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SUNKEN TREASURE: THE CULTURAL LOGIC OF AUSTERITY

ROBERT APPELBAUM

The range of meanings for that key word, “austerity,” and the difficulties it entails, may be indicated by a pair of statements made by British politicians cited in Ina Zweininger-Bargilowska’s study *Austerity in Britain*. “Capital investment can only take place at the immediate cost of the consumer,” said one. “But if we are prepared to do without some of the frills in the next years, Britain’s reward will be a higher standard of living in the future” (Zweininger-Bargilowska 2000, 206). The second one said something different: “No long-term scheme for keeping a community alive can be based on an export scheme alone....The conception that any community could make its living without a healthy and vigorous home market and strong domestic consuming power [is] a fallacy.” The first statement, emphasizing investment and production and a need for restraining consumption, came from a Labor Party pamphlet of 1946, *Fair Shares of Scarce Consumer Goods*. The second, emphasizing consumption, came from Winston Churchill, writing in 1948 against the Labor Government in favor of “free enterprise, personal initiative, competitive selection and the profit motive” (Zweininger-Bargilowska 2000, 220).¹

No one who has followed the debates in the media over the past few years between advocates of austerity in this post-2008 Great Recession, like economist Alberto Alesina and British Chancellor George Osborne, and advocates of Keynesian stimulus, like economists Paul Krugman and Joseph Stiglitz, should fail to miss an important reversal.² In the extremely difficult circumstances of the late 1940s in Europe, the Labor Party favored

¹For additional background on the Age of Austerity, see Kynaston (2008), Morgan (1984), Sissons and French (1986), and Tomlinson (1997).

²See Krugman (2012) for a succinct explanation of his position. Krugman is of course a bi-weekly columnist for The New York Times, and I have consulted most of his columns on the concept of austerity. Stiglitz’s most recent thought is summed up in Stiglitz (2013b). Alberto Alesina does not usually write for the general public, but a glance at Alesina (2012) gives a fair indication of his approach to economic problems. Alesina and Giavazzi (2008) warned Europe that it should be more like the United States, and do what it could to dismantle the counter-productive aspects of its welfare systems and economic regulations. The Italian School of austerity economics is discussed in Blyth (2013, 165-77).

investment over consumption, while the Conservatives were calling for more consumption. That is the opposite of what the left-right debate over austerity would lead one to expect today. But in fact, the tradition of favoring investment over consumption continues to live on in the memory of Labor Party leaders. "Ed Miliband has urged his party to remember that the post-war Labor government achieved radical social change while also managing to run budget surpluses in a time of austerity," wrote reporters for *The Guardian* in June 2013. "Yes," said the leader of the Party to the reporters, the Labor Party "created the NHS, but, believe it or not, they were running a budget surplus. There was wartime rationing. This is a government that banned the import of sardines because they were worried about the balance of payments. It shows a government can be remembered in difficult times for doing great things" (Wintour and Sparrow 2013).

The main debate today, in Europe and America, is whether, in the current Great Recession, government should encourage supply or demand. The supply-siders want to balance the books, and argue that only once the books are balanced can growth return to the economies of the developed world. For "supply" is in the first instance unencumbered capital, and the less encumbered capital is the better it can do its work and bring about growth. As I write, the Bank for International Settlements, based in Basel, Switzerland, has just published a report calling not for less but for more austerity, or what they like other austerity economists call "expansionary fiscal consolidation." In fact, this "central banker's club," as a reporter for the *Guardian* calls it, not only wants more spending cuts, but cuts in the money supply as well. "By restoring sound financial conditions, eliminating the risks associated with high debt and reducing the resources needed to service the debt, consolidation will lead to higher sustainable economic growth. As a result, its long-term benefits will more than offset its short-term costs" (Stewart 2012).³

This report by the central bankers is worth keeping in mind, for the language of the report is revealing on its own account. It calls for a restructuring of labor markets, freeing that market of "rigidities," and of "sizeable fiscal adjustments" into the future, meaning reductions in net pension and health care expenditures, and of allowing economies to experience "innovation" and "creative destruction." In the face of recession, the aim must be, according to these supply-side austerians, a return to conditions for growth. But conditions for growth can only come about, in effect, by more recession, where wages and debts are allowed to fall to a "sustainable level." So the aim is "growth." Growth is only possible under certain conditions. And austerity, or fiscal consolidation, bringing about a *contraction* of the economy, is the road to that condition.

But consider this position in comparison with the arguments being put forward by Keynesians today. Keynesians are saying that wages and debts

³For the full report, see Bank for International Settlements (2013).

must be caused to rise for the sake of increasing what they call “aggregate demand.” If fewer people can afford to buy goods (because their income has fallen and their access to debt has been curtailed), the demand for goods goes down. As the demand for goods goes down, business investment goes down, for there is no reason for businesses to invest and expand when the market for their goods has fallen. As Mark Blyth has put it, there is no economic growth which is not also a growth in consumption (2013, 127).⁴ Therefore when growth is urgently required, in a time of deflationary recession such as are now, the remedy is to put money and credit in people’s pockets. Lower taxes, create government service or infrastructure jobs, extend credit through monetary expansion and the maintenance of low interest rates; even consider a Jubilee, in the form of debt forgiveness (as when mortgage-owners are allowed to write down their principal obligations)—these are the Keynesian mechanisms for generating growth under the conditions of a serious “slump.” Do whatever it takes, so far as possible, to get consumers to consume again, and growth out of the slump should follow. As far as Blyth and others are concerned, that is pretty much the *only* strategy that has ever worked in pulling a modern, post-1920, technologically advanced economy out of recession.

