

Ted Lockhart's Commentary on "US Parts"

Commentary On
US Parts

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It may seem to John that the best results will occur if he keeps quiet and allows the product to go out as is. To inform his superiors of the problem of the foreign bolts would open up a real can of worms, since they would then be legally bound to tell USAWAY of the problem. Not to do so would expose Clarke to possible charges of fraud and breach of contract. Furthermore, they might accuse John of not ensuring that the product met the terms of the contract and thus of being derelict in his duties as quality control engineer. Since the product would perform as well as or perhaps even better than it would if it had only American-made parts, USAWAY's customers would not be receiving an inferior product. The only difference would be that USAWAY's promotion of its product as containing only American-made parts would not be completely true. If no one would discover the foreign bolts, then what harm would be done?

However, we need to pay careful attention to the claim that the chances of USAWAY's discovering the foreign bolts on their own, or of some repair person's making the discovery, are very small. If that means that the probability that anyone would ever discover the foreign bolts is extremely small, then John could reasonably judge that the results of letting the product go out as is would be better than the disruption of informing USAWAY or his superiors at Clarke of the problem. However, if it means that the probability that a typical individual at USAWAY or a typical repair person would discover the foreign bolts is extremely small, then it does not follow that the consequences of letting the product go out as is would be better than the consequences of informing John's superiors of the problem. This is so because, if there are thousands and thousands of these products that will be sold and hundreds

or thousands that will need to be repaired at some point, then the probability that someone or other will at some time discover the foreign bolts may be very significant. Also, if John takes into account the harm that would be done, not only to Clarke, but also to USAWAY if the foreign bolts became known to the general public, then the expected value of the consequences of dealing with the problem now before the product goes out may turn out to be greater than the expected value of the consequences of letting the product go out as is. Therefore, the judgment that letting the product go out as is would have the best consequences is highly suspect. However, it is not clear that the consequentialist perspective discussed above is the correct perspective. There is the fact that, even if the foreign parts are never discovered, still a fraud is being perpetrated--on USAWAY and its customers and on John's superiors at Clarke, whom he is keeping in the dark. Since the consequentialist argument above is somewhat inconclusive, considerations of honesty, integrity, and truth-telling should be the basis for John's decision. John should inform his superiors and take his lumps, rather than initiate a deception with very uncertain consequences for both himself and his employer.



This scenario illustrates the sort of complications that may result from a decision to allow the product to go to USAWAY with the foreign bolts. If the presence of the foreign bolts is widely known by Clarke's employees and it is also widely known that this violates the terms of Clarke's contract with USAWAY, then it becomes much more likely that someone will spill the beans than if that knowledge is limited to John and a small circle of confidants. However, at this point, that is all water under the bridge and Clarke's problem now is damage control. It is difficult to see what would be the point of Clarke representatives' stonewalling at this point, assuming that they have been informed about the foreign bolts when contacted by USAWAY. They should apologetically admit that foreign bolts were used and explain the circumstances that led their quality control engineer to decide not to fix the problem when it came to his attention.

This is unlikely to satisfy USAWAY and Clarke is probably going to be sued by USAWAY for breach of contract, but no other course of action appears reasonable. USAWAY is now going to be in a real quandary about whether to reveal the presence of the foreign bolts in its products to the general public or to try quietly to reach an

out-of-court settlement with Clarke. Thus Clarke may have some bargaining power in its negotiations with USAWAY and may be able to avoid having an exorbitant settlement exacted from them. Clarke might consider attempting to shift the entire blame onto its supplier which used the foreign bolts, but, since it did not correct the problem when it first became aware of it, it now shares responsibility for the problem. To attempt to claim that no one at Clarke had any knowledge of the foreign bolts would be dishonest and probably unsuccessful as a means of deflecting attributions of blame. In short, there is no good reason for Clarke no longer to be truthful in its dealings with USAWAY.



By informing his superior at Clarke of the foreign-made bolts, John may escape any legal or institutional responsibility for any future repercussions, such as those given in Scenario II.

However, it is not clear that he escapes moral responsibility. John's superior, in directing him to let the product go to USAWAY with the foreign bolts, is directing him to be a party to the deception of a customer. In general, it is wrong to engage in or be a party to a deception. However, it may be argued that John has an obligation to be loyal to his employer and that is the more important consideration in this situation. What makes the issue especially interesting and problematic is that the public is not endangered by the presence of the foreign bolts in the product and the only reason for insisting on American-made parts is to conform to USAWAY's clever but insubstantial marketing strategy for its products. Such considerations may well convince John that there is insufficient reason for him to resist his superior's directive.

However, there are other ethical perspectives that may be considered. One such perspective stresses the universalizability of the courses of action under consideration. Would John grant the ethical permissibility of allowing the product to go out with the foreign bolts if he viewed the situation as a USAWAY executive or a customer of USAWAY's products who is interested in purchasing only completely American-made products? Does he in effect consent to being deceived if roles were reversed and he were on the "receiving end" of the deception? And from a rule utilitarian perspective, would a society operating on the basis of a set of rules that

would allow deception in the sort of situation that John is in be no less valuable than one operating on the basis of rules that allowed no such deception? And what do we mean by "the sort of situation that John is in"? Do we focus narrowly on situations in which business transactions involving the supplying of products to companies marketing their products by appealing to their customers' nationalistic impulses take place? Or do we consider more widely situations in which various types of deception, not necessarily confined to business transactions, occur? The theoretical issues and complications are manifold, and a complete presentation and analysis would occupy many pages of text.

For this sort of decision, moral agents may have no choice but to make a summary judgment about which course of action is more likely to be morally permissible. My own intuitions about moral likelihood incline neither in the direction of John's acting out of loyalty to his employer, Clarke, and doing as directed by his superior or in the direction of his taking some unilateral action against such a directive by refusing to comply with it or by going further and preventing the directive from being carried out by anyone else at Clarke. I conclude that the two alternative courses of action would be equally reasonable for John to pursue in the situation described in this scenario.