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# Discussion

## THE PROFIT MOTIVE\*

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### I. TWO FUNDAMENTAL SUGGESTIONS

We hear much talk of the (private) profit motive; and many suggestions that, because (private) profit is a defining characteristic essential to capitalism, therefore any such economic system must be inherently more selfish and hard-nosed than actual or possible rivals. For instance: in the summer of '72 *The Times* of London reported that Archbishop Camara of Brazil had asked a meeting of members of both Houses of Parliament: "Why do you not help lay bare the serious distortions of socialism such as they exist in Russia and China? And why do you not denounce, once and for all, the intrinsic selfishness and heartlessness of capitalism?"<sup>1</sup>

A. I want to start by responding with another question: "Why do we never hear of the rent motive or the wages motive?" Perhaps the classical distinction between profit and rent is outmoded. But, if it is proper to speak of a profit motive, it should surely be equally proper to speak of a wages motive. And, if it

\*The first version of this paper was written for presentation to a seminar of the Foundation for Business Responsibilities and published in 1972 as one of their semiprivate pamphlets. I am grateful to the foundation, both for their original sponsorship, and for their willingness to permit the wider publication of this drastically revised and extended version. I am also grateful to those who on that and other occasions offered criticisms both orally and in writing. Of these I have to mention particularly: first, Professor David Wiggins, who unwittingly confirmed my conviction that the sort of thing which I have to say very much needs saying; and, second, Dr. David Lloyd Thomas, who laboured to reveal the weaknesses which I have now tried to remedy.

1. "Waiting for a Sign from the Egoists" (June 27, 1972). Later in the same week the *Catholic Herald* (June 30, 1972) reported other meetings at which the archbishop—described by Cardinal de Roy, president of the Pontifical Commission for Justice and Peace, as "one of the great voices of our time"—"called on British Catholics to fight the forces of capitalist imperialism." It is a pity that this great voice thus insists on inserting the qualification 'capitalist' into his denunciations of imperialism. By so doing the archbishop is bound to suggest to any attentive reader: either that he believes that there is no such thing as a socialist empire; or that he disapproves of empires only when the imperial power has not yet nationalized all the means of production, distribution, and exchange. If it is the former, then he is subject to the commonest and most damaging of contemporary delusions—wilful blindness to the realities of the Great Russian empire of what Maoists rightly call the "new Tsars." If it is the latter, then he must be the bearer of a most curiously perverted conscience—nonetheless perverted for being in many quarters nowadays, in the descriptive sense, normal.

is proper to say that those who work for wages are stirred by the wages motive; then it must be not merely proper but positively refined to say that those whose wages are paid at longer intervals, and called a salary or even compensation, are inspired by, respectively, the salary motive and the compensation motive.<sup>2</sup> By parity of reasoning we shall then have to admit into our economic psychology the fixed interest motive, the top price motive, and the best buy motive. And so on, and on and on.

My first general suggestion is that it is radically misguided thus to insist upon applying to psychology a categorical system originally developed in, and appropriate to, economics. A good way to become seized both of the nature and of the misguidedness of such insistence is to contemplate, and to relish, one of the most bizarre and delightful of those high theoretical fantasies which adorn *A Treatise of Human Nature*. For there, in the section "Of the Probability of Causes," Hume concludes that, upon his then principles, "a man, who desires a thousand pound, has in reality a thousand or more desires, which uniting together, seem to make only one passion; tho' the composition evidently betrays itself upon every alteration of the object, by the preference he gives to the larger number, if superior only by an unite."<sup>3</sup>

Noticing that suggestive 'or more,' one is tempted to go on to urge: that before decimalization the desire for a thousand pounds was—"in reality"—two hundred and forty thousand old penny desires; that now it has diminished to a mere hundred thousand new pence hankerings; and that a desire for a thousand piastre pounds must, by parity of reasoning, really be an American billion of almost indiscernible atomic yens. The mind boggles at the unfolding vista of possible implications of other currency differences and equivalences for the psychology of the notorious gnomes of Zurich and the infamous moneychangers of Beirut! But enough is enough to indicate the nature of my first general objection to the economic psychology implicit in all this loose talk about the profit motive.

