

# **Briefing Note**

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## CONFIDENCE IN THE CONSERVATIVES

The results of the local government elections on 6th May were very good for the Conservatives - the best results for a sitting Government since the Second World War - and very bad for both Labour and the SDP. This was not just a consequence of the Government's handling of the Falklands crisis, as Labour would like people to believe. Before the crisis started, Conservative ratings in the opinion polls were higher than for a long time. This reflected people's belief in the Government's determination to get things right, and the growing evidence that things were coming right.

## The Results of the Local Elections

- (1) Conservatives made a net gain of 26 seats, Labour had a net loss of 55. The Conservatives saw 52 per cent of their nominated candidates elected, Labour 45 per cent, and the Liberal/SDP Alliance only 10 per cent.
- (2) The Conservatives won <u>Birmingham</u> outright from Labour, in a contest in which all the seats were up for re-election because of major boundary changes. The Conservatives also won control of <u>Dudley</u>, and Labour lost control of <u>Walsall</u>.
- (3) In the North, not a single Conservative metropolitan authority was won by Labour, which according to an analysis by Professor Hugh Berrington in the Sunday Telegraph on 9th May, saw the number of Labour councillors elected (in 23 metropolitan districts where comparisons can be made with 1979) fall from 306 to 264. Labour lost control of <u>Bradford</u>, <u>Rochdale</u> and <u>Lothian</u> in Scotland. In Sefton, Merseyside, the authority most closely aligned with Mrs. Williams's constituency of Crosby, the Conservatives won 17 seats whilst the SDP captured only one.
- (4) The SDP performed disastrously, totally outshone by its better organised Liberal allies. It had a net loss of 48 seats, losing 25 out of 26 and 14 out of 14 in the London boroughs of Islington and Southwark respectively, and making very little impact elsewhere in the country.
- (5) The Liberals' gains were, however, far short of their expectations: they failed to gain their foremost target, Richmond-on-Thames, and made minimal gains in the London boroughs of Sutton and Kingston, where they had also hoped to make advances. In the London borough of Croydon, where a Parliamentary seat was gained by the Liberals in the by-election last October, the Liberals gained no seats at all, while the Conservatives gained 8 seats from Labour.
- (6) Elsewhere in Greater London, Labour lost overall control in Brent, Lambeth and Waltham Forest.

### Effect of the Falklands

It is true, and to the credit of the Conservative Party, that our candidates benefited from the patriotic feeling generated by the Falklands affair.

The Labour leadership has also been greatly embarrassed by the antics of the Labour Left on this issue. Mr. Tony Benn and Mrs. Judith Hart, this year's Chairman of the Labour Party, have addressed demonstrations and meetings opposed to the sending of the Task Force. An "editorial statement" in the Labour Herald of 30th April, of which the joint editors include Mr. Ken Livingstone, Leader of the Labour GLC, and Mr. Ted Kni Leader of Lambeth Council, declared: "South Georgia, like the Malvinas (sic), is part of the colonial spoils amassed by British imperialism in the last century. Britain has no justifiable claim to sovereignty there, any more than it has a justifiable claim to the Malvinas."

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The Conservative Party was already showing a marked recovery in public opinion polls published before the Argentinian invasion. For example, the Gallup poll taken in mid-March showed Conservative support at 31.5 per cent, compared to 27.5 per cent in both mid-January and mid-February.

#### Effect of the Rates

There can also be no doubt that the performance of Labour authorities in increasing the burden of domestic and industrial rates was an important reason for the electors turning away from that Party. For example: rate precepts in Conservative-controlled counties went up this year by only 12 per cent on average, compared with 30 per cent for Labour counties.

Nor were the Liberals and SDP blameless. In three counties, the Liberals this year made a deal with Labour, resulting in 34 per cent rate increases in Bedfordshire, 32% per cent in Cheshire and 27% per cent in Berkshire.

# Recognition of Economic Recovery

The improvements in Conservative support since February have reflected the fact that a number of signs of economic recovery were becoming evident. For example:

- Inflation is falling rapidly towards single figures.
- Firm control over government borrowing is helping to exert downward pressure on interest rates.
- Pay moderation and higher productivity have meant that unit labour costs in manufacturing rose by under 3 per cent in the year to February 1982, below the increases in almost all our main competitor countries.
- The number of strikes in 1980 and 1981 was less than in any year since 1941.
- Exports continue to boom, giving a balance of payments surplus of £654 million on current account for February.

These factors all suggest better prospects for employment. Indeed, the rate of increase in unemployment has, in the first four months of 1982, further slowed to just a quarter of that of a year earlier, while the number of people on short-time work in manufacturing has been reduced by three-quarters since January 1981 and overtime working has increased.

#### Cautious Confidence

The Conservative Party is entitled to take heart from the local government elections and to look to the forthcoming by-elections in Beaconsfield and Mitcham and Morden with cautious confidence. In the latter seat, held by Mr. Bruce Douglas-Mann, who was elected as Labour but has switched to the SDP, the voting on 6th May in the wards covering the seat was: Conservatives nearly 44 per cent, Labour nearly 33 per cent, Alliance 20 per cent.

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The Gallup Poll published on 12th May shows the Conservatives with  $41\frac{1}{2}\%$  support, a lead of  $13\frac{1}{2}\%$  over Labour.