

Discussion: Comments on J. Holt, *Requirements of Justice and Liberal Socialism*

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‘Property-Owning Democracy’? ‘Liberal Socialism’? Or Just Plain Capitalism?

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Abstract: Justin Holt argues that the Rawlsian requirements for justice are, contrary to Rawls’ own pronouncements, better met by socialism than ‘property owning democracy’, both of them preferring both to just plain capitalism, even with a welfare state tacked on. I suggest that Rawls’s ‘requirements’ are far less clear than most think, and that the only clarified version prefers the capitalist welfare state.

Keywords: Democracy, property-owning democracy, markets, constitutional restrictions, difference principle, equality

For Rawls, democracy is a *sine qua non*. *Political Liberalism* specifies that all of his political theorizing is against the background of a ‘democratic political environment’. How much that is to say is, unfortunately, quite unclear. I take it that the essence of democracy is voting: especially, the decision on the basic matter of deciding who shall rule, with each person having one, and therefore an equal, vote. And it’s to be a *free* vote—no compulsion, no fraud, honest counting, and so on. In particular, there can be no constraint on how people will cast their vote. The plot, to be sure, thickens when we appreciate that an *enduring* democracy would require that we not vote to end voting as the means of decision-making, among other essential democratic safeguards. But otherwise, we cannot specify just which influences on the voter are OK and which are not OK, so long as those influences don’t include outright compulsion. Rawls is far from alone in being obsessed by the potential and perhaps the actual influence of *wealth* on politics, via its influence on the electorate. But whatever he wants to say about that, it is surely clear that the voter must be free in principle to vote for whomever or whatever he or she wants, among the possibly available options.

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This casts into severe question a great many of his entertained restrictions on the idea of the ‘fair value of the political liberties’. Whatever those liberties are, political voting is at the top of the list. That means, for example, that we *cannot* in principle insist that a democracy *must* be a ‘property owning democracy’ (in Rawls’ curious proprietary sense of the term), or would necessarily be something other than capitalist—or capitalist for that matter. So far Rawls was apparently on track with that. Still, he has professed to believe that most forms of capitalism, including the one we more or less have—the ‘capitalist welfare state’ are—*unjust*. That is an extremely strong claim. Is it supportable?

I have been at pains in many previous discussions to point out that democracy has a hard time being, consistently, *liberal* democracy.¹ The Bill of Rights (America), Charter of Rights and Freedoms (Canada) and similar addenda to constitutions of recent centuries are no accident. Why? Because if we ask, ‘Will we have, say, freedom of religion in a democracy?’, the answer is: not just by definition, we won’t. For it is a *restriction* on citizens’ use of the vote that they are *not permitted* to elect a party that would inaugurate a state religion (or irreligion) of any kind, for example, as they could easily otherwise do if, say, 55% of the population were of the same religion. And even though the prerequisite of (at least substantial) freedom of (at least what we can call) ‘political speech’ is utterly obvious if democracy is to function as intended, there is again no guarantee that a democracy will support free speech, in any particular amount, and especially so if we extend the scope of this liberty to other sorts of speech and expression. Or this is so unless we simply (re)define democracy in that way. Now, as I have also suggested, we can plausibly argue that if by ‘democracy’ we mean an *enduring* democracy, then we can get *some* of the liberal’s familiar liberties on board: guarantees against future deprivations of voting rights, of a press free enough to guarantee genuine competition for elected positions, and against coercively imposed restrictions on how one casts one’s vote, at least within the very broad window of parties and programs compatible with democracy.

But it is surely better to make the right to vote one thing and the right to freedom of religion, conscience (within the limits of toleration), lifestyle, and association other things, the latter being gathered under the umbrella of *liberalism* properly so called. When that distinction, between democracy narrowly so called and liberalism normally conceived, is sharpened in this manner, it is perfectly clear why democracies are not automatically liberal, and so why the constitution of a country aspiring to be a *liberal* democracy needs to contain something like a bill of rights.

¹ For example, see Narveson 2003.

This in turn sets the stage for the discussion of *equality*, an idea (or set of ideas?) with which Rawls was clearly also obsessed, usually in association with the (or a?) concept (or conception?) of 'fairness'. For openers, some points about these notions and their relations are essential.

