



PROJECT MUSE®

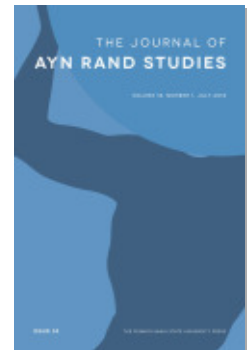
---

## On Life and Value within Objectivist Ethics

Kathleen Touchstone

Journal of Ayn Rand Studies, Volume 18, Number 1, July 2018, pp. 55-83 (Article)

Published by Penn State University Press



➔ For additional information about this article

<https://muse.jhu.edu/article/700902>

# On Life and Value within Objectivist Ethics

KATHLEEN TOUCHSTONE

**ABSTRACT:** This article considers the meanings of “life” within Objectivist ethics. It distinguishes between life lived moment to moment (a flow concept) and life-as-a-whole (a stock concept). It examines life’s finality as related to life being the ultimate value. It questions whether one “lives to consume” or “consumes to live” from a desert island perspective. It discusses what one’s whole life entails within the context of decision making. It looks at decisions between competing values. Finally, it discusses the distinction between ethical and ethically neutral actions and suggests ways in which inquiries regarding these may be approached.

**KEYWORDS:** Life, ultimate value, values, virtue, eudaemonia, Rand, Objectivist ethics, utilitarianism, happiness

## Introduction

In a recent *JARS* article by Robert Hartford (2017), the focus in part is on Ayn Rand’s assertion that if there were no ultimate value, there would be “a series of means going off into an infinite progression toward a nonexistent end” (“The

Objectivist Ethics” in Rand 1964, 17). In response, Hartford states that the last or “ultimate” element in a “potentially infinite” regressive sequence must differ significantly in some way from all of the previous elements. He concludes that the last element in a series of values is the ultimate goal, not the ultimate value (Hartford 2017, 61). J. Charles King (1986) claims that it is unnecessary in a system of values to have an ultimate value or end (108).

Life is a value, as I see it, for two distinct reasons that have to do with the meaning of “life.” One is associated with life’s contingency and the other is related to life’s “finality.” These are not separable aspects of life per se, but they can be isolated for the purposes of analysis. To Rand, because man’s life is contingent, life is the fundamental value. My argument in the first section is that if life were only contingent (probable), but potentially infinite, life would still serve as a fundamental (foundational) value. It would also be an instrumental value. However, there would be no ultimate end of life, and therefore no ultimate value. There could be “a series of means going off into an infinite progression toward a nonexistent end” (“The Objectivist Ethics” in Rand 1964, 17). Of course, as Rand notes, this is “a metaphysical and epistemological impossibility” (17). This is because man is mortal. In Objectivist Ethics (OE), it is man’s life as a potential whole that is the ultimate value (Peikoff 1991, 216–17). In order for there to be a whole life, life must end (Touchstone 2015, 187; on infinity, see Rand 1990, 148). I later qualify this position somewhat. The case is illustrated using an example from my paper “Rand and the Austrians: The Ultimate Value and the Noninterference Principle” (Touchstone 2015, 187–89).

As discussed herein the ultimate value is not the last element in a chain, but life as an integrated sum. Hartford acknowledges this interpretation as given by David Kelley, but does not pursue it in his article (2017, 56; see Kelley 2015, 75). The distinction here is between life lived over time—a flow for an interval of time—and a lifetime—which is a “summation” of those intervals at a point in time. “Life” is action that takes place within a time frame, which contributes (if successful) to the continued existence of the life form. The expected “life” is based on a summation of those time frames. A potential life span is the maximum lifetime for a given person.

Continuing with the examination of life as the ultimate value, the second section looks at whether a person lives to consume—“eat, drink, for tomorrow you may die”—or consumes in order to live. Although simplistic, the example presented is not without implications. The example focuses on the trade-off between consumption and life narrowly defined. The conclusion is that if the person’s focus is on life instead of consumption, then the individual can have both—that is, he can have the maximum amount of consumption and of life. However, if his emphasis is on consumption, then the individual can have the same amount of consumption but less life. Even though both are important,

that is both are values, a focus on life, rather than consumption, results in the attainment of both.

The third section considers life as the ultimate value from the perspective of “action” rather than “value.” This is not an argument separate from Rand’s. The difference is one of emphasis rather than substance. It illustrates that in deciding between an ethical choice (related to productive work) and an unethical alternative, the ethical choice is preferred due in part to the asymmetry in the losses that are involved. Unlike the ethical choice, for the unethical alternative, the loss cannot be ignored in decision making because the long-run probability of death associated with it is not insignificant. The expected loss is significant because the person risks losing the value of his entire working life—the value of his human capital, not simply the income associated with that alternative. That is, the decision requires that it be made within the context of one’s whole life, not simply the apparent time frame relevant to the decision.

The first and second sections assume that one’s whole life is confined to longevity. Life is not limited to quantity only. Quality is also a factor. The value that a person assigns to his “life” depends on context. A person values his life based in part on what he expects to contribute during his lifetime—that is, his productive purpose. Insofar as how that contribution is valued, it can be expressed as the market value of what he expects to produce (broadly defined) over his lifetime. This is of relevance to the decision discussed in section three. A person’s lifetime “value” is not confined to this assessment. Nor is monetary value the only way it can be expressed. And, of course, the monetary value is not to be employed as a means of comparison between individuals. It is, however, used by the individual in making decisions concerning his life. The market value is based on the assessment of others. It is the socially objective value, according to Rand (“What is Capitalism?” in Rand 1967, 24). His assessment may differ from that.

The fourth section examines production and consumption within OE. Utilitarians tend to focus on a person’s happiness—which can be translated into “utility,” particularly by Act-utilitarians (Yeager 2001, 86, 104–5, 115, 143, 154; Hazlitt 1998, 60). Although the word “utility” can encompass the value a person places on his productive work, it is typically confined to “consumption.” A person may evaluate his life not only based on his expected “output,” but also his “intake.” Both what a person produces and what he consumes (broadly defined) are included in the more encompassing term “eudaemonia”—which is regarded by some Rule-utilitarians to mean happiness and by some writers on Objectivism to mean life qua man (Hazlitt 1998, 13, 21–26, 33–34; Yeager 2001, 62, 85; Den Uyl and Rasmussen 1986a, 75; Touchstone 2015, 179). Rand regarded both the maintenance of one’s life and happiness as a person’s purpose and at some level equated the two, according to Ray Shelton (1995, 23). However, productive purpose is a virtue in OE. Consuming is not.

The fifth section discusses decisions between two choices, one of which is productive work (a virtue) and the other consumption. Although consuming is not a virtue in OE, consumption is a value. As rough guidance on balancing productivity and consuming, Rand put forth what I call her “productivity principle”—that one’s lifetime consumer expenditures should not exceed one’s income (“Atlas Shrugged” in Rand 1961, 89). The section also discusses other decisions between competing values.

The final section considers actions that are neither ethical nor unethical. Ethics deals with making decisions and acting on them. According to Ronald Merrill (1991, 108–9), one interpretation of OE is that all decisions can be traceable in some way to life and death (the fundamental alternative). In that sense, all decisions are grounded in morality. However, not all decisions involve an ethical choice versus an unethical alternative. Most decisions for a person who strives to be ethical are between two (or more) ethical alternatives or between two (or more) values. Ethical actions promote life, but there are a number of actions that do not promote life in a fundamental way—by that I mean are required for man’s existence based on his nature. Actions concerning many consumer decisions fall in this category—such as choosing to buy either a blue sweater or a brown sweater. These deal with matters of taste. There are also decisions that are related to customs, conventions, and other norms. These may differ from one culture to the next. Some social norms may tend to promote life within a given society, but actually might not promote life based on man’s nature. Evolutionary ethicists (Hayek 1973, 43–48; Yeager 2001, 77; Hazlitt 1998, 72) maintain that social norms should be followed because they have stood the test of time. Even rules of etiquette are seen as “minor morals” (Hazlitt 1998, 75). Identifying other “social norms” (separate from virtues) and assessing their relevance have received scant attention in OE. A few considerations that might be relevant to inquiries of this nature are briefly discussed.

## Value and Life

As Ayn Rand pointed out, life makes valuing and values possible (“The Objectivist Ethics” in Rand 1964, 17). This is true for all living beings including man (Younkins 2005, 356, 359). In a broad context, “value” is ethically neutral (Hartford 2017, 55).<sup>1</sup> Even in an ethically neutral context, however, the word still has a positive connotation because a value is “valued” (Younkins 2005, 349, 357; “Atlas Shrugged” in Rand 1961, 121; Johnsson 2005, 324).

Life makes values possible; however, life makes negative things possible as well (Yeager 2001, 23). Life makes death possible. However, the converse is not true. Death does not make life possible. Eric Mack, in discussing Rand’s position on values, reiterated her point that death cannot be the basis for values.

A code of values deals with behavior—actions. Stillness (or even random acts) will result in death in short order (Mack 1986, 134; “The Objectivist Ethics” in Rand 1964, 16). The fundamental alternative for living beings is life or death. Of the two, only life can serve as the basis for a code of values.

