

COPY NO.....1.....

SECRET

AGENDA FOR MEETING TO BE HELD ON  
ON FRIDAY JANUARY 25th AT 8.45  
a.m. in CENTRAL OFFICE

1. The state of public opinion. (Background paper enclosed).
2. Future Government initiatives.
3. Consultation on publicity.
4. Elections. (Background note enclosed).

In addition a Research Department note on likely major events of political interest in the period until June 1980 is enclosed together with a copy of the Minutes of the previous meeting held on 23rd November 1979. .

D.K. BRITTO

THE STATE OF PUBLIC OPINION1. Voting Intention

In a situation far from an election the standard opinion research question, "If there were a General Election tomorrow which Party would you support?", has very little meaning except as a very crude summary of movement of support for the Parties. The latest Gallup Poll conducted in early January (before the announcement of the gas price increases) showed a 9% Labour lead compared with 4% in December 1979. The level of support for the Liberals has fallen slightly since December 1979 although evidence of local government by-elections suggests they are still making gains.

Despite Labour's lead in terms of a hypothetical voting intention question, we are thought to have both the best policies overall and the best leaders. Our lead over Labour is not significant (1% on policies and 2% on leaders) but shows that the ground remains fertile for us if we can effectively communicate what we are doing and why.

2. Key Issues

In early January the electorate saw the most urgent problems facing the country as being:-

	<u>Electorate</u>
	%
Cost of living	51
Strikes, Unions	38
Unemployment	28
Economic problems, tax	11
International affairs	8
Education	7

### 3. Trade Union Reform

The electorate remains overwhelmingly in favour of our plans to reform Trade Unions with 73% of them in favour of our plans (20% not in favour and 7% don't know). Among non-Trade Unionists 78% are in favour and 14% against. Support is lower among Trade Union members but a majority of them support our measures (61% in favour and 31% not in favour), however among active Trade Unionists only 45% are in favour compared with 44% not in favour. Apart from active Trade Union members all the main groups feel the Unions should accept our new laws. The Trade Unions are blamed by all groups (with the exception of active Trade Unionists) for our productivity and unemployment problems. Support for all our Trade Union reform proposals remains extremely high with 86% of the electorate supporting our proposals on secondary picketing (supported by 90% of non-Union members). In the area of changing the rules on social security benefits for strikers' families, there is no consensus on any particular course of action. However there remains a widespread belief that the social security system is misused. In the area of holding a secret ballot before a strike is called and for the election of Union leaders, public support remains overwhelmingly high among all groups.

Comments based on Opinion Research and Communication survey conducted in early January.

### Public Expenditure

The electorate remains fairly confused about the nature of our public expenditure plans. In a survey we conducted just before Christmas we found that 11% of the electorate thought the amount of money being spent by the Government since the Budget had increased, 37% that it had decreased, 30% that it had stayed the same and 22% did not know. We asked the respondents who thought public spending had been decreased what they thought of the cuts - we found 22% thinking the Government had cut too much, 4% too little and 11% about the right amount.

When we put the case to our respondents that if we had kept to the level of public spending Labour had planned we would have had to increase income tax by up to 8p in the pound, almost half (48%) of respondents did not believe the

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increase would have been as large - 27% did believe. We then asked, regardless of whether they thought it was true, whether they would be prepared to pay the extra tax to prevent cuts - services or not. We found 43% said they would not be prepared to pay the extra tax, 31% they would be prepared to pay extra tax and 20% said they would be prepared to pay extra but not as much as 8p in the pound.

We clearly still have an important communications task to explain our public expenditure policies to the electorate.

ELECTIONS(A) The Local Government Elections

The local government elections to be held on 1st May will take place in 36 Metropolitan Districts (for one third of the Council except where boundary changes require whole council elections), in 113 Non-Metropolitan Districts (for one third of the council in 102 Districts and for the whole council in the remainder) and for all the 53 Scottish Districts.

The prospect for the Party this year is grim - we are defending council seats won in years when the Labour Party was in retreat and public opinion was running in our favour. We are likely to lose a significant number of seats to Labour. In addition we face the threat of a Liberal upsurge and losing a number of seats to them.

Looking at local authorities in which we may lose control in May it seems likely that our losses will include: Birmingham, Bolton, Bradford, Bury, Calderdale, Dudley, Kirklees, Leeds, Oldham, Rochdale, Stockport (to the Liberals), Cambridge, Eastbourne (to the Liberals), Hyndburn, Lincoln, Milton Keynes, Oxford, Preston and Rossendale. In addition it seems likely that we will lose our control of the Association of Metropolitan Authorities where at present our majority is one.

(B) Southend East By-Election

At present we are proposing to hold the Southend East by-election on the 13th March.