So the bankers advise austerity in the interest of “fiscal consolidation,” or in other words in the interest of capital formation; and anti-austrian economists advise fiscal and monetary expansion in the interest of stimulating aggregate demand.⁵ Which advice to choose? As a wage earner and, alas, a humanist, I am drawn immediately to the latter camp. For I know that underneath the claims about which policy would work best under this condition or that, there are claims about what it means—for me, and for everyone else—to be human, to live in a just world, and to thrive as one individual among many individuals in a well-run society. I know that when the authors of the banker’s report talks about “short-term costs” they are talking about costs to me, to people like me, and to a lot of people worse off than me. They are not talking about “costs” to themselves in any meaningful way. Social justice for the bankers, in other words, operates from the top down while requiring suffering from the bottom up—and that is no social justice at all. It is not a way to make the majority of individuals thrive as individuals among other individuals. Moreover, I know that when the authors make generalizations, in their recent report, about “structural rigidities” in the labor market, which do harm by “blocking innovation and creative destruction,” and back up their claims by saying that more fluidly-structured economies thrive better under stressed conditions, they are simply lying. For the economies that have thrived the best in this Great Recession—Germany and Sweden among them—have very strict labor laws and strong unions, not to mention strong mechanisms to relieve income inequality. So the authors of the report are

⁴This statement is based on a principle in Keynes (2008, 35): “All production is for the purpose of ultimately satisfying a consumer.”

⁵In fact, though this debate is very current, it has been going on for some time. See Crotty (2012), Farrell and Quiggan (2012), and Faux (1988).

not above showing contempt for facts when the facts get in the way of their preferred policies. I know, moreover, that they are repeating a formula of neo-liberalism that is over fifty years old, that they are repeating it with the assurance of fundamentalists quoting the Bible, and that what they really want is for people like me, and people worse off than me, to suffer job insecurity and be vulnerable to lower wages. The authors are not above citing all kinds of statistical findings in order to elaborate an article of faith, which has nothing to do with statistical findings.

I therefore have to reject the claims of the austerians out of self-interest. Keynesianism would be good for me and I have to support it for that reason. (In fact, as a resident of Sweden I am already benefitting from a moderate application of Keynesianism which has been in place since the crash of 2008—I do not live in a country suffering from the economic decline of many other Western nations.) But speaking as a humanist, I have to reject the claims of the austerians for several other reasons. First of all, the austerians are lying, and to lie is no way to manage a democratic society.⁶ Second of all, when they lie they take cover under platitudes (or quasi-religious intonements) like “creative destruction,” and a recourse to platitudes is no way to manage even a non-democratic society. Thirdly, beneath the lies and platitudes and faith the policies they try to impose—it was, for example, under orders from the central bankers of Europe that Greece shut down its public television network—there is an enormous energy of aggression and hostility. This coercive energy speaks for itself: I do not need to say anything to explain it further. But finally, I have to reject austerity because it does not seem to work. “Never has, never will,” says Blyth. “The cure is not working, and there is no hope that it will—that is, without being worse than the disease,” writes Joseph Stiglitz (2013a). I find the Keynesian arguments persuasive, by contrast, even if I cannot follow all the math. If I am interested in promoting basic principles of social justice, I have to follow the pathway of policy that would incline toward more social justice, and it is very likely that Keynesian policy is the one to follow.

But I also take note of the switch of emphasis inherent in the Keynesian position today. In the Keynesian formulation, we need more consumption. If we also need more investment, if we take care for consumption first, investment will follow. If what we *really need*, as many Keynesian and centrist economists claim, is more investment in infrastructure—roads, railways, alternative energy development, education—then we can justify making public investment in them now because, while in the long run we will benefit by having a better infrastructure, in the short run we will have more jobs and

⁶A lie on page 45 of the Report is characteristic, where it is claimed that when national debt exceeds 80% of GDP a significant decline of per capita growth sets in for that nation. The main source is Reinhart and Rogoff, where the threshold is actually given at 90%. And in any case, Reinhart and Rogoff’s findings have been completely discredited by subsequent research. See Pollin and Ash (2013) and Krugman (2013).

therefore more consumption. And with consumption comes the growth that will pay back the debts for investing in infrastructure.

There are many technical issues here, about which I am unqualified to comment. But I want to think about why the Labor Party, in 1946, was so cavalier about aggregate demand and consumption. I want to think about why Ed Miliband, nearly 70 years later, thinks it politically astute to recall Labor Party austerity. I also want to think about why, in recalling Labor Party austerity, Miliband thinks it politically and socially wise to *extend* policies proposed and administered by the Conservative Party, policies which, according to Martin Wolf, chief economics commentator of the *Financial Times*, relying on the work of centrists like economist Larry Summer and researchers at the International Monetary Fund, calls “indefensible” and “overwhelmingly wrong-headed.”