B. My second general suggestion is that no one—not even an archbishop—has any business simply to assume that the desire to make a (private) profit is always and necessarily selfish and discreditable; notwithstanding that the corresponding desires to obtain a wage, or a salary, or a retirement income, are—apparently—not. No doubt all these various desires are interested; in the sense that those who are guided by any of them are—in the immortal words of Mr. Damon Runyon—"doing the best they can." But, precisely because this does apply equally to all, we can find no ground here for condemning one and not the others.

2. Compare Bernard Mandeville in *The Fable of the Bees*, ed. Philip Harth (Harmondsworth, Middlesex: Penguin, 1970):

"And, when folks understood their cant  
 "They changed that for 'emolument';  
 "Unwilling to be short or plain,  
 "In any thing concerning gain . . ." (p. 66).

3. Hume, *A Treatise of Human Nature*, 1(iii)12:141 in the Selby-Bigge edition (Oxford: Clarendon Press, 1896).

This neglected fact is awkward for the denouncers. For no one, surely, is so starry-eyed as to believe that any system of economic organization can dispense with all such interested motives. If, therefore, one such system is upon this particular ground to be condemned as “intrinsically selfish and heartless,” then, by the same token, all must be. Yet that, of course, is precisely not what is wanted by those who thus denounce capitalism root and branch, and as such; while tolerantly discounting as more or less “serious distortions” whatever faults they can, however reluctantly, bring themselves to recognize in the socialist countries.

The further fundamental mistake here is that of identifying the interested with the selfish. This is wrong. For, though selfish actions are perhaps always interested, only some interested actions are also selfish. To say that a piece of conduct was selfish is to say more than that it was interested, if it was. The point is that selfishness is always and necessarily out of order. Interestedness is not, and scarcely could be.

For example: when my daughters eagerly eat their dinners they are, I suppose, pursuing their own interests. But it would be monstrous to denounce them as selfish hussies, simply on that account. The time for denunciation could come only after one of them had, for instance, eaten someone else’s dinner too; or refused to make some sacrifice which she ought to have made. Again, even when my success can be won only at the price of someone else’s failure, it is not always and necessarily selfish for me to pursue my own interests. The rival candidates competing for some coveted job are not selfish just because they do not all withdraw in order to clear the way for the others.

The upshot, therefore, is that it will not do to dismiss any one economic system as “intrinsically selfish and heartless”: simply because that system depends upon and engages interested motives; or even simply because it allows or encourages people to pursue their own interests in certain situations of zero sum conflict. If there is something peculiarly obnoxious about wanting to make a (private) profit, it will have to be something about making a (private) profit, rather than something about just wanting to acquire some economic good; or even about competing to acquire scarce economic goods in any zero sum conflict situation, as such.

## II.

## THREE POPULAR ARISTOTELIAN MISCONCEPTIONS

That it is indeed essentially scandalous to make a profit—and hence, presumably, also scandalous to wish to do so—is an idea both as old as the Classical Greek philosophers and as topical as—for instance—tomorrow’s Labour party political broadcasts. Consider what was said by the one who has had, and albeit mainly through Aquinas and Hegel continues to have, by far the greatest influence.

The economic thought of Aristotle is to be found mainly in the *Politics*.<sup>4</sup> It is altogether characteristic that he takes as normative whatever he believes to be—as it were—the intention of nature. By the way: it should be salutary for those

4. *The Politics of Aristotle*, trans. Ernest Barker (Oxford: Clarendon Press, 1948).

inclined to accept that principle to see where it can lead. For instance, after discussing slavery, Aristotle concludes: "It is thus clear that, just as some are by nature free, so others are by nature slaves, and for these latter the condition of slavery is both beneficial and just." Again: "as nature makes nothing purposeless or in vain, all animals must have been made by nature for the sake of men. It also follows that the art of war is in some sense a natural mode of acquisition. Hunting is a part of that art; and hunting ought to be practised, not only against wild animals, but also against those human beings who are intended by nature to be ruled by others and refuse to obey that intention. War of this kind is naturally just."<sup>6</sup>

These remarks well illustrate Aristotle's characteristic appeal to nature and to its alleged intentions. We should not after this be surprised that for Aristotle the supposed ideal universal provider is not—as it would be today—the state, but nature: "On a general view, as we have already noticed, a supply of property should be ready to hand. It is the business of nature to furnish subsistence for each being brought into the world; and this is shown by the fact that the offspring of animals always gets nourishment from the residuum of the matter that gives it its birth."<sup>7</sup>