Sir Stephen McAdden held the seat in May 1979 with a majority of 10,774 over the Labour candidate on a 70.1% poll. This compares with the result in October 1974 when he held the seat with a majority of 4,603, again over Labour (on a 68.8% poll). The Liberal candidate was in third place in both October 1974 and May 1979. The Liberals share of the vote fell from 19.9% in October 1974 to 13.1% in May 1979. In local government terms we are in a very strong position with the six wards of Southend East being represented on the Southend District Council by 12 Conservative Councillors and 6 Labour Councillors (the Council is made up as follows:- 29 Conservative, 6 Labour and 4 Liberals).

Our organisation in the constituency is weak but action is being taken by our Area Office to attempt to deal with some of its shortcomings. Fortunately neither the Labour Party nor the Liberals are well organised in Southend East. However there is a strong Liberal presence in Southend West - the Liberals remaining in second place in this constituency in May 1979. The Liberal candidate (David Evans) who fought Southend West for them in May 1979 will be standing for them in the by-election in Southend East. Labour has not yet chosen a candidate.

The constituency is principally a dormitory with a high level of commuting into London. The Thorpe Bay area is prosperous commuter land and the rest of the constituency contains a cross section of privately owned semi-detached properties, rented accommodation and a substantial council house element. The constituency has within its boundaries the Headquarters of Access, a major firm of Insurance Brokers and the Customs and Excise VAT Headquarters. It has some light industry and forms a significant shopping and commercial area for the immediate region.

In terms of specifically local problems most stem from the Conservative controlled local authority. The local airport which is owned by the District Council is being run at a loss but they are being forced to spend over £½m on it for safety reasons. A major high redevelopment of the High Street area has been delayed because of disagreement among various factions of the Council. As a commuter area, railway fares and the standard of railway service and the cost of mortgages are likely to be significant local issues. Maplin and its possible airport have affected the constituency - however local sources tell us that it remains difficult to assess the advantages and disadvantages of the Government's recent announcement regarding the third airport.

### Prospects

Looking at the history of the seat and its current problems in the context of the current national state of public opinion it is difficult to avoid concluding that our majority is likely to be cut to under 4,000 and a possibility exists of the Liberal candidate moving into second place.

Confidential

WORKING PAPER:

PREDICTED MAJOR FUTURE EVENTS

JANUARY-JUNE 1980 APPROX

FOR UPDATING ON A RUNNING BASIS

Copy to: Mr Howarth  
Mr Nicholson

Conservative Research Department

GB/SP  
23.1.1980

JANUARY

PENDING. Britain and EEC. British pressure for Brussels February Summit.

PENDING. Steel Strike. Decision to extend to private sector?

PENDING. British shipbuilders pay negotiations. Left CSEU want same as British Steel.

PENDING. N. Ireland' constitutional conference. Intermittent. To last about 2 months. Second, parallel N. Ireland conference, to discuss Irish link, partnership, security. To include Official Unionists?

PENDING. BL cars pay talks. 5-10% offer tied to incentive scheme. Also decision on Robinson affair. Also effects of steel strike on Edwardes' recovery programme and Government subsidy.

PENDING. Rhodesian election campaign starts (results approx. March 1st. New Republic approx. April 1st.)

PENDING. Water workers. NUPE, TGWU, GMWU. Pay claim for 40% - against 13% offer. Want parity with electricity workers.

PENDING. Report of 3 man AUEW inquiry into Robinson/British Leyland affair.

22. Executives of member unions of TUC meet to discuss Employment Bill.

24. Major pay challenge Teacher's 10% claim. Burnham meets.

Note likelihood of                      widespread unrest by teachers, disruption of school timetables, strikes over pay claim and cuts.

27. Political wing of IRA plan major rally in Birmingham to commemorate Bloody Sunday 'Massacre'.

28. Resumed pay talks between water workers and management.

Claim settled?

29-30. Italian PM visits London. Talks with PM.

Second half of month. Committee stages of (1) Social Security Bill breaking link between prices and long term benefits.

(2) Health Services Bill - pay beds. Strong Labour Opposition.

Second half of month. Abortion Amendment Bill (Corrie). Report and third reading. Controversy over Government White Paper.

Second half of month. Annual Review of Agriculture in Britain 1979. Profits, costs, exports, Government and EEC financing.

Second half of month. Government may announce plans to offer public shares in BNOC. Encouragement of small investors.

Second half of month. Land and Planning Bill. Capital controls  
on local authority spending. Local authorities to publish com-  
parative statistics. Urban Development Corporations for docklands.  
Will counties lose development control? Widespread controversy.  
Opposition from Conservatives (Sir K. Thompson) and Labour councils.

Note following underlying problems throughout year:

A. Interest rates. If no fall by spring/early summer, consequences on industry, investment, small businesses, mortgages, construction industry.