Rand states: “A code of values accepted by choice is a code of morality” (“Atlas Shrugged” in Rand 1961, 122). Rand’s ethics are biocentric in that they follow from man’s nature (1961, 123; Younkins 2005, 356–57). According to Rand, man must choose life, and he is capable of choosing because he has volition. He also must be able to exercise his choice—that is, have the freedom to do so (“The Objectivist Ethics” in Rand 1964, 17, 19, 20). Unlike lower level living beings, man possesses no automatic means of survival. He has the capacity of reason. It is his means of survival. Reason takes effort. Man must choose to think. Unlike lower level creatures, man cannot survive (his chances of survival are diminished) by thinking moment to moment—what Rand calls the “range of the moment” (“The Objectivist Ethics” in Rand 1964, 23–24). He must think long term; “long term” means within the context of his whole life. That is, it is by holding his whole life as a value that man’s survival is enhanced (Peikoff 1991, 216–17). It is by choosing to think rationally, that is by thinking and deciding within the context of his whole life, that man chooses life as his ultimate value (“The Objectivist Ethics” in Rand 1964, 20–21).

One point of debate among some writers on Objectivism is whether or not the decision to choose life is pre-moral (Rasmussen 2006, 310; Peikoff 1991, 244–45; Kelley 2015, 68; Moen 2012, 93; “Causality Versus Duty” in Rand 1982, 99; Rasmussen 2002, 76, 80–81; Sciabarra [1995] 2013, 225–26). David Kelley frames the debate in terms of two alternatives:

1. “One should choose life because it is a value. The choice to live is not pre-moral” (Kelley 2015, 66).
2. “Life is a value because one chooses it. The choice is a precondition for moral values and obligations” (66).

If the word “should” is removed from the first sentence in (1), then (1\*) is: “One chooses life because it is a value.” Deleting the second sentence from (2), then (2\*) is: “Life is a value because one chooses it.” (1\*) and (2\*) are simultaneously true. At one level, this is tautological, based on what a value is. That is, a value is that which is valued and a value requires a valuer. However, in economic theory, (1\*) represents the demand for a value (that is, for a good or a service) and (2\*) reflects the supply side. A consumer buys a good or service based on the satisfaction (“utility”) he expects to derive from it. A producer is willing and able to offer a good or service for sale because consumers assign value to it. (The demand for producer goods and services, that is, inputs, is derived from

the demand for the product that is produced.) In the case of a person choosing life, the valuer and the producer of the value are one. Within the context of Objectivism, Chris Matthew Sciabarra clarifies the issue as follows:

Epistemologically, Rand recognized that the concept of life is prior to the concept of value. But ontologically, the two are simultaneous. The very existence of life depends on the pursuit and achievement of values; the very phenomenon of value depends on the existence of life. ([1995] 2013, 226; also see “Philosophy and a Sense of Life” in Rand 1969, 30)

From the perspective of ethics, Sciabarra states: “A person’s continued existence is predicated on his or her choices. None of these choices can have any meaning if they are disconnected from the most basic choice to live” ([1995] 2013, 227).

According to Rand, to think is to choose life. In OE, rationality is a virtue (“The Objectivist Ethics” in Rand 1964, 25; “Atlas Shrugged” in Rand 1961, 127). Thus, to choose to live is to exercise a virtue. It would seem to be a contradiction to say that the decision is pre-moral if a virtue is required to carry it out.<sup>2</sup> At least, in practice, the decision would not appear to be entirely pre-moral. Because life is contingent, the decision is not a onetime choice, but is required throughout life, so at some point (and within some context), it would have to be moral. The choice “to live” does not have to be made explicitly, but it requires reason, which depends upon a person’s level of developmental maturity. Within the context of a given maturity level, reason would mean, at a minimum, not evading reality—as the person is capable of understanding it—in making a decision and acting upon it (Sciabarra ([1995] 2013, 227).

The choice “to live” is an ethical choice, but it is one step in a chain of logic in which there can be errors. Rand distinguishes the philosophical inquiry into what actions are ethical or unethical from whether a person is judged ethical or unethical. As Sciabarra states: “It is the task of ethics to objectively validate values that confirm this most basic choice to live” (227). What is required of the individual is that he approaches decisions rationally.<sup>3</sup>

## **Life and Life**

A person may choose to live; however, what “life” means is complex. Like value, life has more than one meaning. There is a difference between “life” lived moment to moment or year to year and “life” as a lifetime, that is, as a whole—an integrated sum. When Rand refers to “life qua man,” she typically means the latter (Peikoff 1991, 216–17; “The Objectivist Ethics” in Rand 1964, 24). The relationship between life and lifetime is similar to that between income and capital value. Income is a flow; it has a time interval associated

with it—such as a year. Capital or asset value is a stock concept; it is calculated at a point in time.

Goods, which are tangible, are said to generate services, which are intangible. The value of the service is income. For a worker, the value is a salary; for a piece of land or a building, it is rent; for a financial asset, it is interest. All of these incomes are “returns” that have a time dimension associated with them, such as a month or a year. In some cases, the income value of the service is imputed. For instance, the value of the services of a home to a homeowner could be estimated based on the rental income that could be received on the home. The value of a good (an asset) is its price, which is calculated at a point in time. For goods that have an earning life that exceeds one year, the price is based on the discounted income for the life of the asset (plus scrap value if that applies). For humans, there is no price; however, a human capital value can be calculated in the same way as for any other “good.”

A person lives from moment to moment; say, from year to year. Life in this sense is analogous to income. It is a flow concept. A person’s life span, say  $T$ , is the sum of the number of years he may potentially live. Life span is a stock concept and in that sense is similar to asset (good) value. When the reference is to “life” lived moment to moment, the focus is short term rather than the entire life span. Rand said that a living being constantly faces the alternatives of life and death—that is, life is contingent. It is because life is contingent that man must choose life. “Contingent,” according to *Merriam-Webster*, means “likely but not certain to happen.” Each moment, a living being faces the probability of death. A person must be alive from one moment to the next in order to achieve any value. This requires that life be a value.

J. Charles King (1986, 111) notes that if life is chosen to pursue values, it is an instrumental value, but it is not an ultimate value. However, it could be argued that regarding life as a value that is needed to pursue other values necessarily leads to regarding life (as a whole) as the ultimate value. That is, if it is necessary to choose life moment to moment to pursue another or other values, then eventually this necessarily will add up to ultimately choosing life as a whole. Therefore, life—one’s whole life—is the value a person is ultimately choosing by choosing to live moment to moment. The problem with this argument is that short-term decision making is largely different from long-term decision making, both in process and in consequences. Making decisions from a moment-to-moment perspective—the range of the moment—will very likely lead to a different life (in terms of quality and length) than when decisions are made with one’s whole life in mind.

In my paper “Rand and the Austrians: The Ultimate Value and the Noninterference Principle” (Touchstone 2015), I argued that life’s “finality” contributes to rendering it the ultimate value. Life’s contingency and life’s “finality”



are two separate aspects of death. If a life form simply lived until its potential age,  $T$ , then died, life would have an end, but it would not be contingent. Life's contingency means that living beings always face a probability of dying. However, facing a probability of death does not mean that a living being is *certain* to die.<sup>4</sup>

It may be true from one moment to the next that life is "likely but not certain to happen." However, eventually life is certain *not* to happen. Man is mortal. All life forms are. I have maintained that because of life's finality, or at a minimum because of its "limitedness," life is the ultimate value. For this to be the case for man, however, it must be added that, unlike other living creatures, man knows that his life is finite.

Living beings may live until  $T$ ; however, they may die before  $T$ . It is useful for analytical purposes to distinguish life's finality from its contingency. To do this, I have presented an illustration in which two beings face an "early" death rate, but only one will eventually face certain death (see Touchstone 2015, 187–89). Two broad categories that are commonly considered to result in early death are senescence, that is, factors related to aging, and nonsenescence, that is, "accidents" (Bongaarts 2005, 204). If life were potentially limitless for a being, but that being faced the possibility of early death, then early death would be the result of accidents only, since the being would not age. That is, if life were only contingent, then only the accidental death rate would be relevant. For simplification purposes it will be assumed that both beings face an early death rate due to accidents only.

Accidental death may result from decisions and actions that are under a person's control and from factors that are not under a person's control. Only the former have ethical implications. Within OE, virtues are actions that if consistently followed promote life. One way of promoting life is its quantity—that is, longevity; another is its quality. I will abstract from the quality of life and focus only on its quantity. That is, it is assumed that there is no variation in quality from one moment to the next—a year is a year is a year. Ethical actions promote the expected length of life only. The purpose of this assumption is to focus on the role  $T$  plays in decision making. As will be seen, the importance of  $T$  is that it allows a mortal being to put ethical decisions in context, whereas this is not the case for a being that is potentially immortal but faces the possibility of "early" death.

