

Master Theme

It is the custom, among politicians, to label every election "the most vital in the country's history", and to predict all sorts of dire calamities if their party and policy are rejected.

In the 1943 elections in Australia we were told that the return of the Labour Party would mean "socialism in our time" and the end of private enterprise in this country. But private enterprise lived to fight another day. And in 1946, the months preceding the election, were accompanied by precisely the same warnings and forebodings—this really was "definitely the last chance." But two years later the general level of business profits—in money terms—was reasonably high and the main citadels of free enterprise were still intact (although the key citadel, that of private banking, was very heavily engaged, and several others were hard pressed). Private enterprise has lost ground, perhaps a lot of ground, in the last six years of Labour rule, but it yet manages to survive in reasonably good shape and in good heart.

A Momentous Election.

Nevertheless, while the "finality" attributed to every election by the politician may almost invariably be safely discounted, the Federal election at the end of this year can, with some good justification, be regarded as the most important held in this country in the last two or three decades, and even perhaps as the most momentous in the national history. It may be wiser this year to treat the exaggerations of the politician with considerably less scepticism than is usually their due. There are impressively strong grounds for the view that the 1949 elections will be of very much more than ordinary importance, and that the general shape and content of the national economic structure will be decided, for generations to come, by the way in which the public chooses to cast its vote.

Why is one justified in claiming this overriding significance for the election this year, when similar—although somewhat more exaggerated—claims proved in the event to be so palpably astray for the 1943 and 1946 elections, and indeed for the 1945 elections in Great Britain?

The Climacteric Approaching.

The basic reason is that it is very difficult for the careful student of political and social trends to avoid the conclusion that the struggle between free enterprise and socialism—if the use for the moment of such vague terms can be excused—in the British democracies is fast approaching its climacteric. Looking backward the significance of past political conflicts can be more accurately assessed, and from the eminence of the present, history begins to assume its correct proportions. The conflicts which immediately preceded and followed the 1943 elections look now as no more than preliminary skirmishes or small-scale engagements in the struggle for economic supremacy between the opposing doctrines of socialism and private enterprise. The battle may be said not to have been thoroughly joined until the Labour Government's stupendous announcement of its intention to nationalise the private banking system. But the struggle has now reached a point when a major victory for either side may well be decisive, and in a sense, final and permanent. Whatever the leading surface issues at the next election may be, whether bank nationalisation, governmental direction of the medical profession, or any other major question of national affairs, the outcome of the election may go a very long way to deciding the fundamental form of economic, industrial and social organisation in this country for generations to come. *Unless there is a totally unexpected and radical change of heart and belief by the Labour Party, the 1949 elections may decide, vir-*

usually for good and all, whether the organisation of the Australian economy is to be based primarily on the socialist conception of government ownership and direction of economic resources, or on the initiative and decision of the individual in his private capacity.

There can be little doubt that if the Labour Party is returned it will choose to regard its victory as a mandate to proceed post-haste with its socialistic programme. With the bold example of the British Labour Party in mind, it would almost certainly be encouraged to make large and revolutionary excursions into the field of nationalisation, it would no doubt speed up its drive for extensive social services of all kinds, and it would certainly harden its already uncompromising attitude to private business and bring it under increasing government direction.

The Dream of the Socialist Commonwealth.

It may very well be that the fate of the private trading banks will be decided by the results of the election, irrespective of whether or not bank nationalisation is a leading issue—at this stage it is difficult to see how it cannot be. The nationalisation of the banks would, by itself, amount to a huge stride toward the ultimate socialist goal. Indeed, with the banks in every detail of their activities completely under its control, the Labour Party would occupy a commanding strategic position from which—in the absence of an overwhelming accession of feeling to the non-socialist forces—it could almost dictate the course of the remainder of the fight against private enterprise. After three more years of Labour rule the economic and social structure may have been refashioned to such an extent on the socialist model, that it might be impossible, from a practical political and economic standpoint, for free enterprise ever to re-establish itself as the prime principle and motivating element of the

economy. The balance of economic power would have been tipped irretrievably in favour of the state as against the individual, and Australia might find, whether she liked it or not, that she had departed for good and all from the old familiar territory of free enterprise for the new and unknown land of state socialism. The Labour Party's dream of the Socialist Commonwealth would at last be on the verge of realisation.

An Untested Design.