A. It is significant, and entirely consistent with this providential assumption, that Aristotle goes on to emphasise acquisition rather than production: "The natural form, therefore, of the art of acquisition is always, and in all cases, acquisition from fruits and animals. That art . . . has two forms: one which is connected with . . . trade, and another which is connected with the management of the household. Of these two forms, the latter is necessary and laudable; the former is a method of exchange which is justly censured, because the gain in which it results is not naturally made, but is made at the expense of other men."<sup>8</sup>

Aristotle's point is that trade is in essence exploitation. The acquisitions of the trader must, Aristotle thinks, be made at the expense of that trader's trading partner; whereas the only creditable acquisitions are those achieved from non-human nature direct. Shorn of these notions of what is and is not in accord with the intentions of nature, Aristotle's is the same thesis—and the same misconception—as we find in John Ruskin: "Whenever material gain follows exchange, for every plus there is a precisely equal minus."<sup>9</sup>

Despite its august sponsorship, and its hardy perennial appeal, a moment's thought will show that this contention must be wrong. We have, therefore, a welcome opportunity here to quote once again A. E. Housman's blistering comment: "A moment's thought would have shown him this. But thought is a painful process. And a moment is a long time."

5. *Ibid.*, 1(v)11:1255A 1–3.

6. *Ibid.*, 1(viii)12:1256B 20–26. I have smoothed the translation here.

7. *Ibid.*, 1(x)3:1258A 33–36. No one seems to have anticipated me in noticing these sentences as a respectably Classical formulation of the shabby doctrine that the world owes us a living.

8. *Ibid.*, 1(x)4:1258A 37–1258B 2.

9. John Ruskin, *Unto This Last* (London: G. A. Allen, 1899), p. 131.

The crux is that trade is a reciprocal relationship. If I am trading with you it follows necessarily that you are trading with me. Trade is also, for both parties, necessarily voluntary. Nothing which you may succeed in seizing from me by force can, by that token, be either acquired or relinquished in trade. So, if any possible advantage of trade to the trader could be gained only at the expense of some corresponding disadvantage to his trading partner, it would appear that in any commercial exchange at least one party must be either a fool, or a masochist, or a gambler.

But, of course, as all must recognize when not either by theory or by passion distracted, the truth is that the seller sells because, in his actual situation, he would rather receive the price than retain the goods, while the buyer buys because, in his actual situation, he would rather pay the price than be without the goods. Ruskin was, therefore, diametrically wrong. It is of the essence of trade: not that any advantage for one party can be achieved only at the expense of the other; but that no deal is made at all unless, whether rightly or wrongly, both parties believe that they stand to gain thereby—or at least both prefer the deal actually made to any available alternative deal, and to no deal at all.

Certainly one of the trading partners, or even both, may be mistaken or in some other way misguided in his decision to deal. Certainly too the actual situation of either party, the situation in which it seems better to him to make the deal than not, may be in many ways unfair or unfortunate.<sup>10</sup> But all this is contingent, and hence to the present question irrelevant. This question is: ‘What is and is not essential to the very idea of trade?’ Mutually satisfactory sex is a better model here than poker played for money. For in the former the satisfactions of each depend reciprocally upon those of the other; whereas the latter really is a zero sum game in which your winnings precisely equal, because they are, my losses.

One temptation to conclude that trade necessarily involves a zero sum confrontation lies in the fact that both buyers and sellers would often, if they had to, pay more or accept less than they do. Obviously it is in such a situation possible to regard either the more which might have been got or the less which might have been given as an advantage forfeited by one trading partner to the other. But this, which is perhaps often the case, certainly is not so always. And both buyer and seller may be, and I imagine typically are, simultaneously in similar situations with regard to such forfeited possible advantages. So it cannot be correct to infer, as a general conclusion, that all the gains of trade must always be achieved by one trading partner at the expense of the other.