It is supposed that there are two beings, one that is potentially immortal ( $B_{\infty}$ ) and another that is mortal and faces a potential life span of ten years ( $B_{10}$ ). Both are assumed to face an early death rate,  $r$ , equal to 10 percent. The expected life of  $B_{\infty}$  would be ten years and the expected life of  $B_{10}$  would be 6.144 years based on the equation  $\sum_1^T [1/(1+r)]^t$ . (The continuous counterpart to this formula is  $\int_0^T e^{-rt} dt$ , where the  $r$  in the continuous version is not equal

to the  $r$  in the discrete version.) This formulation is consistent with the general form of the definition of the expected life of an asset in Preinreich (1938) and in Kurtz (1930) (Touchstone 2014, 86).<sup>5</sup>

In this simple illustration, virtue “pays” by lowering the early death rate, thereby extending the expected lives of both beings. Suppose that the early death rate as a result of accidents resulting from no fault of the individual under consideration was one percent. The expected life of  $B_{10}$  who now faces a one percent early death rate would become 9.47 years; that of  $B_{\infty}$  would be 100 years. Both would benefit from leading more ethical lives. In absolute terms,  $B_{\infty}$ ’s expected life would be vastly increased relative to  $B_{10}$ ’s. However, the difference between the two beings is that the mortal being can put the improvement in the context of his potential life span,  $T = 10$ . As a percentage of his potential life span,  $B_{10}$ ’s life improves from 41.93 percent to 94.71 percent of his potential life. For  $B_{\infty}$ , the improvement in relative terms is meaningless in that in the limit it is zero. (In continuous terms, the limit of an expected life as  $T$  tends to infinity would be  $\int_0^T e^{-rt} dt = (1/r)(1 - e^{-rT})$  (see Chiang 1974, 457). The  $\lim_{T \rightarrow \infty} [(1/r)(1 - e^{-rT})]/T$  is, using L’Hôpital’s rule, equal to  $\lim_{T \rightarrow \infty} e^{-rT}/1 = 0$ . See Touchstone 2015, 189 n.9.)

$B_{10}$ ’s “whole life” is not just a basis for measuring “how well he is doing” (as a standard of value); it is an end toward which his actions can be directed. A more virtuous life does not simply keep him alive moment to moment; it lengthens his expected life. However, unlike the being with an infinite life, this longer expected life can be measured against his potential life span, and his potential life span is a goal toward which actions can be directed. The longer expected life for  $B_{10}$  is given context by having a finite life against which it can be gauged. The potential life span, when finite, serves as a goal toward which the person can strive by acting more virtuously, thereby reducing the early probability of dying and increasing his expected length of life (Touchstone 2015, 189).

On the other hand, it would appear that for  $B_{\infty}$ , regardless of the early death rate, an expected life span relative to a potentially endless one would not be meaningful. “Lifetime goals” would seem to have no context for  $B_{\infty}$  since there is no quantifiable life span against which to assess them. In this respect, “life” would not be an ultimate value if life were potentially limitless.

I qualify this somewhat in my essay on “Rand and the Austrians” (Touchstone 2015). As seen above, for  $B_{\infty}$ , barring accidents, an unlimited life span is possible, but it cannot serve as the basis against which alternative average lives could be compared. However, for  $B_{\infty}$ , an average life that is associated with a higher probability of early death can be assessed against one with a lower probability (191). For instance, the average age associated with “no-fault” behavior—one percent in the illustration discussed above—could be used as the base average age, or denominator, against which another average age

associated with less ethical behavior—in the numerator—can be compared. (The possibility of utilizing this ratio for decision making was not explicitly mentioned in Touchstone 2015.) The expected life associated with “no-fault” behavior is the best that  $B^\infty$  can expect to achieve. This is because, although it may be possible for  $B^\infty$  to always and forever escape accidental death, it is not “probable,” and the lowest possible probability of early death is that associated with no-fault accidents. If currently  $B^\infty$ ’s expected life span is ten years based on a ten percent probability of dying, and if the best he can expect to achieve is a hundred years based on a one percent “no-fault” probability of dying, then the difference between  $10/100$  and  $100/100$  gives  $B^\infty$  a gauge of expected longevity improvement if he were to follow a more virtuous course. In either case, in making decisions, it is necessary to have a finite life, or as in  $B^\infty$ ’s case a (best-case) “limited” life, to strive for.

“Life” is not confined to longevity (cf. Mack 1986, 139). It is not simply the quantity of life that has value, but also its quality. It is not the case that a year is a year is a year. A person values his life as a potential. A person “produces” his life. If longevity were his only objective, he would minimize all life-threatening risks. Yet, human beings are risk takers. How are the two reconciled? That is, how is life as the ultimate value reconciled with humans being risk takers? Economists view risk taking as “rational” if there is sufficient expected monetary compensation. However, some humans take risks for which there is insufficient compensation. Risk for the sake of risk, playing Russian roulette, for instance, is unethical. However, in cases for which it is possible, the perfection of a skill is designed to reduce risk. This is ethical (or can be). Athletes and fire-fighters do not take risks simply for the sake of it. They perfect skills in order to achieve excellence, thereby reducing risks. The same is true for risks that do not result in death, but can result in failures of other kinds. Dancers and musicians reduce risk of failure by improving their skills. A life well lived is not simply one in which the risk of death or failure is minimized, but may be one in which a person perfects his skills so as to minimize those risks. This is an aspect of human nature that is beyond the scope of the present paper, but one that I have been in the process of pursuing.

### “Consume to Live” or “Live to Consume”

In this section, I examine the “whole-life” issue from another perspective. I will borrow from an example I presented in Touchstone (2006) in which a cast-away is alone on a desert island with a stock of provisions (hardtack) to last ten years. Potential life span (the number of remaining years he has to live),  $T$ , is determined by the number of years of provisions that are available, in this case a thousand units per year for ten years. The number of units per year could

be based on the average number of calories needed to sustain a man of the castaway's height and build. The early death rate due to (no-fault) accidents is assumed to be 10 percent. The number of years that the castaway can expect to live under these assumptions is 6.144. The "present value" of the hardtack when the castaway arrives on the island is 6144.44, if it is assumed that the discount rate is the same as the mortality rate (2006, 73).

Unlike the previous example, which focused on life (sans consumption), this illustration abstracts from all other considerations except life and consumption (narrowly confined to eating). One of the questions to be considered is: does one "live to eat" or "eat to live"? Of course, on one level the answer is both. A person must be alive to eat and a person must eat to be alive. But at the margin, there is a trade-off. Because life is contingent, there may be an incentive to "live ('eat, drink, and be merry') today for tomorrow you may die." However, there is also the reward (the return of a longer life in this case) if a person abstains after the point of sustenance. Stated another way, does a person live for happiness ("utility" derived from consuming) or for "life" (productive purpose, which in this case is expressed in years of life)?

If the castaway's focus was primarily on consumption, he would consume hardtack as if it had no opportunity cost. Theoretically it is posited that in most instances a person does not consume a good to the point of satiation (which may be expressed as the point at which "marginal utility" is zero) because there is a positive price (in addition to implicit costs in some cases) to incur. If there is no price, as in the castaway case, there is still an opportunity cost. The opportunity cost to the castaway of consuming an additional unit of hardtack today, beyond that necessary to sustain his life, is the future life that would be sacrificed. If, in a given year, the castaway chose to eat twice as much hardtack—two thousand units—he would be sacrificing one year of his potential life. Of course, the sacrificed year would be at the end of his life. The hardtack that would be sacrificed at the end of his potential life would have less value (present value) than the same amount of hardtack in the present. Nevertheless, in terms of units of life, the sacrifice would be one year of his life.

If the rate of hardtack consumption doubled (that is, it was two thousand units) throughout his entire life rather than increasing from one to two thousand for a single year, then his potential life span,  $T$ , would be halved. Also, the rate of time preference (which is confined to the mortality rate) would increase, which would further reduce his expected life. This is a highly abstract example. In most cases, a person's potential life span would be unchanged and would be estimated based on, say, a person's heredity, such as an average of the life spans of recently deceased family members. In most cases, "gluttony" does not directly lessen a person's expected length of life. Overeating may contribute to health problems in some people which could affect their expected life span,

depending on what they eat and their other habits—such as exercise, alcohol intake, exposure and response to stress, and so forth. In this example, overeating is unethical in that it has the potential of directly shortening a person's life.

If the castaway puts “life” first instead of consumption, he has a longer expected life while being able to enjoy the same amount of consumption; whereas if he puts “consumption” first he will have a shorter expected life with the same amount of consumption. Of course, if the castaway tries to extend his life by consuming less than needed to sustain his life thereby resulting in insufficient caloric intake, he ultimately risks having a shorter life *and* consuming less over the course of his lifetime. (In this case, the decision would tend to lower his rate of time preference; however, because the death rate would increase, on balance the discount rate would rise.)

In any case, it “pays” to think in terms of one's whole life rather than the range of the moment. By thinking ultimately in terms of his entire life (“productivity” in terms of years lived), the castaway has *both* consumption and longevity.