A quick answer is that Miliband got bad advice and said what he thinks the public wants to hear. Another is that he is being wily, setting the stage for tax rises on the rich in the name of balancing the budget (Dunt 2013). But whatever Miliband’s purposes, he was in the first place paying respect to the force of a peculiar kind of rhetoric, the rhetoric of “austerity” in the context of the memory of an “Age of Austerity.” And in the second place, he was recalling the proudest years in the history of the Labor Party, when it founded the modern British welfare state. There is something else involved in what is obviously not just the name of a certain kind of economic policy but also, as I have indicated, a “key word” in the Raymond Williams tradition, a complexity according to which that which for many people is obviously bad – aggression against general consumption, government services, social welfare, and labor – is also, though maybe not so obviously, and maybe in a different sense, to the same people, good. Keynesian economists, at least in America, are not perhaps attune with this complexity. In the Keynesian tradition the word is supposed to be neutral, indicating a holding back of fiscal and monetary resources which during “the slump” is bad but during “the boom” is often warranted. It is supposed to be a word without figurative and emotional associations. But in Britain today there is more to “austerity” than the name of an easily identifiable policy. Austerity has a history and legacy. Like any key word, moreover, “it is capable of bearing interlocking, yet sometimes contradictory contemporary meanings...which remain unresolved across a range of topics and fields” (“What is a keyword?” n.d.).

Austerity as a word in fact has several different denotations and connotations, and an interesting etymology, which among other things associates austerity with the taste of elegant wine (*OED*). A fine Bordeaux is often “austere.” Other contributions to this issue will no doubt have called attention to these different associations, however; so what I want to add to the discussion is that beneath these many interlocking meanings, associations and contradictions there lies a deep uncertainty about the concepts not just of scarcity but also of prosperity. “Austerity” is a key word indicating, in the conditions of advanced capitalist society, an anxiety about the spiritual

as well as the material condition of modernity, an anxiety that puts into question the relation of capitalist society to such fundamental concepts and horizons of practical activity as freedom and necessity, or as finitude and possibility. It encodes worries about whether or not society is in control of itself, whether society has any critical and practical ideas about how to deal with economic life, and whether there are any grounds for hope in the future. Are we really free, economically? Are there really any possibilities ahead of us that can improve our condition?

One can demonstrate this conceptual anxiety simply by looking at statements made by politicians and pundits over the last few years about “austerity.” Especially pertinent is the speech given by David Cameron before the Conservative Party congress in 2009, a year before he would be elected as the United Kingdom’s Prime Minister. It was this speech that brought the word “austerity” back into the center of Anglophone discourse. We now live in an “age of austerity,” Cameron said. “The world has changed completely.” The point was not that the British nation needed to adopt austere policies; it was not that cuts in government spending needed to be made. The point was that Britain was *already* in an age of austerity. The resources upon which the citizens of Britain relied were dried up: there was a lot less money now than there used to be. And so the British government needed to “do more for less” and “cure” the nation of its “big social problems” (Cameron 2009).

A Keynesian like Krugman can reply and has replied to this position that it represents a misunderstanding of how national economies work. A government that can print money, issue debt and borrow, benefiting from a decline in the cost of debt and a surplus in the supply of labor, is not a government that has run out of resources. A more cynical adversary can also reply – and many have thus replied – that Cameron’s talk about a shortage of resources is really only a pretext for shrinking the state. The cynics probably have it right. The language of austerity appears to be a cover for the application of what, in a third world context, Naomi Klein called the “shock doctrine.” National indebtedness to foreign and private creditors, according to Klein, is taken to signal an “illness,” caused by national “profligacy,” which can only be cured by a “shock” to the system, which will alter the neural pathways in the habit of stoking fiscally profligate behavior. And this is taken to be the case not only in view of countries like Greece, which has been in danger of insolvency, but in view of a country like the United Kingdom, which has been in no such danger. For whatever the actual condition the UK may be, the Tories have wanted to shock it, and contract the welfare state. (Although Cameron has never said, so far as I am aware, that he has wanted to “shock” the British system, he has often accused it of “profligacy” and “illness” and called for “difficult decisions” to “mend” it – it being a “society” he has often called “broken.”)⁷

⁷There are actually two different meanings of “shock doctrine” circulating today, both of which may be found in Klein’s work, and sometimes used inconsistently. One is the use of a kind of shock to the system in order to restore it, on the model of electroshock therapy. The other

But conservatives like the leader of the Tory party are not the only people who have used the word “austerity” in this way. The word is used similarly by the presumably liberal American journalist Thomas Edsall, for whom austerity is another word for scarcity (Edsall 2012; and see Schmitt 2012). There are many differences between saying that, given current economic conditions, national governments ought or ought not to follow strategies of austerity, and saying that our current economic condition has brought about an “age of austerity,” which is to say an age of scarcity, from out of which we are compelled to try to wrest ourselves, even if, in the end, doing so may be hopeless.