It is, therefore, fair to say that the 1949 election will be, in a fundamental respect, unlike any election that has preceded it. While other elections have often been fought around some central issue of paramount importance, involving far-reaching adjustment to the economic and social structure, these issues have not so far involved a revolutionary change in the entire design and content of that structure. The architecture of the house may have been altered in some striking respect, modern amenities may have been introduced, but the house has retained its basic character and features. *But this time, in 1949, whatever the surface issues of the election, the real underlying issue may be whether the house is to be pulled down and replaced by an entirely new one of revolutionary and untested design. That is fundamentally why the 1949 election may, without an undue flight of the imagination, be regarded as unique, and as the most vital in the whole national story.*

A Neck and Neck Race.

It would be foolish to predict the result. The hazardous and unprofitable nature of political forecasting is proved, if proof were needed, by the 1943 elections in Australia, the 1945 elections in Britain, and most of all, by the recent Presidential elections in the United States. However, it is important to make some attempt to estimate prospects, and to define those things which may have some strong bearing on the outcome.

At this stage the result of the election is very open. The Labour Party has doubtless lost some ground since 1946—it would be surprising if it had not, since the tide of public favour runs almost invariably against the party in office. But at this point it seems unlikely that any swing has been of sufficient magnitude to give the non-socialists a certain majority. The popularity of the Labour Party reached a threatening low in the months that followed the announcement of its intention to nationalise the banks, and if an election had been held at that time it would, in all probability, have been defeated. But all the indications are that since then it has regained some of the ground lost.*

The most accurate assumption would appear to be that the socialist and non-socialist parties are at present running neck and neck and that victory at the election will be very largely decided by what happens between now and the end of the year. An aggravation of industrial unrest with widespread stoppages and hold-ups on a national scale could spell the doom of the Labour Party, as could a runaway increase in prices.

Key with the Liberal Party.

But neither of these things is likely to occur, and in any case it would be a major mistake for the non-socialist forces to count on any fortuitous circumstances to gain it the day. They should endeavour to achieve victory, not negatively because of the sins or misfortunes of the Labour Party, but positively because of their own virtues and the merits of their policy. If misfortune of any kind—such as a calamitous nationwide strike engineered by the Communists, or an economic catastrophe—should attend the Labour Party before the end of the year, then the non-socialist parties will make victory all the more certain if in the meantime their own actions and policy are such as to command the confidence and support of

the public. One is forced to the conclusion that the key to the outcome of the election lies with the Liberal Party, and that the results of the most vital election in Australian history will be very largely decided by what the Liberal Party does in the next six months.

For all the sly quips made at its expense and for all the criticism directed at it, the Liberal Party has since its inception made very considerable and very commendable strides toward building a sound structure and a progressive, attractive policy. But it is one thing in politics to have gone a good way to putting your house in order; it is quite another thing to be able to convince the general public that you have done so. And the unpalatable conclusion for the supporters of free enterprise in this country must be that the Liberal Party, in spite of all the very good work achieved, has yet to capture the support and the imagination of a sufficient number of the voting public to make victory certain at the end of this year.

It is supremely important for the future of free business enterprise that the Liberal Party should make every effort to remedy this deficiency. What then can it do? It may help to answer this question by suggesting first one or two things it should not do.

It would be a fatal error for the Liberal Party to try to outbid its opponents in the matter of cold financial hand-outs. If the Liberal Party tries to play the Labour Party at its own game it will be, and will deserve to be, roundly defeated. The distinctive contribution of socialist thinking to modern politics is that of social security and social welfare through governmental action. It is, to say the least, unlikely that the Liberal Party will propound this policy more convincingly than the socialists, who have been so well schooled in it, and in whose political creed the concept of a social security stands as a first and passionately-held article of faith.

*A recent Gallup Poll suggests that this is so.

And even if the Liberal Party is in fact more sincere in its desire for social security than the Labour Party, it is hardly likely that the mass of the people could be persuaded of this. It is on the contrary far more likely that essays in this direction by the Liberal Party would be viewed with considerable suspicion by a majority of the public. If there is one thing certain, it is that if the Liberal Party concentrates its main energies on trying to beat the Labour Party at its own special game, it will suffer a resounding defeat.

The Great Chance.

