

From the London End

Ten Days from the Election

THE General Election campaign has, at last, come to life. This is in striking contrast to the sluggish start of the campaign, when both Labour and Conservatives were unbelievably cautious and restrained. After the shadow-boxing diversions about confrontations on television, the political fires have at last started to burn more fiercely; the gloves are off now and both Parties are getting down to bed-rock issues and controversies.

Why did both Parties enter the early stages of the election campaign with such excessive caution? Obviously, it is very much to the advantage of the Tories to play the Election gently without rancour or controversy. Conservative policy has been to soft-pedal the campaign and to rest largely on the argument that the Conservative policies have brought prosperity which the Labour Party's "uncosted" programmes would threaten. The Labour Party, on the other hand, has been playing it cool up to date because Harold Wilson did not want to make the mistake that Gaitskell made last time by showing his hand too soon. His policy has been to build up to a final climax shortly before actual polling day. So, while the tactics of the Conservative Party have been to repeat the Eden-type campaign (when also things were sticky) based on no dramatic or high-theatrical intensity, or gimmicks of the kind that brought Super Mac into office, it is essential for the Labour Party to generate enthusiasm among their supporters so that they can turn out in large numbers on polling day, for many believe that the real hope of a Labour victory depends on a mass poll on October 15.

Close Contest

That the Election will be a closely contested affair, is now accepted by all. In the early stages of the campaign, the National Opinion Poll in the *Daily Mail* showed the Government statistically far ahead. Ten days before the voters go to the polls, the Public Opinion surveys were beginning to forecast the possibilities of a Labour victory. While opinion polls are, of course, not entirely reliable, they do provide some sort of barometer of public thinking on the Election issue. It is, therefore, interesting to follow the history of these opinion polls. On July 10 the Gallup Poll reported that the Labour lead over the Tories was

up from 8 to 11 points which would give it an overwhelming parliamentary majority. By the beginning of August, the Labour lead began to fall to only 6½ per cent, and subsequently the Tories showed a small majority. The latest Gallup Poll, published ten days before election day, gives Labour an overall 4 per cent lead, and, what is more significant, majorities in the marginal seats, which would mean a Labour Government with a majority of about 40. However, the size of the sample overall 4½ per cent lead, and, what is large enough to ensure absolute accuracy, and the large number of "don't knows" means that the voting could go either way. Polls, therefore, are an unreliable guide to final results, and the different trends recorded by the Gallup and National Opinion Polls make the problem even more difficult. Nevertheless, within these limitations, Gallup's finding is important. Even such a seasoned campaigner as Butler has admitted that there is, "a strong undercurrent to Labour."

Real Issues and Controversies

Up till the publication of the latest Gallup Poll, observers of the campaign at close quarters were almost unanimously of the view that, so far, the Conservatives had done better than Labour on points. The continual buoyancy of the stock market which stood up to the depressing trade figures and gold and dollar reserves, was an indication that, as far as investors were concerned, the Conservatives were on the way in. The two sensitive shares—steel and property—continued to rise and if the latest Gallup Poll had shown a Conservative lead, it would have been difficult to have resisted the conclusion that the Labour Party was once more heading for defeat.

Wilson has now started on his hard-hitting campaign, and the two Parties now face the real issues and controversies.

There is no doubt at all that the economic situation has, at last, become the central issue in the Election campaign. In contrast to 1959, the issues on foreign policy carry little weight in the programmes of either of the two major political parties or, for that matter in the minds of the electorate. The issue of Britain's membership of the Common Market—a burning issue at

an earlier date—is no longer important. For Election purposes, Europe has been pushed into the background so that the Commonwealth can hold the stage, and here the Labour Party, in its manifesto, accused the Conservatives of having nearly murdered the Commonwealth which was only saved by its own sturdy resilience. The really important issues for the Election are the domestic ones. The explanation of the latest shift in public opinion towards Labour may well lie in three aspects of Labour's Election campaign—the promises of generally increased social benefits and reduction in the cost of building land and the warning of another spell of stop-go-stop economics if the Tories are returned to power.

State of the Economy

Wilson's declaration that the balance of payments figures are going to dominate the Election from now onwards, appears to mark the beginning of a new stage in the campaign. His controversial and hard-hitting speeches on the state of the economy have narrowed the Election clash because it is a well known fact that the modernising programmes for industry and increased social benefits put forward by both parties depend on the state of the balance of payments and allied factors.

There is no doubt at all that the balance of trade and gold and dollar figures are not happy electioneering material for the Conservatives. While the whole basis of the Conservative appeal has been that Britain has never had it so good, and that this prosperity would be destroyed if Labour came into power, Wilson has, quite rightly, pointed to figures issued by the Government itself about the sluggish state of the production index for the past six months, the trade gap with a deficit running to £50m a month, and the decline of Britain's share of world trade, as a condemnation of the Government's record and indication of the dangers ahead. The fact of the matter is that, although Britain may be more prosperous than she was ten years ago, compared with other countries in the world, she has not done so well. A recent report published by the Economic Commission for Europe, shows that Britain brings up the rear in comparisons of growth in industrial production since 1958. While most European countries

have enjoyed rises in output of 25 to 45 per cent, the increase in Britain has been only 19 per cent. Again, the same report shows that Britain is the only country in Europe whose exports tended to slow down this year.