### Life's “Value”

Rather than focus on “value” to illustrate the ways in which life is a value, another approach is to focus on “action.” Rand's emphasis in discussing life as the ultimate value is on value. The emphasis here is on action. The difference is one of emphasis rather than substance. In short, the argument is as follows. Ethics deals with how an individual acts (when the individual has choice). Action arises with life. To act, one must be alive. To be alive, one must act. The latter is true because inactivity will ultimately (and in fairly short order) result in death. There are actions that promote life and actions that do not. (Context is a factor here.) Lower-level beings do not have a choice about which actions to pursue. Moral value judgments are not assigned to the behavior of non-human beings. Humans do have a choice over which actions to take and can exercise that choice (given the freedom to do so). Typically, they can with some degree of confidence predict the consequences of their actions. Those actions that tend to promote life are ethical. That is, ethical actions can be defined as those that tend to promote life. Those that do not may be deemed unethical.

A refined definition of virtues or ethical behaviors that I discussed in *Touchstone* (2008a, 37–38) is they are strategies that if consistently followed will result in success in the long run.<sup>6</sup> This definition is consistent with utility maximization for binary choice. OE's Benevolent Universe Premise (BUP) adds that failure is the “not to be expected” and is not to be taken seriously metaphysically. That is, the BUP posits that pursuing rational (that is, ethical) actions will result in success; if failure occurs, it will be “accidental” (Peikoff

[1976] 1986). I interpret this to mean that because virtues are life-promoting, if a person acts ethically, the expected loss associated with the probability of failure (death) can be ignored in decision making.<sup>7</sup>

This is particularly true for a decision between an ethical choice and an unethical alternative (Touchstone 2016, 40; 2008a, 46; 2008b, 179–80; 2006, 281–82). In comparing these two alternatives, the probability of “success” would be higher for the ethical alternative, although the “payoff” for the unethical may be higher. (It is assumed that the probability of success is limited to that of survival.) Because the payoff for the unethical alternative may be higher than for the ethical, the expected payoff (probability of success multiplied by the “payoff”) may be higher for the unethical action even though its probability of survival is lower. This is what makes unethical behavior sometimes seem attractive. The probability of loss (death) can be ignored for the ethical alternative because failure is not to be expected. It is “incidental.” However, the long-run probability of loss for the unethical action is higher and cannot be ignored. Also, the loss for the unethical option is one’s whole life. Thus, the expected loss (probability of death multiplied by the loss of one’s life) would be significant. That the value of one’s whole life should be the loss for the unethical alternative was not considered in Touchstone 2006 (281–82) or in 2008a (46) but was discussed in Touchstone 2008b (179–80).

The gain in both cases may be relatively short term. For instance, a college student may be deciding between two summer jobs—one in which he delivers flowers for a local florist and the other in which he delivers stolen goods for a local fence. In both cases, the income is limited to summer “employment.” Of course, productive work is the central virtue in OE and that would only apply to the former “job.” The asymmetry involved between the losses for the two alternatives is important. For the former job, the expected loss can be ignored. In the latter case, the expected loss cannot. The long-run probability of death for trafficking in stolen goods would be higher than for legitimate employment. When multiplied by the value of one’s entire life, the expected loss would be significant. (There may be probabilities associated with other losses—reputation, access to legitimate employment, health, friends, legal fees, time in prison, etc. These are important but are not considered here.)<sup>8</sup>

This is where one’s whole life (life as the ultimate value) is realized in this example. The enormity of the loss must be acknowledged. Also required is assessing what that loss would consist of. In a case in which a student is considering a summer job, the loss could be expressed in the form of the human capital that would be sacrificed should he die. Of course, that is a very limited picture of the loss of a person’s life. Nevertheless, it is one aspect and an important one.<sup>9</sup>

## Production and Consumption

If a person's whole life is the value that he is striving for, how is that whole life valued? In the decision above regarding summer employment, it was the person's human capital that was of relevance. Human capital is a stock concept and is calculated much as any asset's value, as equal to the sum of a person's discounted expected lifetime income. It is pertinent to a number of decisions—such as deciding whether to invest in education or training, which job or career to pursue, how much life insurance to purchase, and how much to be compensated for a work-related injury. It is the explicit value in monetary terms that a person can expect to receive over his lifetime; however, there may also be productive work that is nonmonetary that can be assigned a monetary equivalent so as to be included in the figure.

When a person dies, not only does he forgo the income he could have earned over the course of his lifetime, he also forgoes what he would have consumed. However, in calculating a person's human capital, only income is counted. Income equals consumption expenditures plus saving (which is spending on investment goods). To sum income plus outgo (expenditures) would be double counting in an accounting sense. From the perspective of a person assessing the loss if he should die, the value of the loss is not only his productive contribution but also the "utility" he would forgo. A complete accounting would look at both sides of the "ledger," so to speak.

Productive work maintains a person's life in several respects. It is or can be fulfilling, but equally important or more so is that it provides the wherewithal (income) to sustain his life through the purchase of consumer goods and services. The return to consuming is satisfaction or "utility." Utilitarians, particularly Act-utilitarians, focus on happiness or "utility" in the short term (Hazlitt 1998, 60; Touchstone 2016, 37). Not all "utility" is confined to the explicit purchase of goods and services. Individuals may derive utility from leisure activities (recreation, etc.) that require no explicit payment but require the expenditure of a person's time (which has an opportunity cost) as well as other resources.

Also, there is not a strict dividing line between consumption and production. At some level, consuming sustains "human capital" and is therefore productive. Some products are partly production and partly consumption—such as education. To the extent that a person enjoys his work, it is not only productive but also consumption. There are those who say: "I would do this job even if no one paid me," which if true would render the "work" entirely consumption. There are those who sacrifice large paychecks to pursue employment that gives them greater psychological satisfaction. The monetary difference between the higher sacrificed paycheck and the lower one the person would actually receive can be thought of as a measure of "psychic income." There are also several activities

in which individuals engage in their “leisure time” that are more “production” than “consumption,” such as cleaning one’s house or mowing one’s lawn. No pay is received for such activities; however, they can be assigned an estimated monetary value. Although there is an overlap, the demarcation between production and consumption is important. Even though from the perspective of one’s whole life, a person should be aware of returns to both productive work and consumption that he would forgo should he lose his life, he “accounts” only for the income side in the employment decision posed above.

Both production and consumption are values, but both productivity and consuming are not virtues in OE. Only productive work is a virtue—the central virtue in OE. A person’s productive contribution—his destiny—is lost when he dies. His intake (consumption) is important to him, but what is lost to “the world,” so to speak, is what he would have contributed. Of course, what a person contributes to “the world” is secondary in OE. Primarily that which a person loses is the fulfillment of his purpose.

Consuming is not a virtue in OE, but happiness (“utility” derived from consumption broadly conceived) is a value. According to Rand, productivity is man’s central purpose. To Rand, happiness is also man’s moral purpose. As Ray Shelton has pointed out, at some level, Rand equated productivity and happiness (1995, 23). Rand said: “Existentially, the activity of pursuing rational goals is the activity of maintaining one’s life; psychologically, its result, reward and concomitant is an emotional state of happiness” (“The Objectivist Ethics” in Rand 1964, 29).<sup>10</sup>

Both production and happiness (“utility”) are values in OE. However, to count both productive work and consuming as virtues could be viewed as “double counting.” Rand’s perspective on the maintenance of one’s life and happiness parallels the accounting perspective that adding income and consumption would be double counting (that is, consumption would be counted twice). This is where Rand stands in stark contrast to “Act-utilitarians,” whose focus is on (short-term) happiness as man’s ultimate value. “Rule-utilitarians,” in contrast, regard long-term happiness to be man’s ultimate value, which translates into eudaemonia (Hazlitt 1998, 13, 21–26, 33–34; Yeager 2001, 62, 85; Touchstone 2015, 179). This is consistent with Rand’s view of life qua man with the qualification that she stressed the importance of work in man’s survival.<sup>11</sup>

Certainly, eudaemonia in the sense of a “life well lived” is consistent with Rand’s position that “life qua man” is man’s ultimate value. However, Rand’s emphasis on productive work as man’s central purpose and happiness as his reward provides the balance between output and intake that is often missing in this discussion. Implicitly she recognized this balance in what I refer to as her “productivity principle,” which states that over the course of a person’s life his consumption expenditures should not exceed his income (“Atlas Shrugged” in



Rand 1961, 89). It is also present in the Objectivist view that a person should, at a minimum, maintain his inheritance (Branden 1963, 23). Rand's emphasis is on a person's contribution in life (his destiny), and on producing an income to maintain himself. Yet, she equally recognizes the importance of consumption in the broad sense; that is, of happiness ("utility"). Her ethics is egocentric. It focuses on man's destiny along with the necessity of man maintaining his own life via the income he receives from pursuing his career. It equally stresses happiness as a reward. Rand's view is neither ascetic nor hedonistic. It is balanced.

### Decisions Involving Competing Values

As I mentioned, a person's human capital figures into many decisions. This is also the case for a person's income. A person's income is not a measure of his "worth." It is market-determined—as Rand noted, it is a socially objective estimation of the value of what a person produces ("What is Capitalism?" in Rand 1967, 24). Nevertheless, a person's income informs many of a person's life decisions. It is a measure of what a person forgoes when he chooses to spend his time in some activity other than work—it is an estimate of his opportunity cost.