One of the chief differences, as I have said, has to do with the ideas of necessity, freedom, finitude and possibility. If we are *inside* an age of austerity we are relatively un-free; our resources are finite and our choices are limited. If, however, we are *choosing* to place ourselves in an age of austerity, we may well be choosing our own un-freedom, and our own conditions of finitude. And whether we choose or have chosen for us limits on our behavior, we are also then facing a dilemma concerning stasis and growth, and at the same time, since the condition of material life is ultimately at question, a dilemma concerning the gratification of material needs, or to put it another still another way between investment in any given future and consumption in any given present. What are, at bottom, the *limits* of capitalist society? What are its horizons of possibility? And what are the limits of what individuals can expect from it, in view of the fundamental needs, desires and moral values of individuals? To what condition can capitalist society grow, metastasize or degenerate, in view of the needs, desires and values of its subjects? Although these questions are seldom directly addressed by economists and politicians anymore (if ever they were), a concept like austerity encodes assumptions, beliefs, doubts and fears about them.

On the one hand, the concept of austerity encodes an understanding of the polarities of freedom and determinism in economic affairs. The word can be used to indicate scarcity, brought about unavoidable circumstances; or else it can a choice of economic retrenchment, undertaken in the face of other options. In either case, the concept of austerity implies decisions about the sources, resources and limits of wealth creation. A rejection of austerity can imply either a rejection of the premise of necessary scarcity or else a rejection of one option among several for solving an economic crisis. What is at stake is the nature of our material freedom, or conversely the nature of our material constraints. But on the other hand, the concept of austerity can also be deployed as an indicator of values. These are values which are intrinsic to capitalist society and the lifeworld of *homo economicus*. But they are also

is the exploitation of a condition of shock in order to effect major reforms. “Disaster capitalism,” as Klein and other use the term, refers to this second meaning, when politicians and economists exploit social trauma to remake the structures of social economies. Cameron clearly attempted, and to some extent has succeeded, to use the traumatic conditions of the Crash of 2008 as a pretext for radical economic reform.

inherently contradictory: thrift versus expenditure; delayed gratification versus indulgence in gratification; economic stability, the condition of “consolidation” so favored by supply side economists where capital is safe versus economic growth, that condition of innovation and surplus founded upon “destruction.” Capital must be kept safe, yet much else must be willingly uprooted or annihilated in the name of “growth.”

It is in this latter realm of values, tied though they are to notions of how wealth is produced, that questions of social justice arise. For one person’s safety and thrift can be another person’s danger and deprivation. And it is in this realm too that questions regarding the meaning of wealth itself may be raised. Keynesians by and large try to escape the moral problem of wealth by advocating, in the first place, effective uses of safety and thrift (so that one person’s advantages do *not* jeopardize another’s), and in the second place, a just distribution. In the social democracy that many Keynesians seem to imagine as the most desirable state of affairs, thrift as well as expenditure are justly distributed. But what, really, is wealth for? Where does it really come from? What is the right thing to do with it? And how are we to maintain control over it? These are questions that are encoded in the self-contradictory concept of austerity. And although they are not generally discussed in the back-and-forth between austerians and anti-austerians today, they were at the heart—albeit sometimes the unconscious heart—of thoughts about austerity in the age of austerity in Britain.

In 1949, Ealing Studios in London released two of the films for which it continues to be most famous today, *Passport to Pimlico* (1949) and *Whisky Galore* (1949). The films, along with *Kind Hearts and Coronets*, also released in 1949, established Ealing’s reputation as a maker of buoyant, inventive comedies.⁸ But *Passport* and *Whisky* have also long been regarded as twin tokens of the culture of austerity in austerity Britain. Both address the question of austerity directly. And both films portray austerity as a problem against which whole communities may wish to rebel. In *Passport* neighbors in a section of war-devastated Pimlico, London discover a buried treasure which provides them not only with a lot of wealth but also with a deed entitling them to independence from Britain. They are actually subjects of ancient Burgundy, according to the deed, and so, both because of their new-found wealth and their new-found independence, they can shuck off the repressive austerity to which they have been subject. In *Whisky*, which takes place during the Second World War, a small island community in Scotland is deprived of its whisky supply by a meddling, rationing central government. But a cargo ship is wrecked off the coast of the island, and among its cargo is a generous supply of whisky, which was to be delivered to the mainland and then distributed, which is to say rationed, by the central government. The

⁸For background on Ealing Studios films see Barr (1977), Duguid et. al. (2012), Ellis (1975), and Muir (2010).

community joins together stealthily to salvage and hide the crates of whisky, and collectively goes on a binge.

The two films are often taken to be inversely related responses to austerity in Britain (Barr 1977, 80-82, 95-112; D'Arcy 2012; Ellis 1975, 125; Kynaston 2008, 336-7; and Marr 2009, 81-2). *Passport to Pimlico* is said, in the end, to support austerity and embrace the apparently repressive regime that manages it. In a celebratory ending, having had enough of the trials and tribulations of independence, the neighbors go back to the books of ration coupons they had earlier torn up and discarded, and happily submit themselves to British authority. *Whisky Galore*, by contrast, is said to stand for an unambiguous rejection of austerity and its self-evidently oppressive authority. The islanders drink and drink and only stop when their newfound store of whisky runs out. Their only regret is that they have run out of the free liquor.

So here, apparently, are two inversely-related responses to austerity in late 1940s Britain. *Passport* shows a people celebrating de-repression, enjoying a carnival of material pleasure and social anarchy, only in the end to go back, willingly, to repression. *Whisky* by contrast, though it also shows a people celebrating de-repression in a carnivalesque atmosphere, portrays a people defying an authority, using rebellion on behalf of communal autonomy, islanders against the nation, Scots against the English, traditionalists against rationalizing bureaucrats, sensualists against the prudes. In *Passport*, it is commonly observed, community action turns into an aggregate of selfish and unsustainable individual actions. A return to conventional authority and shared sacrifice becomes necessary in order to maintain law and order. But in *Whisky* community action remains community action, and instead of surrendering to authority, the community simply loses a battle, as their store of whisky is consumed and the national withholding authority can once again control the supply on which they depend.

