The sweeping Liberal-Country Party victory is at once setback, threat and challenge to the Australian labor and democratic movement.

The massive government majority, a Liberal Party with nearly half the seats, and increased strength for the Liberal extreme right, will threaten suppression of all opposition and even more extremist foreign policies. But any attempt along these lines will create a powerful counter-movement.

The most significant thing, so far obscured by establishment jubilation, is that 42 per cent of Australians have voted against the Vietnam war and against conscription of youth for this war, and implicitly for a new Australian foreign policy of peace and friendship with Asia. The Government's electoral tactics made it inevitable that a vote for Labor, Liberal Reform or Communist could mean only this.

The Government mounted a massive campaign to scare electors with false visions of encroaching Asian hordes. The Liberals claimed to have placed Australia behind the American shield by cunningly providing soldiers for Vietnam and an open go for American capital in acquiring Australian resources.

The Labor Party was presented as criminally irresponsible or even treasonable. And a sustained, skilful campaign was mounted against Mr. Calwell, helped by the impatient ambitions of Mr. Whitlam for the Party Leadership.

The election result will stimulate the contention of policies in the ALP. One will seek the seductive path to power by favor of capitalist opinion makers; the other will seek a new way to develop a genuine alternative foreign and domestic policy, expressing the growing desire for a radical change.

A deeper cause for the Liberal victory lies in a certain spread, among sections of the younger generation, of conformism and accommodation to the empty values of modern monopoly capitalist Australia.

This conformism, only partly offset by the growing youthful radicalism, challenges every ideological trend in the labor and democratic movement to present its concepts and proposals for the completely new direction for Australia, in social structure, national development and relations with Asia. The Communist Party has already released its views, in the documents for its Twenty-first Congress, proposing the path of working towards a coalition of all Australian left and democratic forces.