Because productive work is a virtue and consuming is not, it would seem that nonproductive leisure time might suffer in comparison to productive employment in an Objectivist's hierarchy of values. This could be similarly said for decisions between consumption and saving. Saving is productive in that it is (either directly or indirectly) used on investment—which is a productive endeavor ("Egalitarianism and Inflation" in Rand 1982, 132; Rand [1974] 1979, 345; Touchstone 2006, 246). Saving would seem to have the ethical edge over consuming. Even though consuming is not a virtue, consumption is a value. Happiness in OE is the moral purpose of life. The guidance Rand offers for balancing production and consumption is what I refer to above as her "productivity principle."

Most decisions that a person (who is trying to be ethical) makes are not between an ethical choice and an unethical alternative as discussed above. Most decisions are between two alternatives, both of which are ethical—or at least, not unethical. (Decisions are not necessarily binary. However, for a given decision a person makes, the highest valued alternative is the opportunity cost and in that sense a decision is binary.) An example of a decision that involves two alternatives both of which have value would be, say, between work and leisure. For instance, a person may be deciding between whether to work or to take a day off and golf. As mentioned above, although this appears to be a decision between a virtuous activity (productive work) and one that is ethically neutral

(“consuming” a golf game), OE recognizes that happiness is a value. The challenge is to find the right balance between productive work and consuming.

A similar decision would be a father deciding between an important business trip or attending his son’s high school graduation ceremony. This sounds as if it is a choice between productivity and recreation; however, it can be seen as a decision between two productive activities (Touchstone 2006, 366). Parenting, although it has no monetary compensation, is a productive endeavor. Here the challenge is to find the balance between two undertakings, both of which may be viewed as productive.<sup>12</sup>

To a large extent, the decision between how much time to spend at work relative to how much to spend with one’s child are determined by institutional factors. Most careers allow for little flexibility in the number of hours per week an employee works. Often, the balance between time with a child and time alone or with others involves the discretionary nonworking hours. In any case, when a parent has a child, he is primarily responsible for the child’s well-being and must provide for that well-being either directly or indirectly (by providing sufficient care).

Economists regard preferences as being ranked along a single scale (Mises [1949] 1996, 233; Alchian and Allen 1977, 25–26; Becker 1995, 7). Similarly, Rand discusses a single hierarchy of values based on an ordinal scale (1990, 31).<sup>13</sup> For a single hierarchy of values, one would include decisions for oneself, for one’s children, and for charity—all on a single ordinal scale. For instance, a person may consider whether to buy a set of golf clubs for himself or spend a similar amount for his child’s orthodontia. Similarly, a person may weigh buying a blouse or contributing the same amount to charity. In my essay, “Charity, Childcare, and Crime: From Objectivist Ethics to the Austrian School,” I argued that decisions between how much to spend on oneself relative to one’s child are separable (2016, 47–48). That is, many of the expenditures for oneself and one’s child can be arranged (ordinally) on separate scales. Similarly, the decision on how much to spend on oneself (and one’s family) relative to giving to charity can also be seen as separable (50–51).

As rough guidance on the minimum amount to spend on one’s child, a person may refer to the amount invested by his parents (or guardians) on his human capital (broadly conceived). The yearly expenditure by a parent on a child can be approximated by the sinking fund that would correspond to that amount.<sup>14</sup> (A parent may spend more than that, of course; however, the parent should be mindful of not spending annually—in most cases—more than the sinking fund on the value of his own human capital so as not to compromise his ability to provide for himself throughout his life.) The sinking fund amount would be separable from expenditures on oneself (or others). Expenditures for the child can be ranked separately based on this yearly amount. Expenditures

need not and typically would not be limited to this amount, but this would at least cover the basic expenditures. Expenditures beyond this amount would compete with expenditures by the parent on himself.

The amount to spend on charity can be approximated by the probability of dying for a given year multiplied by one's income (Touchstone 2008a, 47–48; 2006, 316–26, 342). (There are qualifications to this. For instance, this assumes that this amount isn't already being taxed by the government for expenditures on transfer payments, such as welfare.) This amount would be separable and thus would not compete with expenditures on oneself and on others (such as family members). Given this amount, decisions on charitable contributions would be separate from those for oneself and family and would be ranked on a separate scale.

### **A Few Comments on Ethically Neutral Actions**

A value is that which a person acts to gain or keep. The action involved in gaining or keeping a value is a virtue. More specifically, virtues are actions that promote life.<sup>15</sup> Virtues are not actions undertaken in isolation; that is, they are not simply actions or reactions based on short-term or “range of the moment” considerations. They are actions if consistently pursued will result in success—success being *life qua man*. This means there is the possibility (even though it has a low long-term probability) that a person may act virtuously and yet not achieve success. There is also the possibility (even though it has a low long-term probability) that a person may act unethically and still be successful.

The virtue that should be applied in a particular instance depends on context. In most cases, a person who is trying to be ethical is deciding not between ethical and unethical alternatives, but between two competing ethical alternatives. In deciding between an ethical and an unethical alternative, it is unnecessary to calculate every time such a decision arises. Because a virtue results in success if consistently applied, the best strategy for success is to consistently apply it. However, for decisions between ethical alternatives, calculation may be necessary, depending upon context.

There are also decisions that involve ethically neutral alternatives (Touchstone 2006, 302; 2008a). Virtues or ethical behaviors are actions that promote life. Unethical behaviors do not. However, categories of action are not binary. There are any number of actions that are ethically neutral. This is particularly true of decisions involving consumption. As pointed out above, consumption is a value, but consuming is not a virtue. Consuming may promote life, but it is not heralded as a virtue *per se* in OE. Many consumer choices are ethically neutral. For instance, the choice between a buying a blue shirt or a brown shirt is ethically neutral. Also, for many such decisions, the probability of death (and other

losses) is identical for the alternatives. The probability of death is ignored in decision making. Although consuming per se is not a virtue, there are virtues involved in consumer decisions. Buying and using some “goods” can promote death or loss—such as the abuse of some drugs. In these cases, the probability of loss cannot be ignored.

Many consumer decisions are matters of taste. Although they may have no ethical content, normative issues of some stripe are involved since they deal with an appraisal of some kind. Within OE, there are two conceptual categories: cognitive and normative. Cognitive concepts deal with what is and normative concepts involve evaluating that which exists (“The Psycho-Epistemology of Art” in Rand 1969, 18). Given these two broad categories, tastes and preferences would seem to fall into the latter. Aesthetic tastes are a subset of tastes in general.

In their book *What Art Is*, Louis Torres and Michelle Marder Kamhi mention Rand’s unfortunate inclination to elevate her own tastes to aesthetic absolutes. This tendency has been replicated by many other Objectivists, according to Torres and Kamhi (2000, 343 n.19). For example, in dance, Rand’s preference was for tap. Her “distaste” for modern dance (“Art and Cognition” in Rand 1969, 68–69) led Rand to dismiss it from serious consideration (Torres and Kamhi 2000, 72). In *The Passion of Ayn Rand*, Barbara Branden wrote of Rand’s efforts to convince her and “so many others, of the invalidity of their artistic tastes” (Torres and Kamhi 2000, 351 n.65; Branden 1986, 241). For Rand, art is necessary for the survival of man’s consciousness (“The Psycho-Epistemology of Art” in Rand 1969, 17). Aesthetic appraisals are normative; however, they are distinct from ethical judgments (Merrill 1991, 123). It does not follow that because art is necessary for man’s cognitive survival that aesthetic judgments are monolithic or that they are equivalent to ethical mandates.

In addition to tastes, there are also rules of social behavior, traditions, and norms, most of which have normative content, but are not virtues per se. Rules of etiquette are examples of this. Friedrich A. Hayek (1973, 43–48), Leland B. Yeager (2001, 77) and Henry Hazlitt (1998, 72) are proponents of evolutionary ethics. They take the position that traditions should be followed because they have passed the evolutionary test. Social norms have stood the test of time. Hazlitt (1998, 13) has stated that traditional mores result in success and should be followed to achieve long-term happiness (eudaemonia). Included in traditions are rules of etiquette. Rules of etiquette are, according to Hazlitt (1998, 75), “minor morals.”

It is true that not following certain social norms may result in “failure.” If a person fails to follow certain fashion dos-or-don’ts, he may be thought eccentric or even insane. Wearing a bathrobe in public may impede a person’s chance of attaining employment and supporting himself. Customs and conventions

may require adherence but may not have the force of ethical imperatives. There are times in which following a tradition may stifle a person's pursuit of his destiny, in which case it should be eschewed. Some social norms are arbitrary and may even be harmful. Of course, deviating from the norm is not without risk. It can require courage.<sup>16</sup>

It is not always clear which norms are ethics and which are simply customs or conventions. Rand did not believe that one should blindly follow tradition ("Conservatism: An Obituary" in Rand 1967, 198). Hers was a rational ethics. As has been mentioned, I regard virtues or ethical principles as strategies that result in success (life qua man) in the long run. This definition is consistent with the BUP. It would seem to follow, as evolutionary ethicists suggest, that to be successful a person should look at society and determine which actions ultimately result in success. The problem with this approach is that the society being examined should be one in which individuals have the freedom to act on their decisions. Freedom is a precondition needed to discover which actions result in long-run success. However, it is first necessary to derive a code of ethics before the principles associated with a free society can be discovered.

