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11th March 1980

Just a line to say how grateful the
Prime Minister was to you for the
Keeble letter. It reinforces
all her instincts.

With best wishes,

Richard Ryder
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25th February 1980

Director: ALAN HOWARTH

The Rt. Hon. Mrs Thatcher P.M.
10, Downing Street
London SW1

Dear Margaret,

I thought you might be interested to know that over the week - end I met Margaret Keeble, the wife of our Ambassador in Moscow, who emphasised time and time again that, in the unanimous opinion of Western Embassies in Moscow the standing of Britain has increased enormously since you became Prime Minister.

She also said that there are obvious signs that the Russians now recognise that they have to reckon with a Prime Minister of Britain who is not put off by threats about weakening detente etc. I am sure that this is a pretty accurate view, since as you may remember, Curtis Keeble was for some years our Ambassador in East Germany, so he is no stranger to assessing opinion in Communist countries. They were neighbours of ours for some years so we hear quite a bit about what is going on.

One other interesting point Margaret Keeble brought out, was that the French Embassy people there, still do not believe that Britain is in earnest about getting a major reduction in our E.E.C. contribution and this may well be typical of French Government thinking. It might therefore be worthwhile making clear our determination once again by a future speech.

On Public Spending, I wonder if we could make rather more use of the analogy of family spending. Anyone asked for advice by a family getting further and further into debt would surely advise them urgently to review their spending and cut it down to what they could afford even though this would inevitably mean doing without many desirable things. Yet too many people today still seem to be of the view, that as a country we can go on spending far more than we earn, without suffering any really serious consequences.

What we have to do is to be on our guard against that streak of 'Micawberism' which is in so many of us and makes us put off badly needed but painful action in the vain hope that something will turn up to make that action unnecessary. But of course the longer we put off taking the necessary action, the longer it takes to get things right and I think most people will admit that there

have been examples of this in their personal lives, which may help us to get the message home as regards our national policy on public spending.

I wonder whether we should now put more emphasis - perhaps in Thursday's debate - on the need for Trade Union reform, on the grounds that this is essential to redress the balance of Trade Union power. Just as in the last century Conservative Governments were concerned to protect workers against the excessive power of employers, so today we are concerned to protect individual workers against intimidation etc. by Trade Union bureaucracy. Trade Union leaders argue in favour of free collective bargaining - and rightly so - but this cannot take place responsibly where power is tilted too heavily in favour of one side or the other. There is no doubt that today it is weighted much too heavily in favour of the Trade Unions. It might be worth considering whether one should challenge the Labour Party on the fact that they are hardly in a position to be objective in these matters, since the Trade Unions are the Party's main source of finance, about one-third of Labour M.P.s are sponsored by Trade Unions and Trade Unions can exercise a decisive influence over Labour policy through their block vote at the Party Conference.

Yours ever,
Charles Bellairs

Charles Bellairs.