Another less intellectual, but in practice more powerful, temptation lies in the

10. This important reservation is developed in, for instance, E. J. Mishan *21 Popular Economic Fallacies* (Harmondsworth, Middlesex: Penguin, 1971), pp. 95–97. But it is unfortunate that Mishan gets off on the wrong foot by saying that, if I am forced at pistol point to drink castor oil, then “I may be said to have chosen to do it of my own free will. . . .” What he should have said is that the man who thus acts not of his own free will but under compulsion, nevertheless acts; and hence, in the most fundamental senses, does have a choice and could have done other than he in fact did. See, for instance, my “Is There a Problem of Freedom?” in *Phenomenology and Philosophical Understanding*, ed. E. Pivcevic (Cambridge: Cambridge University Press, 1975), secs. 3(a) and 3(b).

unlovely human inclination rather to attend with eager jealousy to the gains of others than to find some modest contentment in one's own; to forget that the deal was to your advantage in order to resent that it was to his also.<sup>11</sup> Yet, surely, he would not—as you so ungraciously insist—“have made his profits out of you,” had it not also been the case that you saw some advantage to yourself in your dealings with him?

In general, I suggest, and it is a reflection which has a relevance far wider than its present occasion, economic arrangements are best judged by results. Concentrate on the price and quality of the product. Do not officiously probe the producer's purity of heart. If, nevertheless, we are to consider motives, then this envy which resents that others too should gain, and maybe gain more than us, must be accounted much nastier than any supposed “intrinsic selfishness” of straight self-interest. Some might even discern the hand of Providence at work when it appears that, for thus putting the resentment-of-profit-motive first, “the Envious Society” of the United Kingdom pays a heavy price in forfeited economic growth.

Let us, however, conclude the present subsection not with snide moralizing but with a gesture of Roman piety. Adam Smith wrote: “It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard for their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages. Nobody but a beggar chooses to depend chiefly upon the benevolence of his fellow citizens.”<sup>12</sup>

B. Aristotle's next contribution is equally unfortunate, and has been equally important. Immediately after the last passage quoted earlier he continues: “The trade of the usurer is hated most, and with most reason. . . . Currency came into existence merely as a means of exchange; usury tries to make it increase. This is the reason why interest is called by the word we commonly use [the word *tokos*, which in Greek also means offspring]; for as the offspring resembles its parent, so the interest bred by money is like the principal which breeds it, and it may be called ‘currency the son of currency.’ Hence we can understand why, of all modes of acquisition, usury is the most unnatural.”<sup>13</sup>

*Usury* is now, thanks first to Aristotle and still more to his medieval successors, such a bad word that it may not be at once obvious just what it is to which

11. Compare Mandeville again: “Few men can be persuaded that they get too much by those they sell to, how extraordinary soever their gains are, when at the same time there is hardly a profit so inconsiderable, but they'll grudge it to those they buy from” (p. 113). Typically, such meanness of spirit both encourages, and is compounded by, the intellectual fault of confusing markup over costs of acquisition with profit on risk capital employed. Much attention is given nowadays to the unappealing motives which people may have for wishing to preserve existing social arrangements. It could be an unusually instructive exercise in fairmindedness to devote a comparable measure of attention to the perhaps equally unappealing motives which their opponents may have for wishing to revolutionize those arrangements.

12. Adam Smith. *The Wealth of Nations*, 1(i):13 of vol. 1 in the Everyman edition (New York: Dent & Dutton, 1910).

13. *Aristotle*, 1(x)4–5:1258B 2–8.

Aristotle is objecting. It is not only to excessive or, as we should now say, usurious fixed interest. Nor is it only to all fixed interest as such, which was the prime target of those medieval successors.<sup>14</sup> He objects, rather, to any money return upon any money investment. It is, he thinks, against nature for money to breed money.<sup>15</sup>

The moment Aristotle's point is appreciated, it becomes quite clear that both his objection and his supporting reason are superstitious and muddled. For a sum of money is the substantial equivalent of any of the goods or collections of goods which it might buy. There can, therefore, be nothing obnoxiously unnatural about receiving a money return upon an investment in money, unless it would be equally obnoxious and unnatural to ask for some return either in money or in kind for the use of the goods themselves.