Firstly, when we are speaking meaningfully of equality, the context has to be some property that is variable in degree or amount, with some, however vague, idea of a metric by which we would be able to compare one such amount with another and reasonably judge them to be equal or not—greater, more, or less than the other (Narveson 2014). Thus if we are to talk of 'equal rights', there has to be some idea that one person could, logically, have more or less than some other person of what he or she is to have by the right in question. And if that makes no sense in the case of a given proposed right, then the notion of 'equal' in the expression is simply redundant, and for clarity should be deleted. So, for example, we are all to have the right to accept, or reject, a given religion, and to do so as wholeheartedly, or not, as we will. But if it is claimed that someone has 'more of' this right, what could that mean, if not that one has it and the other does not? E.g., that Jones is put in jail for believing R, while Smith is not? The idea that we all have the *same* basic rights is meaningful. The idea that we have them 'to the same degree' is not always obviously so. (Perhaps in some state, citizen Jones will be given a 10-year sentence for professing Xism, whereas citizen Smith's Xism will be ignored, or given ten days. If that's what is meant by 'unequal rights,' OK—though we would better say that in that state, there simply is no *general* right to religious freedom—that this right is in big trouble there. For it is the kind of right, so we liberal hold, that is to be extended to *all*, and not just spottily for some and not others.

The point of this excursion is that when we come to 'distributive justice' the theorists known as 'egalitarians' are speaking, literally, of amounts—especially, of income or wealth, which are fairly easy (?) to measure; and those denying egalitarianism are holding that there is no particular intrinsic limit that states have the liberal license to impose on the acquisition of wealth, provided only that it be acquired without force or fraud. The difference between this issue, which is genuinely about something recognizable as 'equality' and the (non)issue of general civil, social, and political rights is stark—'(non)issue' because no liberal disputes the claim that all ought to have them. Especially, then, it has to be kept firmly in mind that you *cannot* legitimately infer from the assertion of 'equal' liberal rights to rights *to an equal amount* of anything, e.g. wealth.

Next, we need to be reminded that we are always talking of right or wrong, just or unjust *conduct, as between or among persons*. Justice is about what people do to each other. The idea that Nature has been just to some and not others is an arbitrary anthropomorphizing of the subject. Someone—possibly Rawls?—may insist

that justice requires us to somehow equalize the inequalities of skill, intelligence, strength, or whatever with which we are endowed by our genetic profile. But if so, it cannot be on the ground that Nature has been ‘unfair’ to anyone. Nature isn’t a person, and has no moral attributes. Our genetic inheritance is something we just *have*, and if we want to blame our parents for having us, their answer can be, ‘well, tough!’ We are what we are, we work with what we have, and our serving from the ‘natural lottery’ is not properly said to be either ‘fair’ or ‘unfair’. But Rawls talks often as if he doesn’t recognize that point or its implications. It is not my fault if I am inferior to you in hockey skills, for example, nor yours that you are superior. And if this unequal inheritance enables you to make two million dollars annually and I nothing, I do not have a reasonable complaint. Sure, someone might complain that all those fans out there whose patronage enables hockey stars to have annual salaries in the millions have terrible taste, or some such thing. But so long as we permit people to put their talents on the market—as we ought—differences, including those that are genetically effected, will very likely lead to differential benefit for their possessors. And if a theorist wants to claim that this is *unfair*, we had better be sure that he is not committing a major fallacy: viz., of inferring from facts about the ‘natural lottery’ to conclusions about *justice*. They do *not* follow. Does Rawls commit this howler? Apparently. Do his followers commit it? Probably. For all that, it’s still a fallacy, and an obvious one.

May we use our abilities as best we can, to our own maximum benefit? Rawls and Rawlsians apparently want to say No, because that would be ‘unfair’. But there’s nothing unfair about it, unless you invoke totally unreal premises. We cannot tell purely from the fact that A makes a million from his efforts to do X and B makes nothing from his efforts at same that there’s anything *at all* unfair about the situation. If I get into a *fair* game of hockey against Wayne Gretzky, I will of course lose, big time—unless the referees, in a fit of Rawlsian enthusiasm, load the dice in my favor so as to ‘compensate’ for my obviously inferior capabilities—and who *then* would be cheating?? In a fair zero-sum game, we are all to play within the rules, and then it’s May the Best Win—not May we All have An Equal Chance of Winning. It is pointless or worse, usually, to play against an opponent again whom we have no chance, given his obviously far greater ability—but it is not *unfair*.

Those who invoke the market should know this. Markets are about *agreement*. They are not about the trading partners coming out ‘equal’ unless all you mean by this is that *both* participants to a transaction end up satisfied that they are better off than when they went into the negotiation. In no other sense is there anything that can be properly described as ‘equality’ between them, just by virtue of engaging in *free* market activities.

