

CONFIDENTIAL

Copy number.....<sup>1</sup>.....

Public Opinion after the First Seven  
Months of the New Government.

1. Introduction

In terms of percentages of votes cast at the General Election, we lead Labour by 7 per cent in Great Britain, less than Labour's lead over us in 1966, but with this exception the highest lead either party has had in terms of share of popular vote since Labour's landslide in 1945. If we look at the results in terms of swing, the national swing of 5.2 per cent to us from Labour was the highest in any Election since 1945, exceeding the 3.0 per cent swing which brought Mr. Wilson to office in 1964 and the 4.7 per cent swing which brought him down in 1970. The national swing figure conceals significant differences between the various component parts of Great Britain and between the various regions that make up England.

Why did Labour lose? Peter Kellner (New Statesman 18th May 1979) summed up Labour's defeat in the Election in the following terms:-

"They had been forced back into their heartlands - the North and the semi and unskilled working class - and out of the rich pastures of the Midlands and the South, of skilled workers and their families."

The swing to the Conservatives was highest among working class voters (in advertising jargon the C2 and DE groups - skilled and semi and unskilled workers); among Trade Union members; among firsttime voters and the 35 to 54 age group. Apart from the 35 to 54 age group, all these groups had been regarded as forming the 'bedrock' of Labour support. Having started to erode Labour's bedrock, we need to ensure that these ex-Labour voters continue to support us - that is to say they must form an important set of 'target' voters.

2. The Broad Pattern of Support for the Parties

Details of movements in support for the main parties since June are given below:-

Voting Intention (Gallup)  
(June 1979 - November 1979)

	<u>CON</u>	<u>LAB</u>	<u>LIB</u>	<u>OTHER</u>	<u>CON LEAD</u>
	%	%	%	%	%
G.E. Result	43.9	36.9	13.8	5.4	+7.0
<u>Gallup Results*</u>					
June 1979	42.0	43.5	12.0	2.5	-1.5
July 1979	41.0	46.0	11.5	1.5	-5.0
Aug. 1979	41.5	44.0	12.5	2.0	-2.5
Sept.(12-17) 1979	40.5	45.0	12.0	2.5	-4.5
Oct.(26 Sept. -1 Oct.)1979	41.0	45.0	12.0	2.0	-4.0
Oct.(10-15) 1979	43.0	41.0	14.0	2.0	+2.0
Oct.(17-22) 1979	40.5	45.0	12.5	2.0	-4.5
Nov.(7-12) 1979	39.0	43.5	15.5	2.0	-4.5

\*Excluding non-voters.

Support for the three main parties has fluctuated since July - with Conservative support tending to decline and Liberal support tending to increase. The level of support for the Liberals in the latest poll is the highest Gallup have found since September 1975 and is consistent with the gains they have been making in local government by-elections and the traditional pattern of a rise in Liberal support in periods of Conservative government.

Further work is currently being developed in the Research Department in order to look in detail at groups moving away from support for the Conservative Party to both the Liberals and Labour.

3. Scotland

In Scotland in terms of movement of support to us we had our poorest results, with a swing of 0.7 per cent from Labour, compared with 4.6 per cent in Wales and 5.6 per cent in England as a whole. We gained seats in Scotland, because of the collapse of support for the SNP, not because electors switched from voting Labour. What evidence we have since the Election indicates that support for the Conservatives in Scotland is continuing to drop, whilst support for Labour is increasing at the expense of both the Conservatives and SNP.

4. Main Issues Facing the Country

Opinion poll evidence indicates that, as was to be expected, the electorate still regard inflation and unemployment as the most important issues facing the country. These are followed by the problem of strikes and a long way behind by a range of other aspects of the economy.

Published research does provide a useful insight into the electorate's attitude to the government's handling of a number of policy areas. The findings are presented in the form of an approval index, in which a '+' sign indicates an excess of 'approves' over 'disapproves' and a '-' the opposite.

Government Policy on:-

	<u>1979</u>				
	Oct.	Sept.	Aug.	July	June
Law and order	+33	+10	+21	+30	+29
Old Age Pensions	+25	+ 9	+20	+23	+43
Defence and armaments	+11	+ 8	+17	+13	+15
Housing	+ 8	+ 5	+ 7	+10	+15
Immigration	+ 8	-16	-17	- 9	+ 9
Taxation	+ 6	- 7	- 4	- 8	NA
Roads	-10	-18	-19	-11	-10
The Common Market	-11	-17	-12	-11	-10
Economic and Fin- ancial affairs generally	-13	-14	-12	-10	- 8
Strikes and Labour relations	-14	-31	-16	-17	-12
Full employment	-14	-24	-19	-17	- 4
Education	-26	-16	-11	- 9	+19
The Health Service	-30	-21	-14	- 5	+11
Cost of living and Prices	-46	-40	-45	-45	-39

We are currently conducting a private survey on attitudes in the area of public spending and reactions to the cuts and will have the 'headline' results before Christmas.