Before proceeding to the Aristotelian source of yet a third perennially popular misconception, take time out to notice two corollaries. First, it must be psychologically unilluminating to speak of any money motive; and, by the same token, still more unilluminating to try to develop a complete economic psychology upon a basis of a series of economic distinctions between various mercenary motives. For that someone wants to make a profit or to earn a wage tells us nothing of what he wants the money for. Almost any desire can take the form of a desire for money. It is obvious that this is a necessary consequence of the essential nature of money as a conventional instrument of exchange. Aristotle himself elsewhere makes this point about money. But he misses its present application. Second, and consequently, it must be wrong to hope that the abolition of money, or the reduction of the range of goods which money can buy, might by itself reduce greed and competition for those goods. Certainly it is tautologically true that the profit motive, the fixed interest motive, the wages motive, and all the other factitious motives mischievously listed in IA above, are mercenary. All, that is, are defined in terms of the acquisition of money. It might therefore seem that totally to abolish money, or to reduce its importance as a means of acquisition, must be to abolish or at least to weaken, all mercenary motives.

In an appropriately empty sense this no doubt is true. Yet, unless these changes happened to be accompanied by something quite different, an enormous transformation of present human nature, people would presumably continue to pursue, and to compete for, whatever it was which they had always wanted, but which money could not now buy. In a word: if cars are not on sale for money, but are available as a perquisite of high office, then this fact will by itself tend only to increase the already surely sufficiently ferocious competition for such privileged official places. The abolition of money might make us less mercenary. It would not by itself even begin to make us less materialistic or less competitive.

C. A third perennially popular misconception about the profit motive also

14. See R. H. Tawney, *Religion and the Rise of Capitalism* (Harmondsworth, Middlesex: Penguin Books, 1938): "Medieval opinion, which has no objection to rent or profits, provided that they are reasonable—for is not everyone in a small way a profit-maker?—has no mercy for the debenture-holder. His crime is that he takes a payment for money which is fixed and certain, and such a payment is usury" (p. 55).

15. *Aristotle* 1(ix)8.



apparently originates in Aristotle. For his difficult and unsteady distinction between two forms of the art of acquisition<sup>16</sup>—acquisition for household use and acquisition for financial gain—is, surely, ancestor of the evergreen false antithesis between production for profit and production for use.<sup>17</sup>

The antithesis is false for the very obvious reason that there can be no profit in producing what no one has any wish to buy, and presumably, to use.<sup>18</sup> Certainly, what ordinary people want to buy may not be what their actual or supposed superiors believe that they need; and hence ought to want. (The word here is, or used to be, ‘candyfloss’; candyfloss being taken as typical of all the things which our moral and intellectual superiors consider it wrong for us lesser creatures to want to buy, or for entrepreneurs to make and to sell.) Certainly too, folk may want and—much more seriously—may both need and want, what they lack the money to buy; and what, because they do both need and want it, they ideally ought to be able to buy. Again, the market may not always offer the range of options which you or I might like to be making our choices between.<sup>19</sup> But none of this justifies any general opposition: between, on the one hand, the profit motive and the profit system; and, on the other hand, the satisfaction of human needs. The true and relevant antithesis here is quite different. It is that between a command and a market economy; and it is significant that while the individual is himself the prime authority on what he wants, his needs, or his alleged needs, are in principle determined as well, or better, by others.

Nor will it do to argue—what is in fact more often assumed than argued—that: where, and in so far as, it is a contingently necessary condition of the production of anything that its production should be profitable to the producing firm; there, and to that extent, the profit motive provides the only reason why that product actually is produced and sold. This argument is on two different counts invalid.

First, it overlooks the most typical case. For motives—if it really is motives we are considering—are notoriously apt to be mixed. Dostoevski was not exaggerating much when he said: “No one ever acts from a single motive.” That this is indeed one of a lady’s motives by no means precludes that she has other motives also. A man may invest his capital in a bassoon factory both because he wants a profitable investment; and because he wants to popularize bassoon-playing; and because he wants to infuriate his unmusical aunt. Indeed conduct often is fully

16. *Ibid.*, I(viii)–(x).

17. Not to be too polemically topical consider John Strachey’s pamphlet *Why You Should Be a Socialist* (London: Gollancz, 1944). In one form or another this achieved an immense circulation in the thirties and forties. Strachey wrote: “One of the familiar phrases of the moment is to say that under capitalism production is carried on for profit, while under socialism it is carried on for use; that socialism is planned production for use. What is meant by this phrase?” (p. 68).