With all this in mind, then, let us focus on Justin Holt’s *The Requirements of Justice and Liberal Socialism*, (Holt 2017) the conclusion of which is that “lib-

eral socialism does significantly better in realizing the two principles of justice” (abstract, 171). (Holt shares many of these ideas with a great number of his contemporaries, which makes them especially worth discussion.) As with so many discussions of Rawls’s work, it is not entirely clear to what extent Holt means to be engaging in the purely scholarly effort to decide just what Rawls held, or, taking as given what Rawls says, *should* have said, and to what extent he means to be upholding the correctness of the views he ascribes to Rawls. In his conclusion Holt says, “[i]t *has been shown* that liberal socialism does significantly better in realizing the two principles than property-owning democracy” (193—my italics). Since a fair bit of interpretation intervenes between the Rawlsian premises and that conclusion, I am supposing that Holt intends a sympathetic exposition. If I am wrong in that, my apologies to the author. But I do take it that we are all interested in discussing these ideas for their philosophical worth, and not as pure scholarly exercises, and that is the spirit in which I consider them here.

As Holt and numerous others have noted, Rawls, in his last work *Justice as Fairness—A Restatement* (Rawls 2001) divides the available options among possible general economic regimes into five: two versions of ‘capitalism’ (laissez-faire and welfare-state); two of socialism—(centralized and ‘liberal’); and ‘property owning democracy’. Strikingly, he thinks that only two pass muster by the requirements of his Two Principles: POD (property-owning democracy) and LS (‘liberal socialism’). The other three, he says, won’t pass the test.

And just what is wrong with capitalism? Well, “it seems that inequalities that are not fair, a corruption of the basic liberties and fair equality of opportunity, and private ownership of the means of production defines capitalism for Rawls” (173). And why aren’t its inequalities ‘fair’? *Just how* are basic liberties and ‘fair equality of opportunity’ lacking? By and large, these claims are simply asserted. But the key, I think, is in the supposed inequalities, since there is certainly no *prohibition* against either extending or seizing or creating opportunities. And here, then, rather more than a word needs to be said.

In an article published in 1976, I pointed to a problem—a ‘puzzle’ I called it though that is much too lame a word, in retrospect—about the second principle, which calls for maximizing the minimum.² But is that it—just like that? If it is, then indeed Rawls would be committed to flat-out egalitarianism, which would certainly have to be carried out by the sort of Stalinist model of socialism he rejects. In fact, he wants to have market pricing in all his models, he says, and it’s pretty hard to have that—if he means it—without considerable inequality. But never mind, for Rawls is famous for *rejecting* this flat-out equality. That’s why he proposed the

² Narveson 1976, Later included in the same volume cited in note 1.

‘difference principle’. And what qualification, then, enables maximin to proceed without collapsing into sheer equality? Rawls’s answer is Incentive (and the cost of training, but that is irrelevant here) (Rawls 1971, 32). Very well: but if so, then, just *how much* is incentive to operate? Suppose that entrepreneur A will introduce an innovatory massive improvement in production, provided that he, A, gets 90% of the marginal improvement as his reward?³ Everybody else is better off, or no worse—take it or leave it. Do we take it? Rawls offers *no principled reason* for saying No. He keeps on insisting that some inequalities are too much—but *why* are they so? He doesn’t say.

The result is that the Difference Principle’s marginal alteration from the Liberty principle, as it applies to economic matters, is, so far as pure principle is concerned, utterly indeterminate. If incentive is allowed to hold sway right up to the Pareto margin, then we have justicized plain old laissez-faire capitalism, though evidently Rawls would have to be dragged kicking and screaming to that conclusion. But Holt seems totally unaware of this problem, as do virtually all Rawls commentators, who blithely assume that the DP does have *some* distinctive content.

However, both Holt and Rawls himself also attach considerable dialectical weight to the idea of, not liberties themselves, but to the ‘fair value’ of those liberties. E.g.:

“Inequalities in the ownership and control of wealth, income, and property can reduce the fair value of basic liberties.” (Rawls 2001, 149; 1996, 327)

“The worth of liberty can be eroded by the capacity for money or governmental power to prevent the equal exercise of individuals’ basic liberties.” (Rawls 1996, 328; Holt 2017, 174)

And there is a similar appeal to the idea of ‘fair equality of opportunity’. Neither of these employments of fairness is examined in any depth, and it is assumed that justification in the Original Position, with its veil of ignorance, will generate what Rawls thinks he has along this line. But will it? Indeed, just what *does* he think he has here?