There are several problems with this conventional analysis. One is that it cannot encompass the obvious ironies of both movies. Both films involve utopian fantasies—and utopian fantasies are rightly notorious for ironic multi-sidedness, arguing both for and against the status quos from which they take their departures.⁹ *Passport to Pimlico* and *Whisky Galore* are no different than Thomas More's *Utopia* in this respect. They do not argue either for or against the system of austerity in Britain, but rather both for and against it. They dramatize both a wish to escape from life as it is and a wish to be reconciled to life as it is. Another problem with the conventional analysis is its failure to recognize the importance both texts place on communitarianism. In his classic reading of *Passport*, for example, Charles Barr claims that the film involves a critique of "acquisitiveness," as the Burgundian Londoners, once the members of a well-knit community, break apart into avaricious individualists, trying to profit from de-regulation. The return to submission

⁹The most elaborate version of this irony is probably in Marin, especially when he refers to Utopia as an "ideological critique of 'ideology'" (1984, 195-6). I discuss the background in "Utopia and Utopianism" (Appelbaum 2013).

to British government at the end of the film signals for Barr a return to sociality and self-sacrifice for the greater good. But in fact, the core of the community in Pimlico *never* breaks down, even with all its newfound wealth. The neighbors always act democratically and socialistically: their wealth is always a shared wealth, which they use together as equal stakeholders. When the local bank manager uses the declaration of independence from Britain as an excuse to declare his bank branch independent from the financial corporation that owns it, he uses his independence not to enrich himself but to give away cheap loans to people in need. The islanders in *Whisky Galore* are similarly communitarian. The whisky is shared equally among everyone who wants it—excluding the owner of the island’s pub, who would still wish to charge money for a drink.¹⁰

In fact, both films underscore a structural allegiance to utopian communitarianism by an interesting negative characteristic: *there are no main characters* in either film. There are only more or less loveable community members, pitched against more or less loathsome outsiders: government officials and other strangers who try to intervene in the life of the community.

But to note the communitarian spirit of both films is not to dismiss the idea that the films are also ironic, skeptical and satiric, or to show that the relation of either film to austerity is unproblematic. Both films certainly respond to austerity by presenting countervailing fantasies of worlds without austerity, and indeed worlds where private property gives way to the common. But neither film can *think* through the predicament of austerity against which they construct their utopian visions. Instead, trying to cope with the fact of austerity, they come up against the same irresolvable dualities as economists and politicians: freedom and necessity, finitude and possibility. The fantasies of unlimited communitarian consumption that animate both films are only fantasies. Ernst Bloch would call them “compensatory”; that is, the films satisfy in the realm of wishes what cannot be satisfied in the realm of experience or practical politics. And the fantasy of consumption relies, causally and structural, on still another fantasy, where the fundamental dilemma of austerity reappear: the fantasy of magically recovered, hitherto lost production.

Such is the “sunken treasure” of my title. Both films solve the problem of austerity-driven scarcity by way of a fantasy of recovering lost wealth: the underground treasury of medieval Burgundy, discovered beneath a bombed out street in Pimlico; the scuppered cargo ship off the coast of the Scottish island, whose hold is stacked with crates of whisky. The treasures are “lost” in several complementary senses. This wealth has been lost by its original owners. It is, for all intents and purposes, nowhere to be found. Nobody is aware of the Burgundian treasure until an unexploded bomb dropped

¹⁰The novel upon which the film is based (Mackendrick 1949) provides a much more nuanced view of island life; in fact there are two islands, occupied by people traditionally from two antipathetic clans, and now following two different religions, Protestantism and Catholicism. Scarcity, however, unites them in opposition to authority.

during the blitz is accidentally detonated, revealing an ancient vault. The whisky cargo is not nowhere to be found, of course; everyone knows where it is. But the ship is sinking. The merchant marine has no resources to rescue the ship or its cargo. And just as the islanders salvage some of the cargo, the ship goes down altogether. So a quality of being lost in the sense of being not to be found or recovered applies to the whisky treasure as well. And finally, the treasures are lost in a technical sense. They are lost production. That is, they represent surplus production which, up to the moment of its recovery, has not been placed on the market and made available for consumption.

The fantasy of free and communitarian consumption in both films is based upon this other fantasy of sunken treasure, of recovered lost production. And that is a fundamental irony of both films. The irony is perhaps more evident in *Whisky Galore*. Although the film affirms that whisky is the water of life and, for the Scots, the source of all happiness, the one thing the islanders never attempt to do is make their own whisky. Perhaps they cannot. The whisky on display in the film is bottled and branded, with familiar names like Johnny Walker. The whisky is a commodity of international trade, manufactured and distributed by corporations and licensed, taxed and rationed by the government. There does not seem to be any access to production on the part of the islanders—even though their fictional location in the Hebrides puts them nearby such famous whisky-producing islands as Islay. In *Passport to Pimlico*, where the irony is more subtle, the neighbors are predominantly tradespeople, petty bourgeois merchants trading in goods and services harvested, manufactured, or structured elsewhere: a fishmonger, a branch manager, a haberdasher. One of the neighbors, a hardware store owner played by Stanley Holloway, has a dream: he wants to build a public swimming pool and community center on the ruins of a bombed-out apartment block. The problem is, the neighborhood does not have any money, and it has no way of raising any for such a project as a non-profit community center. So the lost production of the Burgundian treasure also gives the neighborhood not only something it does not have but also something it cannot produce.

