

## A Swing to The Right in The Lands From Down Under ?

MUCH HAS been sought to be made of recent election results in New Zealand and in Australia. In each of the two countries, the long rule of the Labour Party has been broken up by defeat at the polls. There has been no Labour land slide either in New Zealand or in Australia. The proportion of voters who swung from left to right was not large in either country. Those who are trying to read too much in the election verdicts in the two countries need the reminder that the simplest explanation is, perhaps, the most probable; that the electorate, used to enjoying "fair shares", has translated their faith into practice by applying the principle to political parties.

In New Zealand, Labour was in office for fourteen years. In each of the three general elections since 1935, Labour lost a little ground; since 1946 it relied on the four representatives of the Maoris to keep the Party in power. In Australia, Labour was in office for eight years. The swing of the pendulum is, therefore, neither unnatural nor unexpected. Though President Truman's victory can be cited as an exception, only the prejudiced will view the election results in New Zealand and in Australia as anything but a sporting gesture on the part of the electorate to give the opposition Party a brief chance.

In retrospect, it is apparent that the very success of Labour Governments in the two countries has prejudiced their chances in the recent elections. Under the inspiring leadership of Mr. Savage, New Zealand became a pioneer of what is now known as the welfare State. New Zealand enjoys social services which are, in many respects, the most advanced in this world. In Australia, too, the Labour Government have pushed through the Socialist experiment with considerable vigour and success, in both the countries, unemployment is non-

existent; production and personal incomes have been rising steadily for years.

When Labour first assumed office, it had so much to offer. Most of what it had promised, had been achieved in both the countries. There is more equitable distribution of the national income Health, insurance, education and pension schemes—the main pillars of the Socialist structure—are popular and are appreciated by the people. These advantages neither the electorate nor the Opposition parties can deny. But past achievements, however spectacular, cannot win general elections. Despite Mr. Churchill's war achievements, his Party could not win the elections in 1945. Similarly, Labour's past record has not helped it to win victory either in New Zealand or in Australia.

Increasingly it becomes obvious that Labour's success is hampering its chances to continue in power. It can promise the electorate that achievements gained will be maintained. This is neither a positive nor a vote-catching formula. And, an election cannot be won on the negative formula that a victory for the opponents would mean imperilling the social services created by Labour. This is a dilemma, Labour has had to face in both New Zealand and Australia. It could not provide any satisfactory solution to this dilemma. There is a lesson in these elections which Labour in Britain can learn: Labour must discover a more positive, attractive, vote-catching programme to win the election.

Labour's opponents will, of course, cite events in Australia in support of the thesis that much more than this psychological disadvantage is involved and implied in Labour's defeat in that country. Mr. Menzies, the Leader of the Liberals, won the elections on a clear-cut challenge to Socialism. As Mr Fadden, the Leader of the Country Party,

emphasised in one of his major policy speeches during the election campaign: "If you chose the Labour Party, then your ballot paper will truly be your last will and testament, disposing in your own lifetime of your liberties and your property and condemning your children and children's children to the living death of Socialist regimentation."

There is a familiar ring in this extravagant and grotesque outburst of Mr Fadden. There is nothing startling in this accusation. It has been hurled by Prof. Hayek against Socialism long ago. His thesis has been repeated by Conservatives in Britain from every Tory platform. Though Prof. Hayek cannot be accused of intellectual duplicity or dishonesty, his thesis has been cleverly bawdlerised by reactionary politicians in their unashamed attempts at perpetrating a tremendous fraud on a gullible public.

As professional politicians, Labour's political opponents cannot afford the inhuman luxury of Prof. Hayek's spartan convictions. Neither Mr Churchill nor Messes Menzies and Fadden, leaders of the Liberal and Country parties in Australia, nor Mr Holland, Mr Fraser's successful rival in New Zealand, is against social services and the welfare State. Each and all of them know that the benefits of a welfare State are highly appreciated by the electorate; that social services are popular. Each and all of them know that they and their parties will have no popular support if they openly expose themselves as enemies of the welfare State.

Hence the astounding paradox of Tory programmes which do not fundamentally differ from Labour plans for ensuring a welfare State. Neither Mr Churchill nor Mr Menzies is against health, education and pension schemes. Both are as anxious as Mr Attlee or Mr Chifley to endow first as well as other children. Though Mr Menzies is committed to repealing the Bank Nationalisation Act, he is not opposed to nationalisation of utility concerns under certain circumstances. Mr Chur-

chill and his Party violently oppose nationalisation of iron and steel industry, but they seem to have reluctantly acquiesced in the British Labour Party's other nationalisation plans. Mr Sidney Holland has secured a working majority, but it is difficult to discover what else he has got in winning the elections in New Zealand where a welfare State has become firmly established.

NOR are Labour's political opponents opposed to the principle of full employment. Though theoreticians of Tory parties are openly flirting with the idea of "therapeutic" unemployment as a safe and timely cure against high-cost economy, both Mr Churchill and his Party and Labour's successful opponents in New Zealand and in Australia subscribe to the principle of full employment. But, Labour's political opponents believe that full employment can be achieved and maintained through other means than those employed by Labour; they believe that restrictions and controls, through which Labour policy for full employment operates, are unnecessary.