Rising Costs, Stagnant Exports

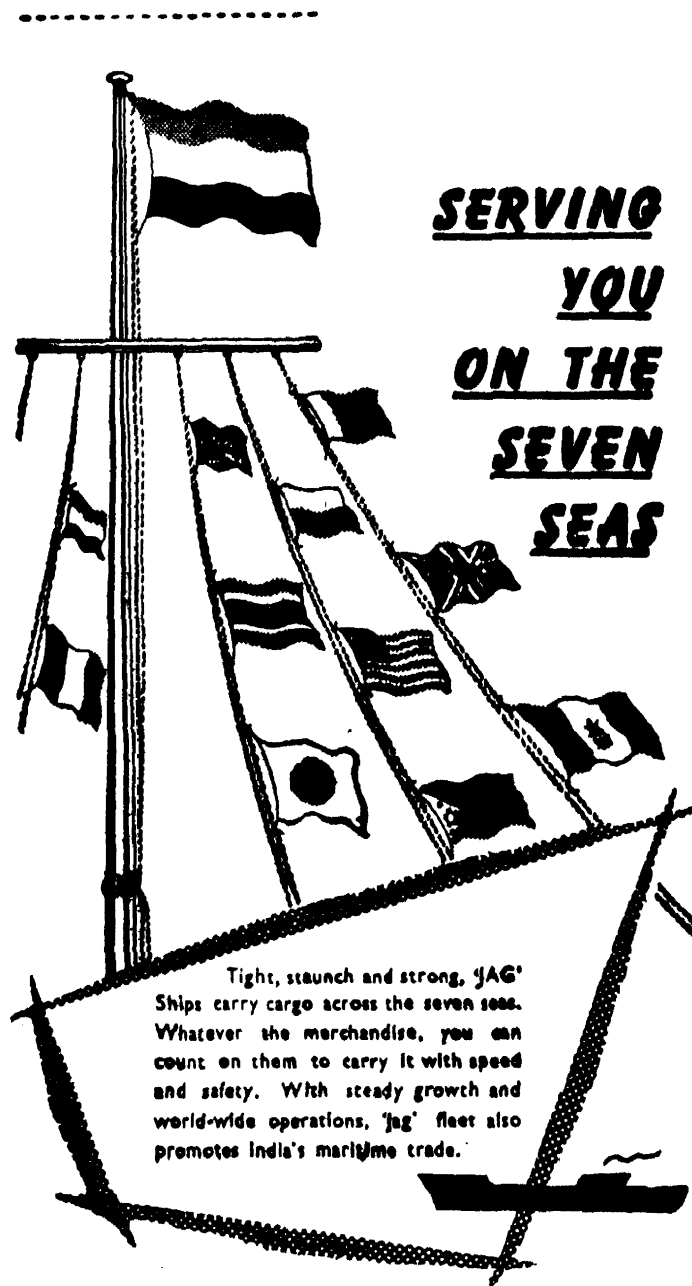
Although from the short-term point of view, it is possible for the Government to cover the deficit on her balance of payments by the more extensive borrowing schemes which are now available, in the longer run the situation is much more worrying and cannot just be shrugged off as the Tories seem to suggest. The crucial question remains why British exports have failed to rise. In recent years, Britain's costs have increased less than those of many of her competitors, yet British export prices still seem to have risen faster than those of nearly all other important trading countries. Although British order books are said to be good, month after month for the first eight months of the year, British exports have been disappointing. The lack of efficiency in British industry is reflected both in the export weakness, and in the growing imports—particularly of manufactured goods. Most informed observers are bound to admit the truth of the charge that Britain is falling behind. For example, while in the mid-1950's Britain was the biggest computer user in Europe, she has now dropped to tenth place as compared with eleven other European countries. In these circumstances, the deathbed conversion of the Tories to modernisation rings a little false. After having been in office for three Parliaments and thirteen years, plans to improve exports, to modernise industry and secure an incomes policy still lie in the future.

Now that the hard-hitting stage of the Election battle has started the Labour Party is making the most of effective use of these facts in their campaign. The Conservatives, for their part, are pushing the pledge for continuing prosperity, but the Labour Party is concentrating on the dangers ahead which can only be avoided if the Election produces a new dynamic leadership. Wilson is pointing out that the trade situation means that Conservative prosperity is only skin-deep and would not last long after the Election. The present balance of payments figures are far worse than the figures for 1960-61, which forced Selwyn Lloyd to bring the economy to a standstill and introduce a pay pause. The Labour Party

is using these trade figures to show that they confirm' Wilson's warning that an economic crisis would follow the "election boom". The dire state of the economy is now being used in terms which could well rally support to the Labour Party as few have forgotten the bitter lessons of the stop-go-stop economy and the pay pause.

Although the "phoney election"

period is over, it would take a brave forecaster to predict the results of this General Election ten days before the electorate actually goes to the poll. The only certain thing that can be said at this stage is that the Labour campaign has at last got moving and is beginning to bite, but much of the future results will depend on the outcome on polling day, particularly in the marginal constituencies.



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