Sunken treasure is the solution in both films. Sunken treasure makes up for the deficit in goods and services, in productivity and, even as it were, in liquidity. The fantasy of consumption, and the escape from austerity, is based on another fantasy, where austerity is no longer a necessity, but only one option among others. The point, then, is not that the two films argue for or against austerity by showing how its characters behave in response to liberation from it. Nor is it to draw the conclusion that, since the films are plainly utopian and compensatory, they argue that the escape from austerity is literally impossible, or, as the narrator of More's *Utopia* originally put it, more to "wish for than hope after."¹¹ The point is that the compensatory fantasy of unlimited communitarian consumption is based upon a fantasy of

¹¹I comment on these concluding words, shown here in the 1556 translation by Ralph Robinson, in Appelbaum (2010).

magical appropriation. These utopias cannot think past their own structural bases, their own fantasies of magically recovered production.

In *Utopia*, at least, the ideal commonwealth is constructed as an act of will, of law-making and cooperative labor. Utopia is founded by the lawgiver Utopus. The island is itself carved out as an independent entity by an act of channel digging, separating Utopia from the mainland. The wealth of the island is generated by agricultural and industrial productivity. In *Passport to Pimlico* and *Whisky Galore*, utopian conditions are constructed by accidents – a detonation, a shipwreck – followed by appropriation.

The Ealing Studios solution to the problem of austerity, in sum, requires a fantasy of consumption fulfilled by a fantasy of appropriated production. Or in other words, it requires a demand for consumption being satisfied by more consumption. The absurdity of this premise is a part of the comedy of both films, just as it is a condition of the stories they tell. Michael Balcon, the director of the company, thus referred to the Ealing Studios form of comedy as showing “real people in an impossible situation” (Ellis 1975, 117). Absurdity is a condition, in fact, of both the discourses themselves and of their mild satirical stance, tendered in the familiar Ealing spirit of good-natured, communitarian fatalism. The world as it is is unacceptable, and we must make it better. But the world as it is is all we have, and we must learn to accept it. We must be critical – but only so far. We must learn how to be vigilant but we also must learn how to be patient and wait.

What the Labor government kept dangling before the British public, so far as consumption was concerned, was a promise: *not now, but later*. First the government had to pay off its debts (especially its major loan from the United States, with its harassing “convertibility clause,” according to which trading partners could demand to exchange their pounds sterling for dollars at a fixed rate), secure its balance of payments, restore the national infrastructure, including the infrastructure of industry, assure that even if supplies were low no individual would do without necessities like food, shelter, clothing and medical care...and then would come a prosperous socialist future. Austerity was imposed upon Britain because of the war and post-war shortages. The world had changed completely, as David Cameron might say. But austerity was also adopted by choice. On the one hand, as Zweininger-Bargilowska documents, austerity was taken up as a means of general survival, in keeping with which it was necessary that no one would benefit at the expense of another, lest some people not survive at all. In fact, though living standards among the middle classes declined during the years of austerity, living standards among the working classes improved. But on the other hand, austerity was also taken up as a means of reconfiguring British industry, and regenerating economic productivity. Instead of hoping for the discovery of hitherto unknown sunken treasures – for it was assumed that Britain’s natural resources were well known, and in many areas deficient – the government would create a command economy, managed to run at maximum efficiency, even as it is was also managed for the sake of a

maximum equality of distribution (see, for example, Young). The sunken treasure of the British economy was neither sunken nor a treasure: it was instead the productivity-to-come, once a socialist state was put in place.

Neither *Passport to Pimlico* nor *Whisky Galore* acknowledge the existence of policy differences among political parties in Britain. The movies pit communities against a national government which is what it is and does what it does. But in their good natured, critical, communitarian fatalism, the movies also raise questions about the nature of wealth, production, distribution and consumption. Where does wealth come from and what is it good for? If we had it, what would we do with it? If we don't have it, how do we get it? If we get it, how should we distribute it? These were questions that Labor politicians and intellectuals were continually asking in the post-War years, and also in the pre-War years of depression (Morgan 1984, 1-44). It would seem that this questioning of the uses of wealth is one of the aspects of austerity Britain that Ed Miliband was bringing to mind when he invoked the austere past. Although it appears according to opinion polls that the majority of British voters today are not inclined to ask new questions about what capitalism is for and how it should be managed—Labor has consistently polled in the mid to high thirties since early 2012—Miliband is trying, however effectively or ineffectively, to bring the public along to think about what he calls, rather uninspiringly, “responsible capitalism” (2013).

