

**Systems of Survival: A Dialogue
on the Moral Foundations of
Commerce and Politics**

by Jane Jacobs

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Reviewed by Peter J. Boettke

Ever wonder what it would have been like to sit in on a conversation with Ludwig von Mises, Henry Hazlitt, and Leonard Read? Sitting in the backyard at FEE's compound in Irvington or around the library table, they must have engaged in the give-and-take of good conversation many a time. For perhaps an even more animated dialogue, imagine yourself in old Vienna, in one of the famous coffee houses. Mises is on one side of the table, and his old classmate

and friend Otto Bauer, the famous Austro-Marxist, is on the other side. Mises counters Bauer's insistence that the forces of history are on the side of Marxism. Mises' challenge is straightforward—and devastating in its logic: the Marxist project of simultaneously abolishing private ownership in the means of production and rationalizing production is *impossible*. Without private ownership, economic planners will not be able to rationally calculate the best use of scarce capital resources.

Mises' challenge shook the foundation of the Marxist sense of destiny. Marxism was not the way to the future, but rather a path that would only lead to political and economic barbarism. Bauer, we are told in Mises's autobiographical essay, *Notes and Recollections*, never recovered from their conversations and their friendship eventually cooled.

There is something about good conversation concerned with fundamental issues that entices, frustrates, and teaches us so much. It is also something that eludes most of us in our daily lives. We have known the teaching power of dialogue ever since Socrates. If we cannot partake in the art of good conversation, then the opportunity to be a "fly on the wall" offers the next best alternative. In Jane Jacobs' *Systems of Survival*, she invites us into a dialogue among a group of New York intellectuals who all share some connection to the same New York publisher. Jacobs, as many of you know, is perhaps the last great public intellectual of this century. Fiercely independent, Jacobs blazed a trail in the analysis of cities. In *Systems of Survival*, she turns her skills to analyzing the moral "syndromes" (as she terms them) that govern our life. She does not disappoint.

Systems of Survival is well-written and well-argued. Moreover, it is amazingly radical in terms of its outright support for the moral *superiority* of the commercial syndrome throughout most of the book. Almost echoing Ayn Rand, Jacobs' character Kate (a young professor) states that we have at our disposal only two ways to acquire resources—we can either voluntarily trade or we forcefully take. It is that simple.

Jacobs' conversation gets started when Armbruster (a retired book publisher) invites five others to join him in an exploration of the breakdown of honesty in society: Jasper (a successful novelist), Kate, Ben (an environmentalist), Quincy (a successful banker), and Hortense (Armbruster's niece and a successful lawyer). Kate takes the challenge to explore the moral foundations of social interaction to get the group started. She concludes from her study that there are two syndromes that are characterized by the following:

<i>Moral Syndrome A</i>	<i>Moral Syndrome B</i>
shun force	shun trading
voluntary agreement	exert prowess
be honest	be obedient and disciplined
collaborate	adhere to tradition
compete	respect hierarchy
respect contracts	be loyal
use initiative and enterprise	take vengeance
open to inventiveness and novelty	deceive for the sake of the task
be efficient	make rich use of leisure
promote comfort and convenience	be ostentatious
dissent for the sake of the task	dispense largesse
invest for productive purposes	be exclusive
be industrious	show fortitude
be thrifty	be fatalistic
be optimistic	treasure honor

Much of the remainder of the book is an extended argument amongst the group on the implications of Kate's "discovery." The book contains a very subtle argument concerning the tension between moral syndrome A (commercial) and moral syndrome B (guardian). The guardian syndrome is the source of much of the stagnation and oppression in the world. However, it is also essential in some areas. Without a proper guardian infrastructure, for example, the commercial moral syndrome could be threatened. Jacobs, though, realizes that commercial life has ways to "police" itself—the discipline of repeated dealings or the historical development of commercial contract law outside of official state channels (such as the law merchant). Jacobs is particularly sharp in her analysis of hybrids

of the commercial and guardian syndromes—such as the mafia and the state socialist systems of the former Eastern Bloc.

Ben, the environmental activist and author, is often the "leftist" foil of the book. But Jacobs is too good a writer and storyteller to turn Ben into a wooden caricature. Her characters appear real. Kate preaches too much, but this doesn't distract from the power of her argument. This is human conversation with all its frailties and foibles—and its wonderment. Jacobs uses the vehicle of the dialogue masterfully.

One thing Jacobs is looking for in her search of moral systems is *cosmopolitanism*. Which syndrome encourages cosmopolitan tolerance of alternative life-styles, beliefs, races, etc.? Her connection of cosmopolitanism and commercial life reminds one of Mises' statements in *Liberalism* or Nock's in his wonderful essay "On Doing the Right Thing." This is something many on the conservative right in America simply don't understand. Tolerance does not mean acceptance, but it does mean openness to new ideas and cultures, a willingness to live and let live, and, as Jacobs listed in her syndromes, it values "dissent for the sake of the task." Commercial life flourishes within an environment that is characterized by liberal tolerance and cosmopolitan virtue, but not within an environment of provincial values bound by tradition. Provincialism can exist within cosmopolitanism, but whenever traditional values assert superiority over cosmopolitanism, innovation is stifled and commercial life stagnates. Liberalism is the only social philosophy that can constrain guardianship within its appropriate limits and unleash the productive and progressive force of commerce.

Jane Jacobs' *System of Survival* is a wonderful little book. Easy reading, yet profound in implications, this book should be on the reading list of anyone concerned with the moral foundations of society. *Freeman* readers especially will find much of value in this book. It is highly recommended to all. □

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