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Patricia O'Toole. *Money & Morals in America: A History.* New York: Clarkson Potter Publishers, 1998. xxi + 409. $30.00 (cloth), ISBN 978-0-517-58693-8.

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O'Toole, whose previous books have included *The Five of Hearts*, a portrait of Henry Adams and his circle of friends, sets out to document Americans' "never-ending debate about the relationship between private gain and public good" (p. xiv). This volume portrays the tension in American culture between self-interest and the belief that "to be human is to live in a community." The portrayal is fair, even while O'Toole argues for the moral significance of the latter proposition.

O'Toole is *not* arguing that there is a tension between values and practice. Such a thesis would be trite, because practice inevitably falls short of ideals. Rather, the polarity she discusses is *within* the American value system itself, as well as within American economic practice. Nor is O'Toole contrasting individualism with some version of communalism. In fact, she tends to downplay the American communal tradition. Rather, she focuses on mainstream American values and practices, which are both distinctly individualistic. The relevant distinction is between a self-focused individualism and relational individualism, in which a person acts with regard to a web of human relationships and obligations, not merely personal preferences.

The utility-maximizing model of economics could have represented one of the poles in the O'Toole thesis, if she had chosen to explicate it. Community (acting as market) sets the constraints (e.g., relative prices) on the individual's maximization problem, but is otherwise irrelevant. Even altruism is interpreted as being instrumental, occurring only because it increases the individual's utility. O'Toole plays off an implicit version of this understanding of humans, which economist George Stigler admitted was a type of morality, against an understanding that individuals do, and ought to, recognize obligation to the common good. Her point is that both these poles exist in an uneasy tension.

Observers long have noted just this tension in the American character. Alexis de Tocqueville pondered the problem of self-interest for community in his celebrated study of 1830s America. More recently Robert Bellah and co-authors contrasted Americans' utilitarian values and behavior with community-oriented values and behavior in their best-selling *Habits of the Heart* (1985). Amitai Etzioni's *The Moral Dimension* (1988) also developed the theme.

O'Toole uses case studies; these range from the New England Puritans' city on a hill to Control Data's experiments in corporate responsibility. Other chapters focus upon figures like Benjamin Franklin, Ralph Waldo Emerson, Andrew Carnegie, and Whitney Young. Along the way, O'Toole examines labor relations in Lowell, Massachusetts, at Ford during the five-dollar-a-day revolution, and at Kaiser shipyards during World War II. Slavery is addressed in a major chapter that is enhanced by drawing upon less-known sources. In almost every case, the polarity in values and practice is evident.

One could argue about O'Toole's omissions. For example, communitarians like the early Moravians, while out of the mainstream, made a significant critique of dominant individualist values and practices. O'Toole does not ignore religion, yet some of her omissions seem large: for example, she includes no chapter devoted to the Social Gospel, a major movement in liberal Protestantism around the turn of the century. Also largely ignored are economic moralists like Henry George (who rates but a few paragraphs in a chapter otherwise about Andrew Carnegie), Daniel Raymond, Richard Ely, or Francis Wayland, who might have been of more interest to economists than, say, Emerson.

The views of the economists whom O'Toole ignores probably were more sophisticated than those of the non-economists she does include. For example, Malthus' law of population, Ricardo's rent theory, and the classical wage-fund together provided the scientific basis for the proposition that poverty was inevitable. This meant that no one had a moral obligation to the poor, for one cannot have a moral obligation to change what cannot be changed. Henry George (whatever one may think

of his technical economics) exposed the ethical role of these assumptions and effectively critiqued them to a large American audience. As another example: O'Toole nicely demonstrates the moral tensions inherent in Andrew Carnegie's meshing of social Darwinism and massive philanthropy. Yet, a better exposition of social Darwinism could have been had by directly examining the ideas of the quasi-economist William Graham Sumner. That O'Toole barely touched on such thinkers is a loss to the book.

Although this reviewer is not in a position to judge many of the chapters, in the areas with which I am familiar I find that O'Toole has done a good job. I have some familiarity with Puritan economic ethics, and in my judgment O'Toole provides a finely nuanced exposition of that thought. Her exposition of Puritan economic morality is far superior to the caricatures that often mar business-ethics texts.

Would economists find reading this book of benefit? The recent Nobel Prize awarded to Amartya Sen suggests that the profession may be ready to look again at these kinds of issues. Even economists interested only in questions that can be dealt with by the standard neoclassical model might benefit from occasionally pondering the kinds of factors, like a culture's morality, that contribute to the unexplained residual in their statistical work.

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