The great chance for the Liberal Party, and therefore for the promotion in this country of vigorous private enterprise, does not lie in a sort of half-way or diluted socialism, but in a policy as different from socialism as blood is from water. The basic conception behind the Liberal Party's policy should not comprise so much a modification of traditional liberal principles (though this does not mean that modification is not in some directions necessary) as a bold extension of those principles, an extension to new fields, to sections of the economy and of the public where they have as yet made little impact. To take an example in the field of housing! What the Liberal Party should *primarily* aim at is not an extension of state-subsidised housing, so much as a great national drive to increase the supply of houses at a cost within the reach of those who are at present unable to achieve the objective of home ownership. Or to take a further example in the field of industry! What the Liberal Party should *fundamentally* aim to do should be to ensure that the interests of the great mass of consumers will be fully protected, not through socialistic ideas of profit-limitation or price-control, but through the vigorous and uncompromising enforcement of free and fair competition. What the Liberal Party needs to bring victory for the non-socialists at the election is not a half-

socialist, half-free-enterprise programme, but a bold, full-blooded policy of individualism that will provide all the socialists have to provide—and infinitely more.

A Single Big Idea.

On the other hand the Liberal Party would be making a grave mistake if it thinks the election can be won by the presentation to the public of a massive political programme worked out in minute technical detail. Such a programme may be vitally important after the victory is gained, but before the election it is more likely to confuse than clarify the party's intentions. It is most unlikely that the ordinary member of the public would be capable of discerning any great central theme, even if such existed, in a massive and complex programme of technical political proposals. Moreover, technical programmes, however logical and commendable and necessary (when a party is in office), are not calculated to inspire and grip the imagination of the voting public. However desirable it may be, for instance, to encourage capital improvement by permitting large depreciation allowances as a legitimate deduction from business profits such proposals are hardly likely to fire the spirit of the people.

The great virtue of socialism, from the electoral standpoint lies in its simplicity, in its simplicity of aim and apparent simplicity of method. The Liberal Party should heed the lesson. *What the Liberal Party needs to improve its electoral prospects is not a beautifully thought-out rational policy, drawn up in minute detail, but a single big idea. What it needs is a great inspired conception, an all-embracing and unifying principle, into which its detailed programmes can be fitted as natural corollaries of a master theme. A great central idea that shocks and then grips the public imagination can do more to turn the tide of socialism and to win the election for the non-socialists than all the lengthy and complex political programmes in the world.*

What then should this central idea, this overriding theme, comprise?

Clear the Channels!

It would be presumption for the I.P.A. to answer this question with any dogmatic assurance. But a suggestion as to the direction in which an answer might be found will not perhaps be out of place. Perhaps the great idea needed by the Liberal Party may be found somewhere in the realm of individual opportunity. This is much more than a matter of equality of opportunity—although that is by itself supremely important and something still a long way from realisation.

The socialist believes, or says he believes, in an equal start, but then he proceeds to act in an utterly illogical fashion by handicapping the runners while the race is in progress. He believes, in short, not only in an equal start but in an equal finish; no one is to be allowed to run faster than the pace of the slowest.

The Liberal Party might take for the cardinal feature of its programme the objective of extending vastly the opportunities of all for achieving the good life, the utmost in personal self-realisation and self-expression. This means the opportunity to build a satisfying career, for acquiring the just rewards of good work or special ability or qualification, for enjoying the best in education, for acquiring private property and achieving home ownership, for starting in business, for moving freely from the lowest to the highest positions in the land in industry, government service and the professions. The channels of opportunity are at present silted up by an unequal start in the race, by monopoly, privilege, the dominance of special interest, the prying and deadening interference of bureaucracy, the penalising of ability and education.

Here may be found a great idea, a masterly conception, one of opportunity and

hope, a call to the best and most virile qualities of the Australian character that might achieve a magnificent response. Here may be found a principle upon which a great and progressive political programme can be erected; a programme not of less individualism, but of more; a programme not to restrict free enterprise, but to make free enterprise freer and more enterprising.

That such a call might at present have its main appeal to that section of the people which comprises the swinging vote means also that it satisfies the dictates of political expediency. In politics a measure of realism is essential, and it is impossible to avoid the conclusion that the immediate survival of free enterprise in this country depends on whether it can win the confidence and allegiance of those who control the swinging vote—the white collar worker, the better-educated sections, the salaried and professional groups, the small struggling business man. It is this section of the people who have felt the pinch over the last few years, and it is these people—the great middle classes—who stand to suffer most through socialisation.

The Liberal Party could do worse than take deeply to heart these words of the late Lord Tweedsmuir, one of the most impressive figures of this century:

“... I regard this shrinking of opportunity as one of the gravest facts of our age. It will remain an urgent matter long after the guns are silent. Somehow or other we must make our social and economic world more fluid. We must widen the approaches so that honest ambition and honourable discontent may have elbow-room. If not, youth will cease to be young, and that will be the end of everything.”*

*From John Buchan's (Lord Tweedsmuir) "Memory-Hold-the-Door."