Labour's political opponents have kept two carrots dangling before the voting donkey. They are committed to reducing controls and, by consequence, taxation. This is, to call a spade a grave-digger, a fraudulent argument. Labour's political opponents cannot hope to succeed in performing the unperformable; they cannot blow hot and cold in the same breath. They cannot be for social services, and yet, against controls. They cannot, again, be for social services, and yet against the consequential increase in the number of civil servants. And, as social services mean an increase in the number of civil servants, it is difficult to appreciate how public expenditure and, therefore, taxation, can be reduced by Labour's political opponents, especially as both Labour and their opponents agree that defence expenditure cannot be cut.

Private enterprise, unrestricted, de-controlled free trading, is the other inducement offered by Labour's political opponents to

ensure low-cost economy. Whether unrestricted free trading is possible in the prevailing context of world economy without creating unemployment—and Labour's opponents are not opposed to full employment—is not beyond controversy. Labour is not addicted to State capitalism, though it advocates nationalisation of the main sources of production. Nor is Labour opposed to private initiative. These are allegations which have no basis. And, sooner rather than later, the voter who is now voting against Labour will be disillusioned when he discovers that the cry against controls and restrictions is a clandestine move to allow private enterprise to do as it likes—which, in essence, means freedom to exploit the poor.

Both in New Zealand and in Australia, Labour has an impressive record of economic achievement. But this has not helped Labour to win votes, while Labour's political opponents have successfully exploited the high burden of taxation, the physical discomforts of queuing and the inconvenience of coupon economy. That controls are resented, is a fact. And, it is not a little surprising that even pedestrian voters in Australia have supported Labour's opposition parties in their much-vaunted election promise that they would remove petrol rationing. Petrol rationing has nothing to do with Socialist doctrine. Australia, along with the other sterling areas, are being forced to ration our petrol because of dollar shortage.

While Labour's political opponents in Australia succeeded in winning some urban votes by making petrol rationing an issue in the later stages of the election campaign, their main motive was to focus public attention on growing encroachment of State rights by the Federal Government. Some months ago, it was discovered that petrol rationing was constitutionally *ultra vires* as applied by the Commonwealth Government, and was remitted to the States. Incidentally, it is significant that the Federal Government had to forsake its policy of bank nationalisation also on

constitutional grounds. To interpret the election verdict as a vote against nationalisation of banks is to misinterpret the verdict. Bank nationalisation had to be jettisoned because of the decision of the law courts that the Commonwealth Parliament was not constitutionally competent to carry nationalisation beyond certain limits. Nationalisation of banking, it has been held by the law courts, is precluded by the provisions against restraint of trade, which were incorporated in the constitution to safeguard States' rights. Some of the State autonomists and those with exaggerated notions of States' rights have evidently been impressed with Opposition parties' interested propaganda that Labour's nationalisation policy is really an indirect attempt at curtailment of States' inherent rights and privileges.

It has been remarked that the defeat of Labour in New Zealand and in Australia is not as much a trend away from *dirigisme* as a reflection of the average man's belief that it is wiser to look to, and depend upon Labour's political opponents for more solid defence against the potential Communist challenge. Can it be that the average elector is so ignorant as to be unaware that Mr Bevin or Mr Chifley or Mr Fraser is as hostile to Communism as Mr Churchill or Mr Menzies or Mr Holland? In the event of war, coalition governments are inevitable; perhaps it is equally inevitable that Mr Churchill will lead a war cabinet in Britain though neither Mr Chifley's nor Mr Fraser's war achievements are against them or their parties.

There is an influential section among detached political observers who are inclined to the view that Labour is committing suicide and a tactical blunder by abetting or creating or fostering war hysteria. That the prevailing war psychosis explains election results in New Zealand and in Australia, is a plausible interpretation of Labour's defeat in these two countries. This apart, the electorate in these two countries may soon discover that they

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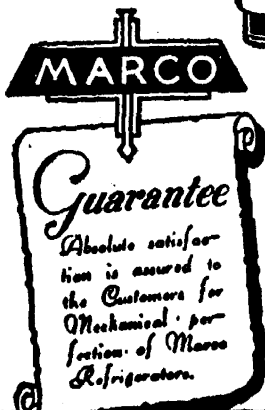
have been pursuing false prophets. Mr Holland is not lively to remain in power for long if he attempts at changing the political or economic make-up of New Zealand. Mr Menzies is compelled to making fundamental changes. To implement some of his election pledges, he will have to introduce legislation and make laws. Mr Chifley's Party still controls the Senate. If the Senate should block any of Mr Menzies's bills, he will be forced to dissolve Parliament and call for all the seats in the Senate to be contested. This would mean another general election. And in another election, the verdict may be reversed, as the difference between the actual number of votes cast for and against the Liberal and Country parties in the recent election is very small.

Will the expected general election in Australia come too late for the British electorate to learn the bitter lesson, though not too soon for Mr Chifley's countrymen to discover that they have been seduced by fraudulent promises?

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