

Ethics and Economic Relations

Markets and Morals, edited by Gerald Dworkin, Gordon Bermant, and Peter G. Brown, *Washington, D.C.: Hemisphere Publishing Corporation, 1977. xii + 206 pp. \$19.95.*

IN MAY 1974 the Seattle Research Center of the Battelle Memorial Institute sponsored a three-day conference to explore the moral aspects of market and non-market economic systems. Some thirty philosophers and social scientists attended, and the present volume is largely a selection from the papers presented. The editors, who also organized the conference, state that their aim was "in particular to investigate the foundations for claims that certain means of resource distribution and market control are morally preferable to others." Yet only two of the nine contributors to this collection—both economists—represent a generally pro-market viewpoint; most of the others are quite hostile to the free enterprise system. This imbalance, together with the reluctance of several of the non-philosophers to address moral issues, frustrates the realization of the editors' original purpose. A number of the papers are, nevertheless, of genuine interest.

Bernard Barber, a sociologist, gives a short historical overview of the idea of the market and discusses the norms, institutions, and other social prerequisites for different systems of production and exchange. He finds a surprising lack of attention among economists to the concept of a market as such. In another brief historical survey, Walter Weiskopf, an economist, looks at various justifications which have been given at different times for the market system—religious, utilitarian, Social Darwinist, and libertarian. Weiskopf's own normative views, however, are very vague and untenable. He seems to accept the position, currently fashionable with certain politicians, that we should "be much less acquisitive and less growth-oriented than in the past," cut back on our use of resources, make ecological considerations first priority,

and so forth. This is not, he tells us, "a utopian wish"; but he has nothing to say about the grave consequences of such anti-growth policies if they were enacted, particularly for those whose chances of overcoming poverty depend on economic growth.

One of the most stimulating contributions is from a Princeton philosopher, Thomas Scanlon, who approaches the problem of justification from the standpoint of social contract theory. He is specifically interested in its hypothetical form (as recently developed by John Rawls and others), according to which a political and economic arrangement is just if it is one to which all rational persons would assent were they forced to agree to a system in fair circumstances. Scanlon points out the difficulties with contractarian justification, but he believes that a weak form of the theory can be applied against a common argument in favor of the market system, "the claim that considerations of liberty require the minimization of non-voluntarily incurred obligations and, correspondingly, the maximization of the sphere left to truly voluntary arrangements, *i.e.*, to the market." Scanlon's rebuttal to this argument is not successful (he concedes that it is at best incomplete), and he fails to give adequate replies to certain pro-market considerations advanced by Robert Nozick in his book *Anarchy, State, and Utopia*. But his paper remains thought-provoking, for he explores the fundamental moral issues in more depth than do any of the other contributors.

The noted economist James Buchanan discusses in his paper the consequences, political and economic, of the differences in preference, talent, and ability among persons as they are manifested in a market economy. Even with political equality and equality of opportunity these inequalities of endowment will produce considerable inequality in the distribution of goods; hence there will be pressure for government to reduce material inequality in a democratic society. There is, then, "an emergent contradiction within modern liberal individualism," Buchanan observes: the desire to move toward greater

equality in the distribution of property via the political process conflicts with the aim of limiting the encroachment of the State on the individual's freedom of action. Market exchange, at any rate, is not to be blamed for the resulting inequality, and there is no legitimate ground for restricting it, given that personal preferences are to be satisfied and that there are no externalities. A universal negative income tax would be more efficient in achieving the egalitarian goal, in a way consistent with the removal of much bureaucratic control. But Buchanan concludes, ironically, that perhaps it is best to allow politicians to misdirect public indignation over inequality toward the market instead of the true cause, differences in personal endowments. Private property might be preserved despite the political power of majorities, if potential voters are misled in this way. But the use of a negative income tax "would probably enhance rather than resolve the continuing contradiction."

Economist Lester Thurow contributes a paper on the relative merits of cash payments to the needy versus in-kind aid; it has appeared elsewhere and will mainly be of interest to the specialist. Marxist philosopher Gerald Cohen offers an essay which will mainly be of interest to the true believer.

The final three papers concern private delivery of health care and the governmental alternatives. The late Professor Reuben Kessel, formerly of the Graduate School of Business at the University of Chicago, demonstrates that the shortcomings of health care in the United States are largely due to governmental policies which limit access to medical education, discourage pre-paid medical plans, prohibit advertising and price competition, severely hinder introduction of new drugs, and limit product liability for blood. Peter Singer, a philosopher, argues for nationalization of health services, but he is short on supporting data and ignores the failures of the British system. His major reason for prohibiting the commercial sale of blood—that this would encourage altruism and community feeling, as well as guarantee donors the "freedom" to give something of

value which money cannot buy—would seem to apply just as well to other goods such as food and clothing, and in fact Singer favors a system in which all goods are somehow distributed according to need. The concluding essay, by Harvard legal scholar Charles Fried, begins with a critique of the economic analysis of rights developed by R. H. Coase and others. Fried believes that his objections to that analysis point to a conception of the self which provides a basis for the claim that we have a "right to health." But his argument is very unclear at crucial points, and some of its assumptions—if not begging the question—are controversial and open to serious objection.

This anthology, in short, will be useful to anyone concerned with the moral basis of the market economy. Hopefully, proponents of the free market will devote more time in the future to its ethical defense and be better represented in symposia on the subject.

Reviewed by ROBERT M. STEWART

A Socratic Gadfly

Reforming Education: The Schooling of a People and Their Education Beyond Schooling, by Mortimer J. Adler, Foreword by Maurice B. Mitchell, *Boulder, Colorado: Westview Press, 1977. 284 pp. \$14.50.*

MORTIMER J. ADLER has been a Socratic gadfly in the corpus of the academic world for about fifty years. Perhaps best known for his editorship of the 54-volume *Great Books of the Western World* series for *The Encyclopaedia Britannica* and for his widely read work *How to Read a Book* (1940), Adler has been flailing away continuously and often eloquently at what he has rightly felt to be the deterioration of our educational system and the causes thereof.

Reforming Education contains eighteen