

LETTERS TO THE EDITOR

Socialism's record called into question

From Mr Arthur Seldon

Sir, Not the least disservice socialism, the economic philosophy taught by people in all British parties, has done Britain is its distraction of good and able men like Eric Heffer from improving the capitalist system that is mankind's best hope because it works with the grain of human nature, while socialism rests on coercion.

Mr Heffer (article, July 28) confuses public discussion by distorting the great debate between capitalism and socialism into the party strait-jacket of "Tory" and "Labour". The Conservatives have introduced more socialism—state control of economic life—than has Labour. And the Conservative Party to this day has senior politicians who think that socialism is noxious except when run by Conservatives. If the Conservatives have had their Saatchis (and why not?), the socialists have had their master craftsmen in empty advertising—from George Bernard Shaw, H. G. Wells, the Webbs and the Coles down to the Castles, the Benns and the Heffers.

The socialism that Mr Heffer offers as the solution to the ills of capitalism is a dream that has misled Britain since the Fabians. I had hoped that the incantation "production for use and not for profit" had long succumbed to experience. Where is there such a socialist society? Whose "use"?

Socialism has never validated its claims to ensure justice or equality, or abolish poverty and conflict. The advertisers of socialism have promised to replace a capitalism whose faults we know by a socialism whose faults they deny. They have never had evidence from history to support them. All they can offer is to replace a system that uses individual liberty to produce communal affluence by a system that subjects individual liberty to centralized coercion.

Nor will it do even to scare us with fascism. That is what Laski and Strachey did to the prewar generation. But they saw the truth upside down. It was not the capitalists who used Hitler but the National Socialist Hitler who almost destroyed German capitalism. And it is capitalism, not socialism, that restored the German economy.

The defects of capitalism—wide differences in income, monopoly, alienation, tardy treatment of social costs—are corrigible because they are not inherent. Capitalism has not removed them but it continually refines its solutions. The defects of

socialism—ignorance of public wants, inefficiency, conflict, coercion, corruption, monopoly and secrecy—are incorrigible because they are endemic. It is a sad day for socialism when Lady (Barbara) Wootton has to concede that although socialism has never yet yielded liberty, it does not follow that it never will: from the confidence of the 1880s to the defensive apologia of the 1970s.

In the intervening century we have frittered our resources in nationalisation of fuel and transport, bureaucratisation of education, medical care and welfare, and municipalisation of services that have no business in local government. Nor are unemployment or inflation the products of capitalism. They are even worse, but disguised, in socialism.

The "capitalism" that Mr Heffer now assails is trying to remove the consequences of the socialism of a century—from *immobilisme* in state industry and welfare through misdirection of private industry by Keynesian inflation to elephantiasis in local government. There is no escape in even more socialism. Big government, centralisation, high taxation are the causes of inflation, unemployment, slow growth, avoidable poverty, not the cures. More of this medicine would debilitate the economic patient still further.

There is not a jot or tittle of evidence or sustainable argument for Mr Heffer or his academic advisers. For a century socialism has been the opium of the intellectuals and the public men they misled. They have distracted us long enough from the task of removing the removable faults of a system that experience has demonstrated has the unique advantage of combining prodigious productivity with life-long liberty if only we will let it work. In this task we need the benevolence and ability of the Heffers to devise more effective solutions, but they must first unlearn a century of heresies, myths and wishful thinking.

Mrs Thatcher is at least trying to make capitalism work. China will go capitalist. Soviet Russia will not survive the century. Labour as we know it will never rule again. Socialism is an irrelevance.

Yours faithfully,
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