Take for example the idea of ‘fair equality of opportunity’. But equal among whom? Clearly not literally *everybody*. The opportunity to become a world-class theoretical physicist, for example, is simply not real for most of us, from persons of low intelligence right on up to very bright people, most of whom would recognize that such things are simply beyond them. So, who then? Well, those equally ‘qual-

³ The point has been well noted recently by Michael Munger in Munger 2017. As Munger puts it, “[t]he problem is that any Pareto improvement, or move that makes one person better off and no one strictly worse, might satisfy this restriction” (59).

ified! The value of this right to those lacking ability is surely not great. But, wait! There'll also be lots of public education for all. Well, of course, there already is, and it hasn't done a lot of the less capable among us much good, so far as 'qualifying' us to be seriously advanced scientists is concerned. And as to the more capable? Harvard will welcome them with open arms, with all the financial assistance needed—that assistance being applied from its huge endowment supplied by successful capitalists. There is clearly nothing about capitalism, as such, that militates against the supporting of opportunities of innumerable kinds to all sorts of people. And there is always the enormous positive support from the prospect of making money by extending the right opportunities to the right people—both by the extenders and the recipients of those opportunities. In that crucial respect, indeed, free market capitalism is completely superior to all others.

And there's another, extremely important point at stake here. Locating and evaluating candidates for jobs can be a costly, time-consuming business. To what length is Rawls proposing to require all businesses to go in making sure that they have given an *equal chance* to *all qualified* potential applicants for a given position? Even very large corporations would be courting bankruptcy if this requirement were taken literally, or without restriction. (Do we advertise the position to every possibly relevant person in the whole world—including those whom we have as yet no idea whether they will even be able to attain the relevant levels of ability?) At least a great deal—perhaps *everything*—depends on *how much* restriction is intended. If the requirement is met whenever, among those who actually do apply, however they may have come to do so, the company does not pick one over another on the basis of properties having nothing to do with suitability to the position, then wholesale complaints against capitalism are way out of order. Obviously the pure market incentive is to hire the person who maximizes returns to the firm, whatever his or her religion, race, etc. may be. Nor is it certain, or even likely, that any version of socialism or 'property-owning democracy' would do better or even as well—since, after all, profit-making companies have an enormous interest in getting the best person for the job. After all, their success depends on it.⁴

What about the 'full value of the political liberties'? But what are those? The right to vote, certainly—since that's what defines a democracy. The right to discuss politics? No problem—unless, of course, the other voters have chosen to elect one of the many autocrats of today, such as Erdogan or Putin. (In a properly liberal regime, this would be constitutionally impossible, of course. But in a regime

⁴ As, again, I have argued at length in my *Have we a Right to Nondiscrimination?* (Narveson 2002b).

where people have merely the right to vote, Erdogans and Putins and Chavezes do happen!) But now, when, or how, can people be said to have gotten ‘equal value’ out of these liberties? In present-day America, there are pundits a-plenty who will deny that Americans have gotten good value from their right to vote by the election of Mr. Trump, say. But presumably Rawls doesn’t mean anything like that. So far as we know, neither Mr. Trump nor the Russians actually stacked the voting decks. But what, then, *do* they mean?

Rawls, along with probably most contemporary enthusiasts—but not the American Supreme Court—thinks that great income disparities cut into the equal value of the political liberties. This didn’t keep the hugely wealthy Mr. Romney, backed by enormous funding, from succumbing to the modestly well off Mr. Obama in the American presidential election of 2012. Indeed, the track record of wealthy persons in influencing elections is pretty shaky—and it’s hardly surprising, especially since the sheer fact that candidate X is the darling of some extremely wealthy person is enough to make him very unpopular with many voters. (And on the other hand, a great many Americans of very modest means deliberately voted for the billionaire Trump rather than the modestly well-off Mrs. Clinton in the American presidential election of 2016.) If Rawls and his followers want to say that it is *unfair* that different people should have differential influence with voters in elections—well, they need to think a bit more about political liberty. Unless you just insist *a priori* that some having much and others having little is ‘unfair’ or ‘unjust’ it’s hard to see how a starting point of liberty, Pareto-constrained as may be, is going to overturn such considerations.

