
Reviewed by James E. Crimmins (Huron University College)

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Commissioned by Jeffrey R. Wigelsworth (Red Deer College)

The volume under review is one of the latest to be published in the authoritative *Collected Works of Jeremy Bentham*, presently under the editorial guidance of Philip Schofield at the Bentham Project based at University College London. Since 1968, thirty-four of the projected eighty volumes have appeared in this edition, including twelve volumes of correspondence. Clearly, there is a long way to go, but it is heartening to see in print at last the first of four volumes of Bentham’s writings on political economy, edited by Michael Quinn. These volumes will consist of works composed by Bentham between 1787 and 1804, few of which were published in Bentham’s lifetime, which partly accounts for the relative neglect of this aspect of his vast corpus compared to the attention given to the writings of other prominent political economists of the age.

There were, of course, features of Bentham’s writings on moral and legal philosophy that influenced later economists. For example, the felicific calculus Bentham devised to guide in the calculation of pains and pleasures provided the groundwork for the development of policy based on cost-benefit analysis, and while Bentham shared Adam Smith’s view that the route to a nation’s prosperity is by individuals pursuing their interests in ways of their own choosing, with government intervention limited accordingly, he also developed the theory of diminishing marginal utility, furnishing economists with a conceptual tool by which to address the uneven distribution of social happiness. The collectivist conclusions Bentham drew from this principle were modest in scope, but later reformist economists like William Stanley Jevons (*The Theory of Political Economy* [1871]), impressed by the idea that social utility could be calculated based on the aggregate of individual interests, developed the theory in the direction of modern welfare economics. And, though F. Y. Edgeworth (*Mathematical Psychics: An Essay on the Application of Mathematics to the Moral Sciences* [1881]) thought Bentham’s formula of the “greatest happiness of the greatest number” a mathematical absurdity, he reformulated the goal of social and economic policy in terms of the greatest total happiness (or greatest average happiness for a fixed number of people). What is absent from these developments in political economy, however, is an appreciation of the depth and breadth of Bentham’s numerous writings on economic and financial matters.

Werner Stark’s edition of *Jeremy Bentham’s Economic Writings* in three volumes (1952–54), to which Quinn pays generous tribute, while vastly superior to the selection of economic writings contained in the haphazardly arranged and incomplete eleven-volume edition of *The*
Works of Jeremy Bentham, Published under the Superintendence of his Executor, John Bowring (1838–43), is hampered by both omissions and questionable editorial decisions in the arrangement of material. The reader can be assured that the present volume and the following three are in safe hands, produced by one of the leading Bentham scholars, who has been able to draw on the insights into the philosopher’s working methods and practices accumulated by the generations of researchers and editors sponsored by the Bentham Project, where Quinn is a senior research associate. In recent years, Quinn has published a number of insightful essays on Bentham’s social and political thought and has edited two very impressive volumes on the poor laws for the Collected Works (Writings on the Poor Laws [2001, 2010]). His work on Bentham’s political economy is not far removed from the volumes on the poor laws; in both areas Bentham brought to bear crucial aspects of his theory of civil law. Moreover, having diligently worked his way through the enormous number of Bentham manuscripts on economic matters, written in both English and French (located at University College and in Geneva), with a good number of the latter edited by Bentham’s Genevan disciple Étienne Dumont, some of which he published in the journal Bibliothèque britannique, we can be sure Quinn has not omitted anything of consequence in piecing together the material from which scholars will be able, finally, to contrive fully informed interpretations of the value of Bentham’s contributions to this field.

The substance of the present volume, including thirteen appendices of material quarried from Bentham’s manuscripts, date from 1786–95 and appear under four headings: “Projet Matière,” Defence of Usury, “Manual of Political Economy,” and A Protest against Law Taxes. Only the second and fourth of these were published in Bentham’s lifetime. Subsequent volumes will contain Bentham’s published and previously unpublished writings on taxation, trade, banking, currency, pricing, property, and other matters.

In a lengthy and meticulous editorial introduction, Quinn takes the reader through the chronology and complexities of the origins and forms of the writings in the present volume. A short review is no place to attempt to follow him in presenting a detailed account of the relationships between the texts, but in summary form we can say the following. In 1786, at the same time Bentham was sketching ideas for a discussion of the legal regulation of interest rates, which would soon find their way into the pages of Defence of Usury (1787), he drafted a considerable amount of material in French on the subjects of political economy and finance under the title “Projet Matière.” Soon after that in 1790, while preparing a new preface and postscript for the second edition of Defence of Usury, he began work on an introductory handbook under the title “Manual of Political Economy.” More material was added to the “Manual” in 1795 but the work was never completed. In the meanwhile, prompted by press reports of the Irish Budget of 1793, Bentham drafted his critique of taxes on legal proceedings, printed as A Protest against Law Taxes and privately circulated in London and Dublin before being published in 1795 with Supply without Burthen (another of Bentham’s works on taxation) and republished in 1816 with Defence of Usury.

