

The Politics of Hope

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Doomsaying has a lousy record and most people save themselves a lot of unnecessary bother by taking all forecasts of impending moral, economic, ecological or political disaster with a grain of salt. Sometimes, however, people could save themselves even more bother by heeding the Cassandras and the Jeremiahs.

Edward Shann MA, was an exceptional academic economist who, like Cassandra, was doomed not to be believed. In May 1928 he wrote this: "If we continue to borrow abroad we shall mortgage with the interest bill every increase in our productive power and send it to swell the loanable funds of New York and London". Within two years, with the onset of the Great Depression, the truth of his prophecy was evident.

Shann naturally did not mention the loanable funds of Tokyo, nor Euro-dollars, but his words have a modern ring to them. Moreover, today's Cassandras and Jeremiahs, like Shann, though respectfully heard at business seminars, are being paid little heed. It is true that their warnings have won desultory acceptance---they have a compelling logic---but until we feel personally responsible for the debt, nothing will be done about it. It is also true that the Cassandras were taken seriously immediately after the 1984 devaluation and the October 1987 stock market crash, but, their warning was soon lost amid the copious outpourings of the doomsaying industry. The current account cannot for long compete for public attention with AIDS and the hole in the ozone layer.

It is not just the bad record of doomsayers, but the fact that avoiding problems usually entails some moral or economic restraint, which encourages more hand-wringing than action---most people would like to be virtuous, but not yet. This is usually just as well, but not always, and true prophets are not easily distinguished amidst the doomsday clamour, most of which must be nonsense. After all, one can die only once and lose only one fortune at a time.

The prophets might change their strategy. People who wish to change other people's attitudes and voluntary behaviour often have an alternative to heaping upon the wrath of God, death, financial failure in international markets etc. Those

who enjoy gloom may find it less fun, but they could, instead, preach of the possibility of reaching Heaven, of the pleasures of sexual fidelity, or of wealth won through pursuit of comparative advantage and so on. The behavioural changes sought by prophets of doom are in many cases identical to those sought by prophets of hope. Punishments and rewards are usually but sides of the same coin.

If we imagine even moderately sound management, the Australian economy affords quite glorious vistas of wealth and security. Australians enjoy great natural and man-made competitive advantages which could be used to bequeath a wonderful heritage to our children.

Prime Minister Hawke, who is the son of a Christian clergyman, probably appreciates better than most the didactic value of good news. Neither will the political value of good news have been lost upon him.

Two weeks ago Paul Kelly wrote in *The Australian* of a report which the Prime Minister has commissioned Dr Ross Garnaut to prepare on Australia's relations with Asia in the 21st Century. Of course, the, as yet uncompleted, report is highly speculative. It is also very hopeful: East Asia---our near North---will probably go on increasing its GDP and living standards very rapidly. We have an exceptional opportunity to benefit from this rapid economic growth, but only if we get the domestic policies right. We must cut tariffs further; expose our kids to longer and harder education; accept more migrants, especially from North East Asia; reform the micro economy, particularly such unionised hot potatoes as the waterfront and coastal shipping; and save a higher proportion of our income. These are the same things the doomsayers say we must do in order to avoid falling living standards and social strife. Sifunny, in it?

In this approach is the making of the gospel according to Bob Hawke. The gospel according to John Howard need be differentiated from it no more than Mark differs from Matthew---the addition of a great deal about suffering the little employees to do their own thing would distinguish Mr Howard's gospel quite nicely.

The idea is not new. From 1980 to 1983 'Australia at the Crossroads---Our choices to the year 2000', written jointly by Wolfgang Kasper, Richard Blandy, John Freebairn, Douglas Hocking and Robert O'Neil, inspired the fledgling 'dries'. This was at a time when politicians, manufacturers, farmers and unionists excoriated policies which they now accept, and even actively support.

Not many things are really exceptional, but 'Crossroads' is, at least, an unusual book. In the first place it identified what with hindsight should have been the big issues of the time, and it painted them with a broad brush. Thus it was useful to people who had no option but to try to understand society as whole.

For a book on current politics, it was unusual also in that it avoided terms such as 'left' and 'right' which have too many meanings to be clear. And it avoided weasel words, that is, euphemisms which avoid saying what the thing really is. (An example of a weasel term might be 'social reasons'---a euphemism for 'vote buying'.) Thus the authors counted the risks associated with being understood.

The most unusual feature of the book, however, was that it was a council of hope based on tough prescription---a salient feature of gospels. In truth, its policy prescriptions were not much different from Treasury's, but its defence of them was much more inspiring.

The spirit of Crossroads is not dead but people have become tired of Jeremiahs. Ross Garnaut's report and other accounts of the Australian situation are opportunities to put the need for reforms in terms appropriate to a confident people. It is again time to put the case for social (which includes economic) reform in terms of opportunities rather than costs.

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