

A Time to be Grateful

As the millennium draws to a close, it is natural for us to think of what the next millennium will bring. Over the last few months, I too have read many predictions on the subject. Out of all the material I have read, the one which impressed me the most was written by the legendary investor Sir John Marks Templeton. However, before I share Sir John's predictions with you, I want to mention an interesting quote from a respected writer, Andrew Tobias:

“The universe exploded into existence twenty billion years ago. For the first fifteen billion years, nothing happened. Then, the Earth was formed. Now to put this in a scale we can more or less comprehend, imagine that one century equals an inch. A hundred years - an inch. On that scale, the Earth was formed, 789 miles ago. And every hundred years, since the Earth was formed, you moved one inch closer to today.

The first four billion and some years after the Earth was formed nothing happened. Oceans, mountains, DNA maybe. But it was really, really slow. One inch a century. Sure, life was evolving, but it would be another eight hundred million years or so before you got to dinosaurs, and a hundred and forty million years more till they disappeared, which being us, sixty million years ago, just nine miles or so from today.

And in 59.9 million years after, bringing upto a hundred thousand years ago and eighty-three feet from where you are sitting, *still* nothing much happened. Early man had evolved and, I don't know, maybe he had invented primitive language, maybe fire, maybe the wheel.

Finally, inching along, century by century, about half a foot away, we came up with printing, and a few inches later, steam.

But my point is this: in the last one inch and a half - the last one hundred and fifty years - we have invented *everything*. Electricity, automobiles, radios, television, computers, faxes, airplanes, lasers, microwaves, Velcro- everything. And it's only accelerating . . .”

Sir John Templeton would agree with Tobias comments. “Progress is speeding up,” he wrote recently, “and people are vastly better off today than ever before, and this trend will continue.”

Instead of focusing on the bad news typically reported on by the media, let us step back from the daily headlines and think about what mankind has achieved in the past and what it is likely to achieve in the future. Sir John is highly optimistic on this score. Here are some of his predictions:

1. A huge rise in living standards across the world: The wave of abundance is rapidly spreading beyond the highly developed nations. It is sweeping around the world. In fact, Sir John makes a positive reference to the offer of a wager of \$100,000 made by an pioneer economist, Julian Simon: Pick any year after the turn of the century, and Professor Simon will bet you that the average person in any nation will live longer, eat better, be better educated, have a bigger home, and enjoy a safer, cleaner environment than at present. Professor Simon has won a number of similar bets in the past.

According to Sir John, the past fifty years have been marked by dramatic worldwide economic growth. And the world is likely to see a rise in the standard of living over the next fifty years greater than in any previous half century.

2. Food: The overriding truth today is that, by and large, the world's population of nearly 6 billion people is better fed than ever before. Never has food been so plentiful or so nutritious, or been available in such remarkable variety

3 Health and life expectancy: In the U.S., average life expectancy is seventy-five years, double of what it was two centuries ago. In the third world, the average now exceeds sixty-three years, up from less than thirty years, at the start of this century. Sweeping advances in medicine, surgery, medical equipment, living conditions, and nutrition account for this dramatic increase. Sir John has quoted the research work of James Vaupel, according to which, by 2050, a large number of people will live up to the age of 115.

4. Inflation: Sir John has predicted that inflation is not dead and that no currency on earth will have a higher buying power in ten years than it does now. He has projected that the currency of every nation is likely to be devalued in the next thirty years in relation to the cost of living.

Corresponding to the persistence of inflation, however, he foresees an unstoppable climb in the global standard of living. Indeed, he has predicted that the word "poverty" will become redundant in the next hundred years.

Note

Sanjay Bakshi works with Capital Ideas India Limited, a New-Delhi based investment advisory firm. He can be contacted at sanj@vsnl.com.

© Sanjay Bakshi. 1999.