18. That so obvious an objection seems never to occur to the often able people for whom this false antithesis remains a treasured catchword is one good reason for challenging the smug leftist assumption that left-wingers are, unlike their opponents, constitutionally questioning and critical. No doubt there have been times and places where this was indeed true. But observation of, for instance, the contemporary British student body can show that it is by no means an universal truth!

19. See, for instance, the Mishan reference given in n. 10 above.

overdetermined, in the sense that the agent has two or more reasons either or any one of which would have been sufficient to secure his action.

Second, that something has one necessary condition does not preclude that it has other necessary conditions also. Allow that the firm will ultimately be shut down if it continues to run at a loss. So it will be if, for instance, no one is prepared to work for it or to buy from it. Say then that these further considerations are effective only in so far as they affect profitability. This is, no doubt, with appropriate qualifications, true. Yet that it is true, and that profitability is thus affected by other considerations, is itself the decisive reason why there cannot be a radical disjunction between profitability and all such other considerations.

Two other equally common, and equally unsound moves are to argue: either, from premises about the putative purposes of institutions, to conclusions about the motives of those who work within and for those institutions; or, from premises about the intentions of agents, to conclusions about the actual consequences of their actions. That this ministry or this state corporation was purportedly established solely to serve the public provides no guarantee: either that successive ministers, directors, civil servants, and other employees are oriented similarly; or that its actual operations are beneficial. Nor, similarly, are we entitled to infer: either, from the fact that the successive ministers supporting, say, the Concord project have been virginally untainted by any private mercenary motives, the conclusion that the public money poured into this has been well spent; or, conversely, from the fact that the shareholders of, say, Marks and Spencer have hoped for profits (and have not, so far, been disappointed) the conclusion that the operations of that firm have not in fact been in the public interest also.<sup>20</sup>

## III.

## THE ALLEGED WICKEDNESS OF INVESTMENT INCOME

What is constantly presented as a revulsion against the profit motive unfortunately may, and in fact often does, blind people to all other considerations; including sometimes other considerations which ought to weigh far more heavily than any preferences between rival economic arrangements. For example: while I was working on the present paper I happened to read Max Beloff's critical notice of Margaret Cole's *The Life of G. D. H. Cole*.<sup>21</sup> In this book Cole's widow confesses: "Douglas, like so many more of us, saw in Soviet Russia the negation of the immoralities of industrial capitalism and the system of private profit . . ."; and, "It cost him a good deal of mental suffering towards the end of his life to admit that 'democratic centralism' and Stalinism in Russia had produced horrors which outweighed the advantages of their having abolished private profit. Even then he was apt to maintain that the Americans, who had retained private profit, were much worse."<sup>22</sup>

20. It would be mean not to share the surely too good to be true story of the demonstration occurring during the Prague Spring—before the arrival of the friendly neighbourhood tanks of imperial normalization. A banner was, it is said, unfurled: "We want Marks and Spencer, not Marx and Engels!"

21. Margaret Cole, *The Life of G. D. H. Cole* (London: Macmillan Co., 1972).

22. The passages are quoted at pp. 64 and 66 of *Encounter* for February 1972. I should myself

Probably the most powerful of the sources of this revulsion against “the profit motive” is one which I have not so far mentioned. It is the desire to have done with every kind of investment income; and, what it is a mistake to think is the same thing as this, the drive to insist that all income must be earned.<sup>23</sup> Adequately to consider these aspirations would require a second paper. Some may wish that this was that paper. But all I can, or need, say in the present consideration of the profit motive is enough to show that such commitments demand something much more extensive by way of justification than a visceral revulsion against “the (private) profit motive.” They cannot by themselves justify, what the present paper is attacking, a concentrated hostility to this as opposed to any or all the others indicated in IA above.

The fundamental objection may be either to deriving income from any form of (private) ownership or, more particularly, to deriving income from (private) ownership of the means of production. In each case the postulated motives fall under the ban in as much as they are desires to do what is thought to be wrong. In the first case these clearly should include the debenture as well as the profit motive. Indeed, since there is no relevant reason for distinguishing the ownership of real property here, and since all income from any kind of property constitutes rent for the use of that property, the proper enemy would be not the profit but—in this comprehensive sense of *rent*—the rent motive.