B. Unemployment. Monthly figures published mid/late month.

C. Rate of inflation. RPI and TPI published mid month.  
Money supply figures published third week of month.

D. Productivity. Figures on industrial production published mid month.

E. Rates. From April rises of 25-40%. Reductions in services. Limit on levies of 119p in £ set.

JANUARY - MARCH

Series of major pay challenges. Note most unions want at least the 20% obtained by miners. Especially power, water, rail, teachers, NHS workers. See individual dates for official date of settlement. But note that claim and supporting campaign often launched much earlier.

Committee stage of Education Bill. Assisted Places.

Gilmour tour of 8 EEC capitals. British demands for budget reduction

Crisis in European Parliament over rejection of Budget. Campaign by European Democratic Group.

Defence White Paper. Commitment, in principle, to increase defence expenditure.

FEBRUARY

- 2-3 Labour Party. Local Government Conference, Leicester.
4. School meal charges increase of 5p
5. CBI quarterly trends survey
7. Fourth quarter 1979 Building Societies house prices/  
mortgage statistics
8. Labour Party NEC Enquiry into Labour Party meets  
(membership, finance, organisation, political  
education). Thereafter meets fortnightly
- 11 (or 3 March)? Gromyko visits London? Cancelled?
11. Wholesale Price Index
13. Central Government transactions and borrowing require-  
ment
14. Rhodesian Election. Polling for 20 White seats.
- Mid month. Wages and earnings figures
15. PM's regional tour (destination unknown)
- Mid month (Friday) Retail Price Index.
- Mid month. Figures on industrial production
- Mid month. Taxes and prices index.
18. Balance of Payment figures
- Mid-late month. Unemployment figures
- 27/8/9 Rhodesian Election. Polling for 80 Black seats.
18. CBI Business Realities Conference.

18. Canadian Elections

- Special EEC Summit in Brussels. Decided by Italy, as current President of EEC Council of Ministers.

British demand for of reduction in Budget contribution.

- CBI meeting on Mutual Insurance Fund ('the strike fund').

Thursday after third Wednesday. Money supply figures.

22. Fourth Quarter 1979 PSBR

Last Thursday in month. Figures on Stoppages/industrial disputes in D of E Gazette.

26. American Presidential Election. New Hampshire Primary.

- Depletion policies in N. Sea introduced to control rate of oil/gas extraction. Effect on tax revenue. But attractive politically because of stance v. oil companies, and conservation.

MARCH

1. Rhodesian election result. Governor invites largest party or coalition to form government.
3. PM's Airey Neave Memorial Lecture on Personal Freedom.
9. Sunday Afternoon. TUC organise mass demo against Government economic policy, "cuts", and Employment Bill. Hyde Park to Trafalgar Square. Involves all major unions, particularly NUPE, NALGO, GMWU. (Followed by lunchtime rallies).
8. Conservative Party Local Government Conference.
9. Anniversary of Jan Maseryk's demise 1948. See also 24 October anniversary of Russian invasion of Czechoslovakia.

About one week before Budget. Govt's White Paper on Public Expenditure. 'The Cuts' - about £1 billion.

See hints in Mr. Biffens recent "The Lean Years" speech.

12. Conservative Party Political Broadcast.
- 15 or 25 The Budget. Possible policies:
  - No further reductions in income tax for time being? (NB which was expected). But rise in allowances?
  - Changes in capital transfer/gains taxes?
  - Changes in excise duty on tobacco and alcohol?
  - VAT - no change after once for all increase?
  - Pensions up - take effect in autumn
  - Child benefits up?
  - Further sale of public sector assets?

Tax incentives for employee profit sharing schemes. Up to 10% company pre tax profit distributed as shares - treated as deferred income.

Mid-late month. Unemployment figures.

Mid-month Wages and earnings figures

Mid month (Friday) Retail Price Index

Mid month Taxes and Prices Index

Mid month Figures on industrial production

18. Balance of Payments Figures

Thursday after third Wednesday. Money Supply figures

End of month. Publication of Post Office Accounts.

End of month. Figures on stoppages/industrial disputes, in D of E Gazette.

28. Chancellor Schmidt visits London. Talks with PM.

- Formal announcement of President Carter's visit to Britain en route to Venice Summit Conference in June.

17. Major pay challenge by power workers. Electricity supply industry manual workers (95,000) claim 30% rise, reduction in hours, less flexibility. Similar treatment will be expected by power engineers (30,000) and 'white collar' staff (45,000).

Major Unions - ETU, GMWU, TGWU, AUEW - involved.

20-21 or 30-1 April: PM attends EEC Council in Brussels.

MARCH - APRIL

Transport Bill. Committee Stage. Relaxing of licencing rules on expansion of new bus services. Denationalisation of National Freight Corp.