As I stated in *Touchstone* (2015, 194):

If a person were to observe existing society and its norms, he might discover what appears to "work" in this time and place, but these norms may not be successful long-term; they may not be consistent with man's nature if survival qua man is his objective.

Epistemologically, it is first necessary to derive a code of ethics to provide the foundation on which to discover the societal preconditions that permit the latitude required to derive a code of ethics. One way around the circular dilemma that inquiry into ethics poses is to employ the so-called desert island approach. Hazlitt (1998) suggests that this approach should be used more widely in uncovering ethics:

Ethics would be in a more advanced stage than it is if moral philosophers had begun more often with the postulate of the isolated individual and then moved, for many problems, to the postulate of a society of two, three, etc. before jumping immediately to The Great Society. (380 n.13)

I have suggested that Rand used the desert island as a device to determine the cardinal values and virtues in OE (*Touchstone* 2006, 89; "The Objectivist Ethics" in Rand 1964, 32; "The Nature of Government" in Rand 1964, 107). Rand transitioned immediately from "man alone to man in society" (*Touchstone* 2015, 195). Murray N. Rothbard, who, unlike Rand, thought individual rights

should be established before ethics, used the desert island approach to establish the rights to life and property, first starting with a man alone and then introducing a second man (Rothbard 1998, 35).

In my essay on “Rand and the Austrians,” I used the approach to illustrate the noninterference principle for two men who are stranded on an island—one of whom arrives on an island that is already inhabited by the other. I illustrated that an asymmetry in probabilities faced by each man favored not killing the other man. The asymmetry arose because each man had more information about himself than he did about the other man (Touchstone 2015, 198). I also have examined a two-man desert island situation in which neither person was a man—the Primary Social Unit (mother and child)—to discuss positive rights and the virtue of nurturance (Touchstone 2010, 223–24; 2006, 89–104).

I think that there are probably relatively few virtues. Many rules of social behavior, such as rules of etiquette, are “normative,” but do not promote life in the fundamental sense. Because it abstracts from any particular society, I think the desert island approach can be useful in deriving ethics. Also, game theory has been helpful in understanding the emergence of conventions (Lewis 1969; Sugden 1986; Touchstone 2006, 80–87). Many times, conventions are arbitrary—such as driving on the right-hand side of the road or the left. However, once they are accepted, conventions such as this one can have the force of moral imperatives because violating them can result in accidents or death.<sup>17</sup>

As has been seen in the United States, so-called “rights” have been exploding in number. The same may be said of virtues. “Virtue-signaling” behavior is becoming increasingly common and the virtues that are being signaled seem to be increasing as well. Distinguishing virtues from tastes, traditions, conventions, and customs is a largely untapped investigation within OE. The discussion is beyond the scope of this paper but is one I have been examining.

KATHLEEN TOUCHSTONE, email: ktouchstone@troy.edu, is a retired educator from Troy University and the author of the book *Then Athena Said: Unilateral Transfers and the Transformation of Objectivist Ethics*, as well as a number of articles.

## NOTES

1. The meaning of the word “value” depends on context. Valuing is a process that takes place within the mind of the valuer. What the valuer values is revealed by his actions with respect to that which is valued. A value is something that is valued. A value may be internal and/or external. It may be tangible or intangible. Rand distinguishes market value from philosophical value (“What is Capitalism” in Rand 1967, 24). From an economic perspective, “value” is without ethical content—it is descriptive, rather than

normative; in that sense it is “value-free” (Younkins 2005, 352, 361, 362, 365). That is, economists focus on what *is* valued rather than what *should be* valued. Economic values are goods or services that have “value.” The value a consumer places on a good or service is psychological (measurable by the consumer on an ordinal scale of preferences) (Alchian and Allen 1977, 25–26; Younkins 2005, 353). The value of a good or service may be explicit, as represented by a market price (or wage, salary, rent, etc.). It may also be implicit. For instance, a person needn’t pay for something for it to have value. According to economic theory, the “value” to a person of, say, leisure activities may be imputed based on the highest valued alternative that is forgone by engaging in the activity. Not all goods or services “go through the market.” For example, the value of a farmer’s product that he consumes or barter can be estimated based on its comparable market value. Some products have no explicit price because they are sufficiently abundant to command a zero price. Although these products have no marginal value, they do have a value in total. Some goods do not command a price because they are not owned. They may be scarce and could command a price if owned. Some “goods,” humans specifically, should not be owned. Other goods, such as some public goods, cannot be owned, yet are available at a zero price—such as the sun. Values within OE are life-promoting (Younkins 2005, 357). Values also refer to principles that are held by a person. (These would be internal to the person.) In a broader context, not all values are life-affirming.

2. Paradoxically, or at least seemingly so, Peikoff regards the choice to live as pre-moral (1991, 244–45), yet condemns a person to the “lowest rung of hell” (248) if he does not choose it. Sciabarra states that Peikoff (1991, 244, 248) argues the choice is “a metaethical commitment. It is a choice that both precedes and underlies the need for morality. But such a choice is not arbitrary. Rather, it is an affirmation of a human being’s willingness to accept the reality of his or her own existence” (Sciabarra [1995] 2013, 226).

3. That life should be man’s ultimate value is based on man’s nature—that thinking long term, rather than the range of the moment, improves the odds of success (Merrill 1991, 114–15). In practice, “choosing life” occurs throughout a person’s life. By choosing life, a person “opts in” to moral obligations. However, a person who does “opt in” may do the wrong thing yet not be considered unethical or immoral. To be ethical, it is necessary that man think rationally. However, a person is neither omniscient nor infallible. He may make errors in judgment, but these are not moral flaws unless he refuses to think. That is, there is an ethical lapse when a person either refuses to put forth the effort required to think or he “knows better” but acts to the contrary (“Atlas Shrugged” in Rand 1961, 178–79).

One interpretation of the choice to live is that if a person does not choose life then morality doesn’t apply to him. That is, if a person does not “opt in” to morality, then he has no moral obligations (Moen 2012, 93; Rasmussen 2002, 71). It would follow that his actions cannot be judged as ethical or unethical. Rand regards the refusal to think as man’s “basic vice, the source of all of his evils” (“Atlas Shrugged” in Rand 1961, 127). She does not see morality as a duty, by which she means an unthinking acceptance of rules. Ethics requires conscious thought, not blind obedience. A person cannot be moral simply by mimicking what is thought (by others) to do the right thing (“Causality versus Duty” in Rand 1982, 95). However, this does not mean that a person’s actions cannot be assessed as being “right” or “wrong” by Objectivist standards. The person who simply apes the behavior of those around him may not be regarded as moral because he does

not opt to think for himself. He could be thought of as amoral; in effect, as having no moral code. That does not mean that his actions cannot be objectively evaluated. There are also those who are incapable of thinking rationally—the insane, for instance—who are not responsible for their actions. Their actions as such can be judged right or wrong; however, unlike those who are amoral, the insane are not morally culpable (Berliner 1995, 560).

4. It is existentially true that life is contingent and man must act to stay alive. If he fails to do so, he will die. However, the focus here is on decision making, for which contingency means that man is unsure of whether he will survive moment to moment (even if he acts to stay alive); that is, there is a probability he will die in the next moment. Probability is an epistemological concept. Ethics has to do with decision making and acting on those decisions. There are probabilities of survival and of dying that are associated with decisions.

5. For a given death rate,  $r$ , the expected life span for  $B^\infty$  would be:  $\int_0^\infty e^{-rt} dt = \lim_{T \rightarrow \infty} \int_0^T e^{-rt} dt = \lim_{T \rightarrow \infty} [1/r (1 - e^{-rT})] = 1/r$  (see Chiang 1974, 459).

6. Behaviorists examine “units of behavior” (Michael 1982, 152–54). See Funder and Colvin (1991, 774) on methods of quantifying behavior besides using discrete concrete units; for molar versus molecular units, see Iverson 1991, 200–1 and Brennan 1998, 273–74; cf. Cerutti 1989, 264; see also Catania 2013, 135; Glenn and Madden 1995, 241–45; and Branch 1977, 172. By a strategy, I mean a pattern of action—which in this context results in long-run success. For instance, in game theory, it has been found that a strategy of reciprocity called Tit for Tat (cooperating with cooperators and retaliating against defectors) is successful on repeated trials (Axelrod 1984, 27–54). Game theory relies upon simplistic assumptions, but it can be useful nevertheless in understanding reality so long as its limitations are kept in mind.

7. That is, the loss can be ignored insofar as choosing which action to take. This does not mean that a decision maker should ignore reality. For example, a pharmaceutical company may discover that one of the medications it has produced is tainted and would likely have lethal side effects. A cost-benefit analysis might show that the firm would incur large financial losses if it took the drug off the market. The right action would be to pull the drug. These losses should be ignored insofar as taking the right action, but that does not mean that the company should be unaware of the financial consequences of the action.

8. OE is grounded in human nature (“The Objectivist Ethics” in Rand 1964, 16–26). Although this illustration is framed as a one-time decision involving an ethical choice and an unethical alternative, what may be thought of as a one-shot endeavor may not be (Touchstone 2008b, 174, 186), particularly as it relates to the unethical choice. As has pointed out by Robert H. Frank (1988, 90–91), the emotions necessary to sustain ethical behavior can be compromised by caving into short-term impulses—even if this involves what is thought to be a one-time opportunity.