5. Trade Union Reform

Gallup published in the Telegraph in mid-September the findings of a survey they conducted among Trade Union members - the key finding was that a substantial majority of Trade Union members supported our main proposals in this area.

When asked in general whether they approved or disapproved of our plans to reform Trade Union law, Gallup found 44 per cent of Union members approving and 38 per cent disapproving.

When asked about the specific proposals, Gallup found overwhelming approval among Union members: 83 per cent supported the idea that no strike should be called before a postal ballot of members, 78 per cent supported establishing closed shops only when a majority of workers concerned vote for it, and 72 per cent approve of a ban on secondary picketing.

Union members are more evenly divided on the plan to use public money to encourage wider use of secret ballots. One in two approve of the proposal and 42 per cent disapprove.

Slightly more Union members believe Unions are taking an unreasonable view of the Government's plans (43 per cent) than think they are taking a reasonable view (38 per cent).

Despite such a wide level of approval for specific reform proposals, a majority of Union members (59 per cent) believe the Government is hostile to Trade Unions. Only among Conservative Unionists does the proportion drop below one in two and even here a third (32 per cent) see the Government as hostile.

In terms of expectation for the future of Government-Union relations, 53 per cent of Union members think future relations between the Government and the Unions will worsen. Only 18 per cent take an optimistic view.

6. Reactions to the Budget

Our survey on reactions to the Budget conducted in late June found:-

- (A) The response of the electorate to the Budget had two main strands. Firstly, it was seen by a substantial majority to involve a completely different approach to the country's problems, to be tough but necessary and to have reflected what the majority of electors who voted Conservative had voted for.

On the other hand the perception of the Budget ran into a number of problems. Overriding amongst these the fact that it is seen to be divisive in terms of social class. It was widely seen (even amongst the rich themselves) to be favouring the rich and penalising various less well off groups and there was relatively low recall particularly at a spontaneous level of aspects such as increased pensions and the raising of the lowest threshold of tax.

- (B) The demographic analysis of the survey results indicated a more substantial gap among the attitudes of middle class and working class respondents than had been noted for many years on any survey. Broadly speaking it was the middle class electors - and primarily those living in owner occupied houses and in the South of England who were most sympathetic to the objectives and achievements of the Budget, while working class, Trade Union members and Council Tenants are generally most hostile.
- (C) Apart from the generally held view that the rich would benefit and the poor would suffer as a result of the Budget there was predictable support for those items which put more money in peoples' pockets and predictable hostility to items which remove it. People were badly informed on items other than V.A.T. and direct taxation - for instance, they thought that tobacco and alcohol duty had been increased although it was made clear in the question that this was separate from V.A.T.
- (D) There was considerably more awareness of the long term beneficial effects of the Budget than there was of the short term beneficial effects.
- (E) There was low credibility, particularly amongst working class people, of the idea that reducing levels of tax would actually make people work harder.

#### 8. Pay

The most recent evidence we have in the area is taken from a Corporate Strategy Guide Survey conducted in September. The key conclusions arising from this research are:-

- There is quite a head of steam building up for double figure pay increases, with 10-15 per cent the centre of gravity.
- The cost of living stands head and shoulders above other factors as a yardstick for the size of pay claims.

- Employees do not seem very impressed by the tax changes in the Budget.
- Most employees are confident about their employer's ability to pay increased wages and believe their employer is in good shape financially.
- The majority of employees feel they are not particularly well-informed about their employer's position, and say they would be ready to think again if the consequences of a pay claim were spelt out - but are much less worried about the effects of a pay claim on their employer's profitability.
- There is surprisingly strong support for some kind of incomes policy, with 64 per cent thinking there is a need for some sort of incomes policy now. There is a low level of understanding of the present Government's policy about pay.
- Most employees recognise that big pay settlements will lead to higher unemployment, but show little enthusiasm for work sharing. As many as 49 per cent say they approve of the Government's policy of not helping companies who get into financial difficulties because of big pay settlements.
- Employees are reasonably content with the pay bargaining system at their own place or work, though half thought the national system works badly.

Conservative Research Department,  
24 Old Queen Street,  
London SW1.

DKB/SEN  
21st November 1979