

*The Collected Works of Arthur Seldon, Vol. 1:
The Virtues of Capitalism*

Arthur Seldon

Colin Robinson (Editor)

Indianapolis: Liberty Fund, 2005 (478 pages)

This book is the first of a seven-volume Liberty Fund collection, designed to honor the life's work of Arthur Seldon, one of the great classical-liberal thinkers of our time. Through his own work, and through his many years of able editorial guidance at the Institute of Economic Affairs (IEA) in London, Seldon was instrumental in promoting the values of a free society, mainly by espousal of sound economic analysis in a wide variety of different policy contexts. He is also well known as the coauthor (with F. G. Pennance) of the famous *Everyman's Dictionary of Economics*, which I consider the best one-volume dictionary of the subject ever made. (I still have my trusty, dog-eared "Seldon and Pennance" from student days, and I am happy to see that the projected *Collected Works* will include this classic as volume 3.)

The main component of this first volume is a book entitled *Capitalism*, originally published in 1990 and therefore somewhat dated, though it is still worthwhile, both as a statement of his general economic philosophy and as a primer on the shortcomings of socialism.

It is partly autobiographical, and many of the personal tidbits are quite fascinating. (I wish there were more of them). At times, the material is organized more or less as a running commentary on the many IEA studies and publications that he edited during his long career. That, too, is interesting and helpful, though perhaps a formal survey with that sole purpose in mind would have been more useful. In addition, the author has attempted to combine these two different objectives with yet a third—the main purpose of the book—which is to provide an overall *apologia* for what he variously describes as "the price system," "the market economy," or, more often, simply "capitalism."

Seldon's case for capitalism is richly detailed, and a short summary would barely do it justice, though if pressed I might say that in a nutshell what he argues is that capitalism has been given a bad rap, mostly because it has been compared to a theoretical illusion. For too long, discussions of capitalism versus socialism had been carried out on an unfair playing field: all-too-visible shortcomings of *actual* capitalism were contrasted with the purely theoretical virtues of *ideal* socialism. This fruitless polemic was initially abetted by the lack of reliable information regarding actual conditions in real, existing socialist economies, and later fortified by leftist intellectuals' reluctance to face the awful facts as they gradually (and inevitably) became public knowledge. Few will now deny that socialism in practice has been a sorry failure everywhere.

Seldon goes further, however, and argues that the really interesting and important comparisons are not theory versus theory, nor practice versus practice, but socialism in practice versus capitalism *in theory*. That is, we should not compare socialism (theoretical or practical) with capitalism *as it is* but with capitalism *as it could be*: "The critics

of capitalism have persisted in the device of contrasting imperfect capitalism as it is, or has been, with a vision of socialism as it has not so far been, and could not be in the foreseeable future” (283). Seldon proposes instead to “match the socialist tactic of contrasting imperfect capitalism as it has been with ‘perfect’ socialism as they said it would be; *the opposite contrast emphasized here is of socialism as it has been with capitalism as it could be*” (104, emphasis added).

This argument should resonate today even more than when the book was first published fifteen years ago because developments in post-Soviet Russia have created something that most market-oriented economists, only a few years ago, would have regarded as theoretically impossible: a seemingly capitalist economy that actually works *worse* than socialist planning along many significant dimensions.

Any attempt at further summary for a short review runs the risk of oversimplification, and this would be a disservice to Seldon, who presents his arguments and marshals his facts with great skill, flair, and vigor. I will only point out that chapter 12 (“The Values of Capitalism”) should be of special interest to readers of this journal, and that the book includes a thirty-page annotated bibliography that should prove quite useful to students interested in further exploration of these topics.

I must also note, however, that there are two aspects of the book that detract from its overall quality. For one thing, sometimes Seldon weakens his case by overstating it. One may question, for instance, whether endless harping on the evils and failures of socialism actually adds up to a positive case *for* capitalism and whether it really addresses legitimate concerns people often have over some very specific issues. Take, for instance, the important question of the environment. It is not very helpful to point out that it is even worse under socialism (378–79). Many socialists have jumped onto the environmental bandwagon, to be sure, but not everyone who is concerned about global warming is a victim of anticapitalist bias nor is every environmentalist a rabid socialist.

Second, there is the matter of *tone*. Seldon often exhibits an air of irritable impatience with his opponents, and if I may say so, sometimes reveals a bit of a mean streak. It is not very nice, for instance, to call people “dunces” or “simpletons” (203–4) just because they disagree with you—and, what is worse, as a rhetorical strategy it is simply counterproductive. He also sometimes gets carried away by his own rhetoric. It is all very well to argue that we should be grateful for rising standards of living under capitalism, and indeed we should, but to wax poetic about the “glories” of capitalism (265) might strike many people as “laying it on a bit thick.” It might have been better if Seldon had simply stuck to the style of presentation that has served IEA so well over the years: dispassionate analysis based on hard evidence and cogent logic, with a minimum of ideological overtones.

However, Seldon's unforgiving tone should itself be forgiven. His generation faced and overcame a hard challenge that took their civilization to the brink, only to witness later how Britain slowly became "the sick man of Europe." He was also part of what changed all that. Seldon is one of the foremost applied economists of the twentieth century. It is fitting that he be honored.

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Globalization and the Good

Peter Heslam (Editor)

Grand Rapids, Michigan: Eerdmans Publishing, 2004 (133 pages)

This book is primarily about the impact of global trade on the world's poorest people. While many of the issues covered in the book's ten contributed chapters are familiar to the ongoing debate, the writers have created the foundations of a Christian response. It is a Christian response that rests almost entirely upon a social justice lens, and it is a meaningful contribution that will nonetheless be more uncomfortable in some ways to evangelicals than it will be to many non-Christians.

I summarize briefly below the key ideas of each essay, recognizing that it is the very existence of the book and its diverse thoughts, and not so much a conclusive story, that is most meaningful.

David Held, in "Becoming Cosmopolitan," presents cosmopolitanism as an alternative to the political nationalism that he blames for many of the ill effects of globalization. Cosmopolitanism is not explicitly defined but seems best captured in Held's call for "a socially backed, cosmopolitan multilateralism" (13). Sensitive American readers will definitely feel the sting of Held's anti-American tone throughout the chapter, although he is certainly not alone in this leaning. While the concept of cosmopolitanism is interesting, readers may be surprised that the chapter offers no apparent Christian insight or perspective.

For those looking for explicitly Christian insights, Brian Griffiths' "The Role of Trade, Aid, and Domestic Reform in the Fight Against Poverty" begins the parade of social-gospel oriented essays. Noting that "one of the unmistakable facts of the Old Testament and the New Testament is that the God of the Bible is the God of the poor" (17), Griffiths is unusually hopeful and optimistic that various proposals can transform globalization into a force for alleviating the pain of poverty. He sees globalization as an instrument that is consistent with Christian ideals and responsibilities.

Clive Mather has written what amounts to a cheerleading essay for Shell UK and its African transactions ("Combining Principle with Profit"). In a refreshing turn, this prominent CEO acknowledges that multinational corporations can no longer be *solely* focused on shareholders and profits. Mather strives to promote Shell UK's principled approach to dealing with African problems, though it is curious that he then states, "we are not embracing a commitment to sustainable development out of the goodness of our