9. The fundamental alternative is between life and death. Because ethics deals with action, death cannot serve as the foundation for a code of values. Life must be the basis. For the reasons discussed throughout this paper, it is within the context of one’s whole life that decisions should be made. That is, a person should hold his whole life as the ultimate value in decision making. However, that does not mean a person makes the decision to live or die in each instance of his life. Decisions are framed on the basis of the



merits of the alternatives. For each alternative under consideration there are probabilities of life and death associated with them. My point here is that in deciding between an ethical and unethical alternative, the ethical alternative will have the edge partly because of the asymmetry involved for the expected losses for the alternatives. That does not mean that a person calculates the expected gains and losses. It is, in part, because the expected loss tends to be large for the unethical alternative that the ethical action should be followed consistently. In the long run, acting ethically will result in “success.” By choosing to act ethically, one is “choosing life.” In this sense, there is only one choice—the ethical one. Knowing that the ethical alternative should be followed consistently is also more efficient in that it saves on the calculation costs that would be incurred every time a person makes a decision (between an ethical action and an unethical one).

10. In response to Moen (2012, 114), Kelley’s discussion of the relationship between object and subject is instructive on this point (Kelley 2015, 76–79). That the object is primary and exists independently from consciousness (which is dependent) follows from the primacy of existence. The discussion here is presented merely to show the parallels between the equality of income and outgo from an accounting perspective and Rand’s view that a person’s purpose is both productive work and happiness, which, according to Shelton, are at some level equivalent.

11. In “Rand and Aristotle: A Comparison of Objectivist and Aristotelian Ethics,” Jack Wheeler (1986, 87–88) points out parallels between Aristotle’s conception of eudaemonia and Rand’s view of happiness. To Rand, happiness is “the successful state of life” (“Atlas Shrugged” in Rand 1961, 123). To Aristotle, a happy man is defined as

“one who is active in accordance with complete virtue, and who is adequately furnished with external goods, and that not for some unspecified period but throughout a complete life.” And probably we should add “destined both to live in this way and to die accordingly”; because the future is obscure to us, and happiness we maintain to be an *end* in every way utterly final and complete. If this is so, then we shall describe those of the living who possess and will continue to possess the stated qualifications as supremely happy—but with a human happiness. (Aristotle 1976, 84–85)

Happiness, which is the supreme good, is the exercise of virtue. This puts the end internally rather than externally. However, he also states that the “happy man lives and fares well” (78). He is describing “a kind of good life or prosperity” (78). This requires “a complete lifetime. . . . [N]either can one day, or a brief space of time, make a man blessed and happy” (76).

Although “happiness demands not only complete goodness but a complete life” (81), this does not mean that a person must be at the end of his life—or dead—before he can assess whether he has had a happy life (82–85). As Wheeler points out, what eudaemonia is to Aristotle is “to be a success as a human being. . . . Furthermore, eudaemonia, as an activity and not as a passive state, is literally an *end in itself*. It requires a conscious effort of rational thought and purposive conduct to achieve and sustain the continued existence of one’s eudaemonia” (Wheeler 1986, 87). Similarly, Den Uyl and Rasmussen state, “In Aristotelian ethics living rationally or intelligently is described as eudaemonia,

a state of well-being which is achieved by self-actualization and characterized by maturation” (Rasmussen and Den Uyl 1991, 36; cf. Walsh 2002, 96, 98, 100, 109, 111).

Aristotle is concerned with the *proper* function of man (Aristotle 1976, 75–76). According to Den Uyl and Rasmussen (1986a), “Rand’s grounding of teleology in the very nature of living things is a novel and important addition to the Aristotelian tradition” (66). Rand’s contribution is the recognition that “fulfilling a natural function or conforming to one’s nature are only occurrences for living things” (68). In OE, Rand ties reason, man’s primary value, to work, his central virtue. Through work, man can achieve personal fulfillment, but it is also his means of survival by virtue of the income he earns.

12. Economists see decisions as marginal; however, the decision discussed herein between an ethical alternative and one that is unethical is not marginal. By that I mean, in some cases a person is not deciding between an increment of, say, one good or service relative to an increment of another. If, for a given alternative, a person faces a significant risk of losing his entire life, that choice is not incremental in nature. Similarly, in some cases when a person chooses to forgo an important business meeting for some other activity, he may not be simply facing the loss of a few hours of work, but instead may face losing his job, depending upon the circumstances.

13. Income and consumption that go through the market are typically measured in monetary terms. In many cases, that which does not go through the market can be translated into monetary units. Consumer choice assumes that the satisfaction (utility) that is expected to be derived from consuming (purchasing) a good or service exceeds the monetary value. More accurately it exceeds the utility associated with the highest valued alternative that could be purchased with that monetary amount. The utility associated with a hierarchy of goods and services is assumed to be measurable on an ordinal scale of preferences. Similarly, Rand (1990, 31) envisions the approximate measurement of the intensity of emotions as they relate to a person’s hierarchy of values to be ranked on a comparative scale.

14. The present value (PV) of a person’s lifetime income (assuming a constant amount,  $Y$ ) would be  $(Y/r)(1 - e^{-rt})$ , where  $r$  is the discount rate (see Chiang 1974, 457). The corresponding sinking fund value would be  $S = PV(r)(e^{rt} - 1)$  (Allen 1967, 240). If  $Y = \$1000$ ,  $r = .10$ , and  $T = 10$ , then  $PV = \$6,144.45$  and  $S = \$385.55$ , using the discrete versions for  $PV$  and  $S$ . “The amount set aside for one’s child would be based roughly on the investment by one’s parents (as a guideline), not on one’s own human capital amount. The number of years,  $T$ , would cover the period of childhood development, not the expected life span of the parent. For more on the sinking-fund method, see Simpson, Pirenian, and Crenshaw 1951, 266–67” (Touchstone 2016, 47 n.13).

15. Rand’s view of reason has been linked to Aristotle’s. Rationality is active not passive—which is consistent with Aristotle’s view. Virtues, to Rand, are actions. This, too, is consistent with Aristotle. Aristotle’s view of virtues is that they should be ingrained traits or dispositions (Rasmussen and Den Uyl 1991, 65–66; Machan 1998, 118; Aristotle 1976, 97–100). He distinguishes between the *possession* of and the *exercise* of virtue—that is, between a state of mind and an activity (Aristotle 1976, 78). His emphasis insofar as eudaemonia is concerned is on action (75–76). Eudaemonia is in large measure acting virtuously (83), the primary virtue being rationality (Rasmussen and Den Uyl

1991, 64–65). To Rand, reason guides action, and those actions that are virtues sustain survival. As Sciabarra ([1995] 2013) notes:

For Rand, this relationship between reason and action was demonstrated unequivocally by the Industrial Revolution (Peikoff 1991, 195). Prior to the emergence of capitalism, the connection between knowledge and praxis was not fully appreciated. It was only with the application of reason to production of material goods that human beings began to recognize the inseparable link between the conceptual faculty and survival. (155–56)

This link connecting reason as an activity (that is, rationality) to productivity to survival is one that Rand integrated into her ethics.

16. By arbitrary in the context of conventions, I mean that whatever the established convention is, it might have been otherwise (Sugden 1986, 33). For instance, if the prevailing convention is “drive on the right side of the road,” it could have been “drive on the left side of the road.” I do not mean arbitrary in the sense of an “arbitrary claim,” described by Peikoff as one “for which there is no evidence, either perceptual or conceptual” (1991, 164).

17. A convention can be evaluated on the basis of whether it is better to have the convention than not. If there were no generally accepted position as to which side of the road to drive on, there would be more accidents. Thus, even though the side is arbitrary, a convention that opts for a given side is preferred to no convention, particularly since employing the convention would require virtually no additional resources and would not impinge upon anyone’s rights. Although game theory can aid in understanding how conventions arise, the method is not without misapplications. Property rights have been analyzed as conventions, yet they are not arbitrary (Sugden 1986, 70–78, 93–103; Touchstone 1995, 68; Touchstone 2006, 82).

## REFERENCES

- Alchian, A. and W. R. Allen. 1977. *Exchange and Production: Competition, Coordination, and Control*. 2nd edition. Belmont, California: Wadsworth.
- Allen, R. G. 1967. *Mathematical Analysis for Economists*. New York: St. Martin’s Press.
- Aristotle. 1976. *The Ethics of Aristotle: The Nicomachean Ethics*. Translated by J. A. K. Thomson. New York: Penguin.
- Axelrod, R. 1984. *The Evolution of Cooperation*. New York: Basic Books.
- Becker, G. S. 1995. The economic approach to human behavior. In *The Essence of Becker*. Edited by R. Febrero and P. S. Schwartz. Stanford, California: Hoover Institution, 3–17.
- Berliner, M. S., ed. 1995. *Letters of Ayn Rand*. New York: Dutton.
- Binswanger, H., ed. 1986. *The Ayn Rand Lexicon*. New York: Meridian.
- Bongaarts, J. 2005. Trends in senescent life expectancy. *Population Studies* 63, no. 3: 203–13.
- Branch, M. N. 1977. On the role of “memory” in the analysis of behavior. *Journal of the Experimental Analysis of Behavior* 28, no. 2: 171–79.
- Branden, B. 1986. *The Passion of Ayn Rand*. Garden City: Doubleday.