If austerity indicates a condition of deprivation, it thus also indicates, ideally, a condition of self-control, self-critique and hope. When austerity policies are put in place, the government is in charge, the government is critical of the past and present yet proactive for the future, and the government operates for the sake of a common good, choosing priorities on spending not by recourse to the market but by democratic deliberation. That is probably the main reason why both Cameron on the right and Miliband on the left find the rhetoric of austerity attractive. Austerity is social strength; a budgetary surplus is social strength; a willingness to do “more with less” or to forgo imported sardines is social strength; and social strength is by nature productive. Moreover, austerity involves a critique of the status quo that readily complements quotidian discontent. Something is wrong with society; something has been wrong; and austerity is a critical solution, even a “cure.” Austerity, surplus and asceticism (or “discipline” as politicians prefer to put it) signal a kind of aggressively delayed optimism: not now, for much still needs to be done, but later. This is a promise that requires trust, a resource that can be very rare. But most accounts of the Age of Austerity indicate a grudging acceptance of what the government was doing, especially among the working class, and a high level of trust in the government's good intentions. And one of the reasons for the power of the rhetoric of austerity in Britain is historical experience: “later” actually came, although not as swiftly or as successfully as in many other Western European countries. An “age of affluence” arrived, although only once, on the one hand, the Labor

welfare state had been established and, on the other hand, the Conservatives succeeded to power.

Underneath the rhetoric of austerity's combination of self-control, critique and hope, of course, lies an opposite set of fears: of society out of control, of society without self-critical awareness, and of society without hope. It is important to see that just as Ed Miliband can appeal to the rhetoric in order to assure the public that the Labor party, if elected in 2015, will be in control, critical and hopeful, so can both the David Cameron and spokespeople of the Bank for International Settlement. The self-control, critical awareness and hopefulness that left and right both wish to espouse may be different in each case; but the fearfulness to which both address themselves may be much the same. In a time of crisis, is anyone in control? Does anyone have any ideas? Does anyone have any hope? For without these things, there may seem to be nothing to do unless some sort of sunken treasure is accidentally discovered.

The Keynesian critique of austerity involves a rejection not so much of the positive values associated with the administration of austerity as of the anxieties underlying them. The Keynesian position is no less in favor of the three conditions of self-control, critique and hope than any other major position on the Western political economy. But the Keynesian position is based on the idea that economic anxiety, whether real or imaginary, is misdirected. National government is already in control of the situation, if it chooses to take control. The ideas that we need in order to resolve the current crisis and prevent similar crises in the future are already among us, in the form of macro-economic theory. Moreover, there is no reason not to be hopeful, since economic crises are cyclical; economies rise and fall in cycles, and we are able to manage them with some efficiency if we use our fiscal and monetary resources wisely. If supply-side economists, in the tradition of Hayek's *Road to Serfdom* are inclined toward Apocalypticism, even if they are also hopeful about "creative destruction," Keynesians are cyclical optimists. Economies can be managed with the firm but kind hand of government regulation and monetary and fiscal intervention.

In place of the anxiety that the idea of austerity both signals and tries to overcome, the Keynesian position argues that there is nothing to be anxious about. Austerians worry about facts that are not in front of their eyes, and that are probably not even facts. Krugman has repeatedly ridiculed austerians on the right for their belief in what he calls "the confidence fairy," the belief that if something drastic (that is, fiscal consolidation) is not done now, the "confidence" of the market will erode, and an economic crisis will turn into an economic disaster. But Keynes had already anticipated this kind of anxiety, and dismissed it. "It would be foolish," he wrote, "in forming our expectations, to attach great weight to matters which are very uncertain." "*The state of confidence*, as [other economists] term it, is a matter to which practical men always pay the closest and most anxious attention.... There is, however, not much to be said about the state of confidence *a priori*" (2008, 96-7).

Keynes insists that we must work with what we see before our eyes, and acknowledge that what we see is what we see. And to put it very simply, a condition of scarcity in a technologically advanced nation with a strong yet democratic central government and a skilled and willing workforce, barring external disruptions, is a condition of under-productivity, which can be stimulated in the short run by (artificially) boosting aggregate demand. In the two imaginary examples I have put forward here, to be sure, *Passport to Pimlico* and *Whisky Galore*, the nation and its economy have indeed been disrupted by an external force: the Second World War. And one of the main scarcities troubling the communities is a shortage not only of goods and services but of money itself. But for these two communities austerity is in fact a necessity, mitigated by the intervention of the national government and its decision to *distribute* austerity, and to do so as equally as possible.

Today it can be asked both whether austerity is a necessary condition and whether its effects, necessary or not, are being distributed fairly or efficiently. The Keynesian answer, on all counts, is no. And the Keynesian answer is also to de-mystify the real and supposed fears of austerians. In the face of real fears, it is to say that those fears are not grounded and ought to be abandoned in favor of hope. In the face of supposed fears, that is, in the face of fears being used in bad faith, as lies that cover up other interests, the Keynesian answer is to try to call the fear-mongers' bluff. And it is to say, in the face of both kinds of fears, *do now* what *can be* done now.

The Keynesian answer can itself beget fears, however. On the right, there is always a complex of worries to muster against Keynesian stimulus, as in the Tory Government's budget pronouncements since David Cameron became a national figure in Britain, or as in a bulletin published in the United States by the Cato Institute, shortly after Barack Obama's election as President, where the worries range run from "the federal government is broke" and "rising federal debt is fiscal child abuse" to "a Keynesian stimulus ignores the long run" (Edwards 2008). The anxieties that are encoded in the concept of austerity include anxieties over not being anxious. But more important to consider are worries that arise from the perspective of the left. For the left too can be anxious over not being anxious, and probably with more justification.

