

## RATIONAL EGOISM AND THE LIBERAL STATE

*David Milne*

Tom Settle, *In Search of a Third Way*. Toronto: McClelland and Stewart, 1976, pp. 208. \$4.95 paper.

Tom Settle's book, *In Search of a Third Way*, originated, as he explains it, in work begun for the Science Council of Canada. He discovered there that certain "presuppositions in our political and economic life militated against the promotion of what we think to be right." His book seeks to draw out those presuppositions in liberal capitalism and to subject them to analysis. Specifically, Settle wants to determine whether a society predicated upon the assumptions of liberal capitalism (especially the necessary premise of rational egoism) can ever be expected to promote the public good. Having discovered, not surprisingly, that liberal capitalism violates his understanding of the public good, Settle undertakes a more challenging task: to suggest the presuppositions of a desirable form of political economy including an "ethos which helps people rather than hinders them to do what is good."

With Settle's first contention, namely that the premises of liberal capitalism are incompatible with the promotion of the public good, I intend to be brief. Settle shows quite successfully in my view shortcomings in liberal capitalist claims: neither freedom, nor equality, nor democracy — nor ultimately the public good — can be achieved in any practical sense in an unreformed liberal capitalist society. The practical consequences of liberal capitalist presuppositions lead, on the contrary, to unacceptable divisions of rich and poor, to oligopolies and bureaucratic manipulation, and to underdevelopment and regional disparities. Most of all, they lead to a bankrupt ethical theory and to a truncated sense of the public good.

Now if this list of ills sounds familiar, it should occasion no surprise. Most of these insights are by now rather firmly embedded in the critical landscape of our time. They have been raised and acknowledged with varying degrees of theoretical consistency by thinkers of almost all political hues for a century or more. For this reason, the author's evident surprise at the misalignment of our

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theory and practice and his extensive effort to refute capitalist presuppositions seems curious.

Settle is correct of course to insist that the idea of ethics and especially a viable notion of the public good be restored to a central place in any acceptable theory of a political economy. This is by far the strongest and most valuable part of his work. It shows that contemporary liberal theory, in spite of the prominence of Nozick and Rawls, has not entirely lost touch with the humane liberalism of Kant, J.S. Mill, Green or Hobhouse. What is not clear, however, is how far attacks on the moral theory of nineteenth and pre-nineteenth century liberal theory is pertinent to the capitalist state today. The increasing role of state planning in the name of individual welfare, equality of opportunity, and regional equity already shows capitalist adjustments to the moral arguments advanced by Settle, even if the adjustments seem more to defuse or disguise than to overcome these problems. In other words, an adequate critique of the current theory of the advanced capitalist state may have to tackle a much more complex and elusive body of theory than that which Settle treats.

Be that as it may, Settle's critique is, on the whole, a clear and effective attack upon long-standing liberal capitalist presuppositions though, he does at times slip by pressing his case too far. In his skirmishes with utilitarianism, for example, and especially with theories of power, he wrongly charges them with being incapable of treating moral issues. Though there is a good deal of substance to Settle's charge that utilitarianism is unduly constrained by a merely instrumental morality, it goes too far to say that, short of adopting Settle's own theory of categorical obligation "public policy formation is cut off from moral considerations in its appraisal of aims." In his argument with theorists of power, Settle charges Machiavelli with "ignoring the moral dimension both in the choice of ends and in constraints on means." No close reading of Machiavelli nor familiarity with recent scholarship on this thinker would of course sustain such a judgment. But these are excesses stemming from an honest attempt to place certain absolute moral principles at the centre of political economy and to demand that a "morally principled" political economy enshrine and uphold them.

Settle wants to advance arguments for a "morally principled" capitalism — arguments compelling both the rational egoist and bureaucrats in both private and public organizations to recognize an obligation to respect persons as subjects. If he can show that "obligation is a natural social relation, an integral component of a person as a social animal", Settle believes that he is well on the way to finding that "ethos which will help rather than hinder people to do what is good." Settle is able to show an obligation 1) for benevolence toward persons, 2) for democracy, 3) for a democratized family, 4) for equality and justice, 5) for independent public-spirited government, and 6) for morally sensitive bureaucrats in all sorts of private and public organizations. The solution

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then to "a morally principled political economy" is deceptively simple: replace rational egoism with rational respect. Settle presses for an improved personal morality (reflected, where necessary, in law to convince otherwise reluctant capitalists to respect benevolent ethics) to ensure in Canada the public good without violence or major institutional changes.

Approached as ethical theory, Settle's argument no doubt shows the deleterious effects of rational egoism and utilitarianism, even if it doesn't present an altogether compelling or logical case for his own theory of natural obligation. What troubles me more, however, is the assumption that this kind of enquiry takes us very far into the *possibility* of a "third way". Despite the promising subtitle, "Is a morally principled political economy *possible*?", the book totally fails to take up the issue. This is not so much a question of proposing a "full blown theory of political economy" as it is of establishing some practical relation between his principles and any new structure of political economy.

Settle seems to think that a political economy operates largely in response to its own underlying principles or presuppositions. This is why he expends so much energy on treating morality and so little on political theory. But this is to err on both accounts: thinking political decisions on equality, regional disparity and so on merely a logical outcome of underlying moral principles both overrates the rationalist elements in any political order and ignores the distinctiveness of politics altogether. The same confusion affects the remedies which the author offers. Lifting up the prospect of a "morally principled capitalism", Settle thinks he can graft his rational principles of respect onto a capitalist economy, thus curbing its dynamic tendency towards inequality and exploitation. As he says: "By contrast with Marx, my solution to those problems [exploitation, alienation] is not to eliminate the institution of private property but to eliminate egoism as the mode of operation of the economy."

This confidence in the power of moral principle and law even in the face of a hostile political economy must surely represent a highwater mark in theoretical confusion and political innocence. On the level of theory, Settle fails to see that a capitalist political economy (even one which makes some room for co-operatives) *requires* the premise of rational egoism which he is at pains to reject and could not function for long with those principles of benevolence which he wishes to advance. (Though it is fully capable of limiting or mitigating the worst effects of such egoism by mild mannered remedial state action.) Politically, it is simply fatuous to think the taming of the forces at work in a society is primarily a matter of eliciting and applying moral principles. However much we may wish it, the political universe will not be subdued or remade in the philosopher's parlour. Discarding these darker truths or casting up a veil of illusion around thinkers like Machiavelli who have tried to wrestle with the twin

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ironies of morality and power amounts to a well-intentioned disservice. When the moralist enters the problematical world of politics, perhaps his chief ethical responsibility is clear-sightedness: "to represent things as they are in real truth, rather than as they are imagined."

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