‘Property-Owning Democracy’

We (most of us) live in democracies, and in the states in question, ownership of property is extremely widespread—a normal fact of life. Why doesn’t this make us *property-owning democracies*, then? According to Rawls,

“By contrast [with our capitalist welfare states] in a property-owning democracy the aim is to carry out the idea of society as a fair system of cooperation over time among citizens as free and equal persons. Thus, basic institutions must from the outset put in the hands of citizens generally, and not only of a few, the productive means to be fully cooperating members of a society.” (Rawls 1999a, xv)

Now, we defenders of free-enterprise economies, obviously, will insist that such societies *are* ‘fair systems of cooperation’, insofar as such notions can be relevantly applied to such things. Obviously, the weight of the Rawlsian argument here, then, is on those ideas, of ‘fairness’ and of a ‘fully cooperating’ society. So how is the standard layout of capitalism—where ownership of property is always

secured by fully voluntary means (in principle, and usually in fact)—in any way 'unfair'? Holt cites Rawls who "argues for inheritance and gift taxes and notes that the beneficiary can be taxed as opposed to the giver, citing Meade" (Holt 2017, 177). Further, Inheritance and gift taxes would not be for revenue purposes "but gradually and continually to correct the distribution of wealth and to prevent concentration of power detrimental to the fair value of political liberty and fair equality of opportunity" (Rawls 1999a, 245). But why *would* these confiscations be 'corrections' of the distribution of wealth?

One gathers that Rawls must think that wealth, basically, should be *equally*—not *equitably*—'distributed'; the goal of preventing 'concentration of power' is, as the 'and' suggests, *another* goal, and not just that same one all over again. But the 'power' that capitalism will likely contain 'concentrations' of is *not* as such *political* power. It is *only* the ability to make more economically valuable offers to those whom the capitalists in question might like to acquire something from. Democracy is rightly incompatible with votes being literally bought, either in Congress or among the voting public. But the same is not obviously true of a company hoping to induce a Member of Parliament to relax some restriction that it thinks is unfairly inhibiting it from doing business, or to impose some restriction that it thinks is needed to make competition between it and others more fair, or whatever. Modern government is extremely complicated, and few members of congresses or parliaments would want to be without opportunities to hear what employers of thousands of people have to say. And again, democracy does not obviously tell us that such engagements are 'unfair'. They are not obvious undemocratic—any more than are the huge influences of, say, labor unions, civil liberties organizations, school associations, and no end of further civic groups seeking to persuade lawmakers of their views. (If anything, many students of democracy would applaud such activity.)

The 'Veil of Ignorance'

Does Rawls's 'veil of ignorance' idea about the framing of the basic principles of society entail equal distribution of *wealth*? No, for the simple reason that in the beginning, there is no wealth to be 'distributed'—all such is the result of human activity (including the extraction of natural resources. One of the natural mistakes of critics is to identify the wealth with the oil or coal or land itself. So Humanity in 35000 B.C. was 'wealthy' just because they were, unbeknownst to them, sitting atop huge amounts of such things?). But once such things are *wealth*, it is because some people have *produced* it. Why, then, should not *those people* be regarded as the proper primary holders of the wealth in question? Of course, wealth is always spread around in a market society (and that is the only sort of society we are taking

to be our basic subject here. Nobody is suggesting that military conquest be the proper basis of the distribution of goods, after all). This spreading of wealth is *via exchange*. Producers exchange with other producers, some of whom contribute labor or the products of their labor, others productive ideas, others investment in equipment, marketing, and so on. And all end up exchanging with consumers, who make the whole show go on.

Some, probably including Rawls, might insist that some exchangers offer *unearned* goods as their ‘produce’. But to speak in that loosely Marxian (or perhaps Henry Georgian) way is to fall into a trap. Everything in a market society is got either by finding it, making it, or getting it by gift, as from doting parents or other well-wishers—all of which are legitimate ways of acquiring it, and all taken together, on the face of it, the *only* legitimate ways of acquiring it, since the only ways left require coercion. Those who lend to others at interest, or share with them in capitalization of potentially profitable businesses, thereby produce wealth. Quantities of sweat or calories expended have nothing to do with it. So such talk is a red herring. (Perhaps a Red herring...)

And since it is, we are back to the question, just why does Rawls think that confiscating some people’s fairly acquired property is *fair*—done in the interests of *fairness*? The most plausible answer, I think, is sheer confusion, plus the academic’s apparently inevitable disdain of great wealth, and indiscriminating affection for the poor. (I have often noted in my classes that the standard American philosopher’s idea of distributive justice is apparently that it is unjust for anyone to have an income below the level of Lecturer or above that of Full Professor...)