APRIL

1. Rhodesia. New Republic of Zimbabwe declared.
1. Pay settlement date teachers. Involving most teaching unions. Demanding interim payment of £10.
1. Pay settlement date non industrial civil servants. (12 grades).
1. Pay settlement date NHS categories - involving BMA, NUPE, COHSE, NALGO, RCN, BOA.
2. CBI Council decides on Mutual Insurance Fund.
- 4-7. Co-operative Party Conference. Skegness.
- 5-7. Labour Party Young Socialist Conference. Llandudno.
8. NUT annual conference (followed soon after by other teaching union's conferences). Announcement on teacher's pay.
16. PM presents British Press Awards.
18. Balance of Payment figures.
21. PM addresses Birmingham Chamber of Commerce.
21. Major pay challenge by NUR settlement date. Want at least parity with miners.

25. Main pay settlement British Rail.

1. According to passage of Education No. 2 Bill charges instituted for school meals and transport. Guillotining if not later in session. Considerable 'grass roots' opposition.

30. Conservative Party Political Broadcast. Eve of Local Government Election Poll.

Mid month. Wages and earnings figures.

Mid month. Retail Price Index

Mid month. Taxes and Prices Index

Mid month. Figures on industrial production

Mid-late month. Unemployment figures

End month. Money supply figures.

End month. Figures on stoppages/industrial disputes D of E Gazette.

APRIL-MAY

Publication of British Aerospace Accounts.

Inflation peaks at 20%. Consumer recession?

If inflation does not drop (as predicted to 12-14%) demand  
for an incomes policy.

MAY

1. Local Government elections in 113 non metropolitan districts in England. 36 metropolitan districts in England. All 53 Scottish districts. No elections in London and Wales. Probable loss of control of Association of Metropolitan Authorities where at present our majority is one. In seven districts Conservatives now in minority.

9. PM addresses Scottish Conservative conference in Perth.

11-13. Labour Women's Conference. Malvern.

14. 'Day of Action' by leaders of 113 trade unions representing 12 million workers against Employment Bill. Followed by series of strikes.

21. PM addresses Conservative Women's National Conference Golden Jubilee.

Mid month. Wages and earnings figures.

Retail Price Index

Taxes and Prices Index

figures on industrial production

Mid-late month. Unemployment figures.

End month. Money supply figures.

Figures on stoppages/industrial disputes D of E

Gazette.

SPRING-SUMMER

Decision to replace Polaris nuclear missile.

JUNE

~~12-13~~ PM and Lord C. to Venice European Council

17. Annual Conference ASTMS.

President Carter visits Europe for 2 day conference in Venice of leading Western democracies. President will visit Britain and other European countries en route to conference.

22-23. PM and Lord C. to Venice Economic Summit.

British Lions tour of South Africa.

25. Pay settlement date construction and civil engineering industries. 2.5 million UCATT, TGWU, GMWU involved.

Mid month Wages and earnings figures

Retail Price index

Taxes and Prices Index

Figures on industrial production

Mid-late month. Unemployment figures.

End month. Money supply figures.

Figures on stoppages/industrial disputes D of E

Gazette.

JULY

Early July NUM annual conference.

Early July. Publication of British Steel Accounts.

1. Pay settlement date. Local authority workers. 560,000 workers. NUPE, COHSE, NALGO involved.

Industrial civil servants pay claim (blue collar workers mainly in Ministry of Defence and Naval establishments). 166,000 workers TGWU, UCATT, GMWU, AUEW involved.

12. Durham miners Gala. Major policy speech by a leading Labour politician.

19. Opening of Moscow Olympics. Boycott by West?

19. PM addresses Welsh Conservative Conference.

20. Tolpuddle martyrs rally. Major policy speech by a leading Labour politician.

End July. Publication of British Shipbuilders Accounts.

30. Nat. Coal Board. Annual Report.

? Electricity Council Annual Report.

? British Gas Council Annual Report.

Mid month. Wages and earnings figures.

Retail price index

Taxes and Prices Index

Figures on industrial production

Mid-Late month. Unemployment figures

End month. Money supply figures

Figures on stoppages/industrial disputes D of E Gazette.

AUGUST

20 & 21. Anniversary of Russian Invasion of Czechoslovakia.

Mid Month. Wages and earnings figures.

Retail Price index.

Taxes and Prices Index.

Figures on industrial production.

Mid-late month. Unemployment figures

End month. Money supply figures

Figures on stoppages/industrial disputes D of E

Gazette.

LATER IN YEAR

SEPTEMBER

1-5 Trade union congress. Brighton

29-Oct. 3. Labour Party Conference. Blackpool.

OCTOBER

West German General Elections. More ideologically polarised choice between centrist Social Democrats, Free Democrats and right wing Christian Democrats. Rise of CDU/CSU and Herr Strauss?

24. Anniversary of 1956 Russian invasion of Hungary. See also March 9 - Jan Maseryk's demise in 1948.

NOVEMBER

1. CTU Conference

US Presidential Election.