely,

Leslie Fullylove

L. FULLYLOVE
Deputy President -
Bradford Chamber of Commerce

JPH

CFV
14/10/80



10 DOWNING STREET

THE PRIME MINISTER

13 October 1980

Dear Mr. Jollylove.

Thank you for your letter of 30 September in which you set out the concern of the members of the Bradford Chamber of Commerce about our economic policy.

I am well aware of the difficulties facing many firms at present, particularly in the manufacturing sector. The problem is partly that the UK, like other countries, is suffering from the effects of a general recession in world trade. But in our case the position is made worse because our economy has been so slow in adapting to changed circumstances and because we have to get down the rate of inflation if there is to be any prospect of long-term recovery. The result is a very painful adjustment indeed, in which even efficient firms are suffering.

We do intend to bring interest rates down just as soon as possible, and the latest banking figures are more encouraging. But a reduction in interest rates before we are quite sure that the money supply is under control would simply store up more inflation for the future.

I can also understand your members' dissatisfaction over nationalised industry charges. The fact is that their price increases and general financial position are among the biggest problems with which we have to contend. Most of them are simply not subject to the same market pressures as the private sector; consequently they either

/pass on

JS

pass on increased costs to the consumer or they demand ever increasing subsidies which - in many cases - it is very difficult for the Government to refuse. It is because of this imbalance between the public and private sectors that the Government thoroughly dislikes the whole concept of nationalisation and has been doing everything possible to dispose of the saleable parts of the nationalised industries and to look for ways of introducing competition - as, for example, in the case of the telecommunications monopoly. But these are issues which cannot be resolved in the short term. My colleagues and I are nevertheless determined to ensure that the public sector makes its fair contribution to the financial stringency which the business community as a whole is facing in the immediate future.

I am grateful for your message of support for the Government's broad strategy. Our efforts to restore our economy to a sound footing are designed to benefit your members in the longer term. I know that this is creating short term problems for many, but there is no effective alternative strategy.

Yours sincerely
Raymond Hunt

Leslie Fullylove, Esq.