Democracy, if not combined with constitutional restrictions against seizures of property and the other basic liberal rights, is rightly decried as a system in which everyone’s hands are in everyone’s pockets—in which ‘two foxes and a chicken sit down to decide by majority rule what they shall have for lunch’. The idea of Mead and Rawls of turning it into a ‘property-owning’ system in which everyone becomes his own capitalist without having done anything specifically relevant to achieving that status, looks to be sheer populism—but not, certainly, *justice*.

Holt says that “[p]roperty-owning democracy implements many redistributive mechanisms to maintain fair equality of opportunity and reciprocity, while attempting to promote efficient economic action” (181). The likelihood of its actually achieving the efficiency in question given such mechanisms is somewhere around zero, we may be sure. But that the sorts of opportunity and ‘reciprocity’ involved are ‘fair’ is something we should question rather than just assume. On the face of it, coercively imposed ‘opportunities’ are *not* fair; and since such impositions are necessarily weighted in favor of the stronger party—the government—not reciprocal either.

'Liberal Socialism'

The burden of Holt's essay is that given Rawls's premises, we should conclude that liberal socialism fares better than property-owning democracy rather than its being, as Rawls thought, indeterminate which is better. What's the difference? Socialism involves public ownership of the means of production. But Rawls doesn't go for the Stalinist version in which everything is centrally run. Rather, "[w]hile under socialism the means of production are owned by society, we suppose that [...] firms under liberal socialism carry on their activities within a system of free and workably competitive markets. Free choice of occupation is also assured." (Rawls 2001, 138)

Even more so than with such an ill-conceived idea of 'property owning democracy' (in the meaning given it by Rawls rather than the on-the-face-of-it meaning in which we obviously already are now such a society), the idea of liberal socialism lends itself to visionary images. To start with, how is the vaunted dispersal of 'economic power' to be effected? If the vision is one of transiting from normal capitalism to this 'redistribution' it will evidently involve a huge amount of confiscatory coercion, to begin with. And then, the idea of worker-controlled firms runs into the usual problems, recently well explored by R. S. Taylor in his *Illiberal Socialism* (Taylor 2014).

When workers are in charge, how readily will inefficient ones be dismissed? And will there *really* be robust competition between different 'firms'? What about 'free choice of occupation'—if that means anything other than what we already have? Presumably it can't mean that anybody can work at whatever he or she pleases, regardless of economic consequences? But if not, how will those consequences be regulated? Markets 'regulate' them in the interests of producers interested in catering to consumers. If ideological concerns prevail instead, the hoped-for efficiency, along with any hope of improving society's overall welfare, goes down the drain.

It has been pointed out that political democracy does not entail 'worker democracy'.⁵ If all voters are free to choose among general political policies, then they can choose (and pretty much have chosen) to allow the usual format of 'capitalist acts among consenting adults', which tends to result in a mix of firms fairly few of which are worker cooperatives. To characterize worker control of firms as uniquely 'democratic'—required by democratic principles—is thus tendentious.

(Mark Pennington observes that "[t]o prioritize democracy over markets and bureaucratic hierarchies as a second-order mechanism [...] would not imply that *all* decisions should be made democratically, but that democracy should deter-

⁵ Among others, by myself, in Narveson 1992.

mine the mix between markets, bureaucracies, and democratic deliberation as allocation mechanisms [...]” (Pennington 2017, 5.) And if that sort of control is mandated across the board, so that normal capitalism is actually *forbidden*—as has always characterized the seriously socialist national experiments—then the characterization of socialism as ‘liberal’ is not just tendentious, but a neologism. Socialism should be understood to be *illiberal*.

All of which, then, raises the question what Rawls, and Holt following him, thought they were doing in down-rating capitalism as anti-liberal.

Everything depends, I think, on Rawls’ distinction between ‘liberties’—which we have—and the ‘equal worth of liberty’, which it is impossible to say whether we have or how close we are to it, since it is frankly impossible to measure in a non-tendentious way. At the least, it cannot be presumptuously proclaimed *in vacuo*, which is what it seems to be here.

In short, Rawls before him and then Holt himself are misled by their terms of reference, relying on imposed meanings rather than clear arguments, and in the end arguing against hobgoblins and scarecrows rather than straightforward options. Without those, the case for capitalism, welfare state or not as may be, is far stronger than for the severe deviations Rawls apparently wants to defend.

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