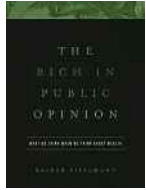


Book of the week

The Rich in Public Opinion

What We Think When We Think About Wealth

By Rainer Zitelmann
Cato Institute, £19.99



In the aftermath of the great financial crisis of just over a decade ago, a number of bankers and financiers, most notably Barclays' Bob Diamond, argued that the denigration of their industry, and of the rich in general, had gone too far. The claims were met with a mixture of derision and outrage, but author and entrepreneur Rainer Zitelmann thinks they had a point. In this book, he argues that "prejudice" against the rich is widespread and essentially no less malign than any prejudice.

"Upward classism"

The book is divided into three parts. The first looks at the techniques and theories used to understand and measure bias, such as racism, and examines whether they can be applied to attitudes towards the rich – or what Zitelmann terms "upward classism". The next section looks at the results of detailed polling into popular attitudes towards the rich carried out in Germany, France, Britain and the US. Finally, the last section looks at attitudes towards the rich in the media and popular culture.

Of the three sections, the polling on people's attitudes towards the rich is the most interesting. Two things stand



"The biggest determinant of a person's attitude to the rich is whether they view economics as a zero-sum game"

out. One is that British attitudes towards wealth (or what Zitelmann refers to as the extent of "social envy") are much closer to those prevalent in the US than those in France or Germany. The second is that, in all four countries, the biggest determinant of a person's attitude to the rich is not their age or even income, but whether they view economics as a zero-sum game. Those who believe that the size of the economic cake is fixed and that therefore the rich are rich because the poor are poor are much more antagonistic towards the rich than those who believe that one person's success enriches everyone else.

Zitelmann's argument that the rich are not only denigrated, but unfairly so, is much less convincing. He doesn't consider the possibility that

some of the popular criticism of the behaviour of the wealthy might actually be justified. He notes, for example, that 92% of the coverage of the "letterbox companies" at the centre of the Panama Papers scandal was negative, without acknowledging that at least some of those companies were used for illegal and dubious purposes.

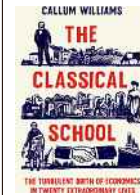
At a time of rising populism and concern about the power and influence of the rich, even the most dedicated contrarian would find it hard to argue that extremes of wealth are of no concern at all. Still, the book's insights into our often contradictory attitudes toward wealth and money make the book well worth reading.

Reviewed by
Matthew Partridge

The Classical School

The Turbulent Birth of Economics in Twenty Extraordinary Lives

By Callum Williams
Profile Books, £15.99



John Maynard Keynes famously said that "practical men who believe themselves to be quite exempt from any

intellectual influence are usually the slaves of some defunct economist". How true that is will become apparent if you read this primer by Callum Williams, a journalist at The Economist. He profiles the lives and thoughts of 20 early pioneers in the development of economic thought and shows how even the worst of them have insights that help explain the background to modern-day problems.

Jean Baptiste Colbert, for example, argued that the way to build the wealth of nations was to accumulate it in the form gold and silver. That was naïve. Yet Adam Smith went too far to the other extreme when he argued that the amount of money in an economy has no impact on output, even in the short run. Similarly, economics might have a better reputation today if it had followed the empiricism of the 17th-century landowner William Petty more than the abstract scholarly equations of Alfred Marshall.

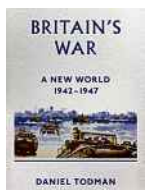
Williams is an entertaining writer, enlightening his readers without boring them and using biographical detail not just to enliven the subject but to show how life experiences can determine attitudes. He has a knack for grabbing your attention and forcing you to think again about how the history of economic thought throws light on current policy debates.

Book in the news... the war that marks us still

Britain's War

A New World 1942-1947

By Daniel Todman
Allen Lane, £35



The "vast battery" of literature on the Second World War makes it "nearly impossible" to write an original book on the British experience, says Simon Heffer in The Daily Telegraph. Professor Daniel

Todman, however, won great acclaim four years ago for his account of the early years of the war, which placed Britain's preparedness for conflict in the context of its "moral and financial health" in the late 1930s. His latest book, *Britain's War: A New World 1942-47*, takes the story from

the fall of Singapore to post-war austerity in an account that brings out "usually underplayed aspects" of the war, such as the financial dimension.

One of the things that really stands out in Todman's account is the extent to which Britain became a "warfare state", with an "economy and technology built around national strategic priorities", says Peter Clarke in The Guardian. With the help of statistics, Todman helps the reader "appreciate the texture of people's lives in an era when rationing constrained consumption". He also emphasises the extent of Britain's dependence on the US, both on the military front and for domestic consumption – the Lend-Lease scheme proved a lifesaver for a Britain that was at the centre of an empire that was "not just broken but broke".

Life on the home front wasn't all "common endeavour and sacrifice" though, says Jonathan Ford in the Financial Times. As Todman's book makes clear, the "great industrial mobilisation" raised output and workers' pay at the same time – the average male civilian wage rose by 46% between 1938 and 1942. Todman also looks at how politicians tried to manage growing expectations about post-war life "while also waging total war and maintaining Britain's place in world affairs". What "emerges strongly" is "a reminder how these postwar years set an emotional course that still marks the nation". The UK was victorious, but "also wary about choosing between Europe and the Commonwealth and empire. Where that left the country was ultimately uncertain. These are dilemmas that live with us still."