One of Keynes' more famous *bons mots*, also in his *General Theory*, inadvertently signals from where this anxiety may come, bringing us back to an image of sunken treasure. "If the Treasury," he wrote,

were to fill old bottles with banknotes, bury them at suitable depths in disused coal mines which are then filled up to the surface with town rubbish, and leave it private enterprise on well tried principals of *laissez-faire* to dig the notes up again (the right to do so being obtained, of course, by tendering for leases of the note-bearing territory), there need be no more unemployment and, with the help of the repercussions, the real income of the community, and its capital wealth also, would probably become a good deal greater than it actually is. (Keynes 2008)

Keynes went on wryly to note that it would probably be “more sensible to build houses,” but the effect so far as employment, demand and the accumulation of wealth would be pretty much the same (2008; Book 3, Chapter 10, Section 6). The main point of course, is that a stimulus is a stimulus, and that a government with the ability to print money has all the power it needs in order to bring one into being. But then, unfortunately, there comes the question of the value of economic activity, over and above the value of having it.

On all sides of political and economic debate the way out of whatever impasse or crisis we seem to have encountered is what is called “growth.” But what is growth, and what is it good for except growth itself? Keynes himself was aware of the problem, noting that quantifiable economic activity (digging up bank notes) is different from valuable economic activity (building houses).¹² Contemporary Keynesians, in a tradition that goes back at least as far as John Kenneth Galbraith’s key work, *The Affluent Society*, express awareness of the problem too. Joseph Stiglitz, for example, has been a leader in the effort to abandon growth in Gross Domestic Production as the major index according to which politico-economic activity ought to be measured, instead speculating about developing a Happiness Index (Stiglitz, Sen, and Fitoussi 2010). To grow an economy is one thing: to grow an economy equitably, sustainably, and beneficially is quite another. But “Happiness” has not become a byword of political discussion in the West, and is never likely to do so. Instead, at least in the short term, debate is likely to continue focusing on “austerity” and its alternatives, even if the alternatives to austerity are at this point so nebulous and, for many people in power in Europe and America, unpersuasive.

The sunken treasure: what it signifies in the imagination, at least so far as Keynesian economics or Ealing Studios comedy is concerned, is at bottom (as it were) the residue of a gratuitous act. Whatever a society may need in the long term—an accumulation of unencumbered capital, or a productivity-to-come that has finally arrived—in the short term, now, we need to get a hold of an unwonted treasure, something that we can use and consume and, whether in the form of *laissez faire* economic activity or in the form of communitarian effort, something that we can *share*. We need this surplus, which defies the current logic of economic life, but which is nevertheless at hand, if we want it to be, precisely because of the logic of economic life. *Passport to Pimlico* and *Whisky Galore* both dramatize this demand for the gratuitous. So does Keynes’ *bon mot*.

But perhaps it is the gratuitous act in the form of gratuitous generosity that is the most feared thing of all in the complex of anxieties signaled by the concept of austerity. Perhaps that is what the Labor Party under Ed Miliband most fears to be associated with today—the idea of the gratuitous, along with its ally, generosity.

¹²It is worth noting that the outlines of the welfare state established by the Labor Party in the 1940s was actually drawn up William Beveridge, Keynes’ colleague in the Liberal Party.

We find ourselves today, in America and Europe alike, in the midst of a consumer society, where growth is encouraged for the sake of growth, where growth depends on effective demand, and demand is expressed and consummated in the form of consumption. But we also find ourselves, both on the left and the right, though for different reasons, unwilling to admit this to ourselves. Austerity works as an idea so far as it disguises the logic of our own economic life. It says no to the demand for demand. It can be applied justly or unjustly, efficiently or inefficiently, hopefully or despairingly. It was the desire in austerity Britain that all austerity be distributed justly, efficiently, and hopefully. It is certainly not the desire of the Tory government or among the central bankers of Europe that it be distributed justly, though efficiency and some kind of hope is always in mind. But precisely because it works by saying no to the demand for demand the idea of austerity undermines the very principles of economic life which it is intended to serve. It never works, and never will, according to the Keynesians. And even in the hands of the left austerity is a problem. The demand for demand—how can a leftwing politics, anywhere in the developed world, ever come to terms with this fundamental impulse of economic life except by denying it, except by saying that it can accomplish “great things” without paying any attention to it?

The cultural meaning of the concept of austerity, in the end, as I have said, is the cultural meaning of an anxiety. It is an expression of the fear, put in the form of a policy that seems unafraid, that developed society does not know what it is doing or why. It is a way of avoiding the monstrous id of capitalist life, the demand for demand, even though, in the name of growth and productivity to come, it is intended to stoke that demand. Part of the demand is of course a demand for dominance. Austerity can work as an ideological construction for the Conservative Party and other societies of the right because it can disguise that particular demand on the part of capital, even as it also seems to serve it. But austerity can also work for the left as an ideology disguising an anxiety. That may be truly something to fear—or else something to work with, if we try to understand what, as an order of economic life, developed society is trying to accomplish, why it should try to accomplish it, and how it may take advantage of the buried treasure of itself.

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