- Branden, N. 1963. Does inherited wealth give some individuals an unfair advantage in a competitive economy? *The Objectivist Newsletter* 2, no. 6 (June): 22–23.
- Brennan, J. F. 1998. *History of Systems of Psychology*. 5th edition. Upper Saddle River, New Jersey: Prentice Hall.
- Catania, A. C. 2013. A natural science of behavior. *Review of General Psychology* 17, no. 2: 133–39.
- Cerutti, D. T. 1989. Discrimination theory of rule-governed behavior. *Journal of the Experimental Analysis of Behavior* 51, no. 2: 259–76.
- Chiang, A. C. 1974. *Fundamental Methods of Mathematical Economics*. 2nd edition. New York: McGraw-Hill.
- Den Uyl, D. J. and D. B. Rasmussen. 1986a. Life, teleology and eudaimonia in the ethics of Ayn Rand. In Den Uyl and Rasmussen 1986b, 63–80.
- . 1986b. *The Philosophic Thought of Ayn Rand*. Urbana: University of Illinois Press.
- Febrero, R. and P. S. Schwartz. 1995. *The Essence of Becker*. Stanford: Hoover Institute Press.
- Frank, R. H. 1988. *Passions within Reason*. New York: Norton.
- Funder, D. C. and C. R. Colvin. 1991. Explorations in behavioral consistency: Properties of persons, situations, and behaviors. *Journal of Personality and Social Psychology* 60, no. 5: 773–94.
- Glenn, S. S. and G. J. Madden. 1995. Units of interaction, evolution, and replication: Organic and behavioral parallels. *The Behavior Analyst* 18, no. 2: 237–51.
- Hartford, R. 2017. Ultimate value: Self-contradictory. *The Journal of Ayn Rand Studies* 17, no. 1 (July): 54–67.
- Hayek, F. A. 1973. *Law, Legislation and Liberty: Volume 1: Rules and Order*. Chicago: University of Chicago Press.
- Hazlitt, H. 1998. *The Foundations of Morality*. Irvington-on-Hudson, New York: Foundation for Economic Education.
- Iverson, I. H. 1991. Methods of analyzing behavior patterns. In Iverson and Lattal 1991, 193–241.
- Iverson, I. H. and K. A. Lattal. 1991. *Experimental Analysis of Behavior: Part 2*. Amsterdam: Elsevier.
- Johnsson, R. C. 2005. Subjectivism, intrinsicism, and apriorism: Rand among the Austrians? *The Journal of Ayn Rand Studies* 6, no. 2 (Spring): 317–35.
- Kelley, D. 2015. Happiness or life, or both: Reply to Ole Martin Moen. *Reason Papers* 37, no. 1: 65–79.
- King, J. C. 1986. Life and the theory of value: The Randian argument reconsidered. In Den Uyl and Rasmussen 1986b, 102–21.
- Kurtz, E. B. 1930. *Life Expectancy of Physical Property: Based on Mortality Laws*. New York: Ronald Press.
- Lewis, D. K. 1969. *Convention: A Philosophical Study*. Cambridge, Massachusetts: Harvard University Press.
- Machan, T. R. 1998. *Classical Individualism: The Supreme Importance of Each Human Being*. London: Routledge.
- Mack, E. 1986. The fundamental moral elements of Rand's theory of rights. In Den Uyl and Rasmussen 1986b, 122–61.
- Merrill, R. E. 1991. *The Ideas of Ayn Rand*. La Salle, Illinois: Open Court.

- Michael, J. 1982. Distinguishing between discriminative and motivational functions of stimuli. *Journal of the Experimental Analysis of Behavior* 37, no. 1: 149–55.
- Mises, L. von. [1949] 1996. *Human Action*. 4th edition. San Francisco: Fox & Wilkes.
- Moen, O. M. 2012. Is life the ultimate value? *Reason Papers* 34, no. 2: 84–116.
- Peikoff, L. [1976] 1986. *The Philosophy of Objectivism*. Lecture 8. In Binswanger 1986, 479.
- . 1991. *Objectivism: The Philosophy of Ayn Rand*. New York: Dutton.
- Preinreich, G. A. 1938. Annual survey of economic theory: The theory of depreciation. *Econometrica* 6, no. 3: 219–41.
- Rand, A. 1961. *For the New Intellectual*. New York: Signet.
- . 1964. *The Virtue of Selfishness*. New York: Signet.
- . 1967. *Capitalism: The Unknown Ideal*. New York: Signet.
- . 1969. *The Romantic Manifesto: A Philosophy of Literature*. New York: Signet.
- . [1974] 1979. The inverted moral priorities. *The Ayn Rand Letter* (15 July): 345–48.
- . 1979. *The Ayn Rand Letter*. Palo Alto, California: Palo Alto Book Service.
- . 1982. *Philosophy: Who Needs It*. New York: Signet.
- . 1990. *Introduction to Objectivist Epistemology*. Expanded 2nd edition. Edited by Harry Binswanger and Leonard Peikoff. New York: Signet.
- Rasmussen, D. B. 2002. Rand on obligation and value. *The Journal of Ayn Rand Studies* 4, no. 1 (Fall): 69–86.
- . 2006. Rejoinder to Tibor R. Machan: Regarding choice and the foundation of morality: Reflections on Rand's ethics. *The Journal of Ayn Rand Studies* 7, no. 1 (Spring): 309–28.
- Rasmussen, D. B. and D. Den Uyl. 1991. *Liberty and Nature: An Aristotelian Defense of Liberal Order*. La Salle, Illinois: Open Court.
- Rothbard, M. N. 1998. *The Ethics of Liberty*. New York: New York University Press.
- Sciabarra, C. M. [1995] 2013. *Ayn Rand: The Russian Radical*. 2nd edition. University Park: Pennsylvania State University Press.
- Shelton, R. 1995. Epicurus and Rand. *Objectivity* 2, no. 3: 1–47.
- Simpson, T. M., Z. M. Pirenian, and B. H. Crenshaw. 1951. *Mathematics of Finance*. 3rd edition. Englewood Cliffs, New Jersey: Prentice Hall.
- Sugden, R. 1986. *The Economics of Rights, Cooperation and Welfare*. Oxford: Basil Blackwell.
- Torres, Louis and Michelle M. Kamhi. 2000. *What Art Is: The Esthetic Theory of Ayn Rand*. La Salle, Illinois: Open Court.
- Touchstone, K. 1995. Interdependent decision-making, game theory and conformity. *Reason Papers* 20: 68–108. Online at: [https://reasonpapers.com/pdf/20/rp\\_20\\_5.pdf](https://reasonpapers.com/pdf/20/rp_20_5.pdf).
- . 2006. *Then Athena Said: Unilateral Transfers and the Transformation of Objectivist Ethics*. Lanham, Maryland: University Press of America.
- . 2008a. Ethical principles, charity, and a criterion for giving. *Reason Papers* 30 (Fall): 37–58. Online at: [https://reasonpapers.com/pdf/30/rp\\_30\\_3.pdf](https://reasonpapers.com/pdf/30/rp_30_3.pdf).
- . 2008b. Economic decision-making and ethical choice. *The Journal of Ayn Rand Studies* 10, no. 1 (Fall): 171–91.
- . 2010. Reproductivity, capital theory, and Objectivist ethics. *Humanomics* 26, no. 3: 224–40.

- . 2014. Exponential problems in business courses: A translation of time units. *e-Journal of Business Education & Scholarship of Teaching* 8, no. 2: 76–99. Online at: [http://www.ejbest.org/upload/eJBEST\\_Touchstone\\_-\\_8\(2\)\\_2014.pdf](http://www.ejbest.org/upload/eJBEST_Touchstone_-_8(2)_2014.pdf).
- . 2015. Rand and the Austrians: The ultimate value and the noninterference principle. *Libertarian Papers* 7, no. 2: 169–204. Online at: <https://philpapers.org/archive/KTORAT.pdf>.
- . 2016. Charity, childcare, and crime: From Objectivist ethics to the Austrian school. *Libertarian Papers* 8, no. 1: 23–57. Retrieved from <https://philpapers.org/archive/MCCCCA-7.pdf>.
- Walsh, D. 2002. A revival of the ancient tradition in ethics: Aristotle versus Rand. *The Journal of Ayn Rand Studies* 4, no. 1 (Fall): 87–122.
- Wheeler, J. 1986. Rand and Aristotle: A comparison of Objectivist and Aristotelian ethics. In Den Uyl and Rasmussen 1986b, 81–101.
- Yeager, L. B. 2001. *Ethics as Social Science*. Cheltenham, England: Edward Elgar.
- Youngkins, E. W. 2005. Menger, Mises, Rand, and beyond. *The Journal of Ayn Rand Studies* 6, no. 2 (Spring): 337–74.