In the second case the suggestion is that to derive income from the ownership of the means of production—though not perhaps from ownership as such—is essentially exploitative. Too often it is suggested further that to end this one kind of putative exploitation must be to end all exploitation.<sup>24</sup>

A. As regards the first form of objection, it is hard to see how one could defend the total rejection in principle of the acceptance of rent for the use of (private) property if once one had conceded any rights to (private) property at all.

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like to have seen in both Coles somewhat more concern for the victims of their pet nostrums; even if that did leave rather less for the husband’s distress in recognizing his wilfully self-blinded imperceptions.

23. You need to be a bit careful about the common denunciatory equation of investment with unearned income. Mr. Brian Barry, for instance, in his *The Liberal Theory of Justice* (London: Oxford University Press, 1973) dismisses the whole subject in a peremptory sideswipe: “and of course get rid of unearned income” (p. 115). Yet Barry certainly does not want to prohibit all welfare payments which have not been either earned or insured for by the recipients. And does he really want to insist that any interest paid on a person’s own savings from earned income must be in real terms—as thanks to high taxation and high inflation it now often is—either nil or negative? Karl Marx in his *Critique of the Gotha Programme* was, by contrast, careful to make “funds for those unable to work” one of the first charges on the budget for his socialist state (K. Marx and F. Engels, *Selected Works* [Moscow: Foreign Languages Publishing House, 1969], 1: 21).

24. Thus Strachey urged: “But the term *exploitation* has an exact meaning. It describes precisely the process by which those who own the means of production draw off almost all the wealth. . . . They eat food, wear clothes, and live in houses produced by other men’s labour and offer no product of their own labour in exchange. That is exploitation” (p. 36). It should be sobering to compare a sentence from Robert Conquest’s *The Great Terror* (London: Macmillan Co., 1968): “For what it is worth the evidence seems to be that Stalin really believed that the abolition of incomes from capital was the sole necessary principle of social morality, excusing any other action whatever” (p. 67).

On another occasion I should like to consider the implication of such a total repudiation of all (private) property. But now it is sufficient to suggest that few people are in practice prepared in a cool hour to advocate a complete abandonment of all private property; and, consequently, of the acceptance of any rent for the use of it. This being so, the other objections to such rent, and to the factitious rent motive, presumably reduce to objections either to the amount of the rent, or to the actual distribution of the property, or to having private property in certain sorts of goods; rather than as such to private property itself, or to rent for the use of it.

B. As regards the second contention—that to derive income from the private ownership of the means of production, distribution, and exchange is immoral—it is difficult to discern how, if private ownership of such property is immoral, its collective ownership by any groups less than the whole human race is to be appropriately justified. For citizens of the better endowed socialist states, and members of the better endowed collective farms and other cooperatives both inside and outside these states, are all deriving, from their collective ownership of these endowments, advantages which they surely did not earn by their own toil, and which are certainly not available to less fortunate collective owners in the same or other countries. If these inequalities are in principle unacceptable, then the moral must be that proclaimed long ago by Gratian: “The use of all the things which there are in this world ought to be common to all men.”<sup>25</sup>

Suppose, however, that they are not wholly unacceptable. And who of us—whether socialist or anti-socialist—is really prepared to abandon all the privileged endowments of a still relatively rich country in favour of a universal and conscientiously egalitarian poverty? Then the objection to private profit and the private profit motive becomes, it seems, an objection not to the profit but to the privacy. And that is a very different story. For the objection now is not to acquisitiveness, or to excess, or even to exploitation. It is to what is individual and private rather than public and collective.<sup>26</sup> And here we see again what may be to some a somewhat less acceptable face of socialism.

25. Gratian, *Decretum*; quoted by R. H. Tawney, p. 45.

26. George Schwartz in his *Bread and Circuses* (London: *Sunday Times*, 1959) quotes a sensible statement to the Supreme Soviet on August 18, 1953, by the future power station manager Malenkov: “Many enterprises which are still running at a loss exist in industry, enterprises in which production costs are higher than the prices laid down . . . factories, enterprises and mines which we are running at a loss . . . living at the expense of leading enterprises . . .” (p. 65).