In sum, these texts illustrate several aspects of Bentham’s approach to political economy. First, they point to his overarching ambition to develop and marry theory to policy, a method of utilitarian praxis to which he consistently adhered in his writings throughout a long and productive career. Second, they situate political economy within a broader plan to construct a comprehensive legal philosophy based on utilitarian principles and aimed at practical implementation by government. Hence in the 1789 preface to An Introduction to the Principles of Morals and Legislation, the main body of which had been in print since 1780, he listed ten works that would constitute his ambitious plan for a complete body of laws, with the eighth and ninth works devoted to principles of legislation in finance and political economy.[1] In this sense, Bentham’s approach to political economy was first and foremost that of a utilitarian legal philosopher. Third, these texts show the substantial influence of Adam Smith’s economic theory, though Bentham was not an uncritical disciple. He objected to Smith’s labor theory of value and his defense of laws limiting interest rates, and if he adopted Smith’s injunction that the self-interested individual is almost always the best judge of his own affairs, he added a layer of “subordinate ends” (drawn from his theory of civil law) to guide the legislator in the governance of individuals in the economic realm and aimed at maximizing the greatest happiness: security, opulence (or abundance), subsistence, and equality.

Where Bentham believed he differed most from Smith, however, was in his method. Just as in his comments on David Hume’s social thought, which he claimed focused almost exclusively on what is rather than on what ought to be,[2] so he believed Smith’s Wealth of Nations (1776) focused almost exclusively on a descriptive analysis of the operations of the marketplace. If Smith took for his object the “science” of political economy, Bentham stated his object as both the “science” and the
“art,” whereby “the science is considered only as a means” to the end of what ought to be (pp. 167–168). In this respect, in a rhetorical flourish, he said that the “Manual of Political Economy” is to the Wealth of Nations “what a book on the art of medicine is to a book of anatomy or physiology” (p. 169).

It is fascinating to witness the development of these ideas in Bentham’s earliest economic writings. In the outlines and sketches of ideas he wrote in French in the early 1780s on finance and political economy for a projected but never executed work titled “Projet d’un corps de loix complet,” he insisted on the primacy of individual decision making in economic affairs, but was also mindful of the complexities of the field and the necessity of having beneficial policy goals in mind. He laid great stress on the importance of demonstrating how the underlying theory related to these goals, but readily acknowledged that some policy questions were not conducive to a precise calculation of consequences, hence legislative restraint is generally the best approach. Several policy recommendations followed: the elimination of taxes on legal proceedings, which he styled the worst of all imaginable sources of taxation, since they were a tax on misfortune; the removal of legal impediments to improvements in industry, such as limitations on the rate of interest and the legal and administrative expenses of acquiring a patent; and the introduction of legal limits on liability for investors in new enterprises.

By the mid-1780s, Bentham turned his thoughts to a new work under the heading “Projet Matière,” which again he did not complete, though he drafted a significant amount of material under the headings “VII. Finance” and “VIII. Economie,” setting forth his first systematic discussions of these topics. In relation to finance, he stated three legislative objectives—to accrue revenue without unduly depriving the people or causing them unnecessary harm, to keep the harmful effects to a minimum and reduce taxes to the shortest term possible, and to avoid causing negative side effects and the deprivation that the obligation to pay taxes imposes (p. 17)—and then considered direct and indirect methods of supplying government finance from taxes and other methods. In relation to “Économie,” Bentham covered the topics of population and the means of increasing wealth in relation to capital, labor, and commerce, and listed the three objectives of political economy as “subsistence, défense [security], jouissance [enjoyment]” (p. 5).

Bentham initially conceived the “Manual of Political Economy” as a discussion of the objectives of security, subsistence, and opulence (an earlier draft proposed equality as a fourth end but with the query whether this was rightfully the domain of political economy), and offered the means to achieve these objectives, namely, encouragements to industry and other measures to increase opulence, security, and subsistence, and the positive and negative effects of taxation on these measures. In 1797–98, Dumont published an extract from the “Manual” in the Bibliothèque britannique, together with extracts from “Projet Matière” and “Principles of the Civil Code”—the latter a work Dumont was then editing for inclusion in the three volumes of his hugely successful redaction of Bentham’s law writings, Traité de législation, civile et pénale (1802). Later, Dumont inserted parts of the “Manual,” together with material drawn from “Projet Matière,” and fragments from other works, in another redaction of Bentham’s writings, Théorie des peines et des recompenses (1811). When Richard Smith edited the “Manual” for the Bowring edition he translated the relevant parts of Dumont’s 1811 volume and integrated it with manuscript material from another Bentham work “Method of an Institute of Political Economy,” written ten years after the “Manual,” but without realizing he was jumbling together two different works by Bentham (p. lxxxiv). “Method” will appear in a later volume of Bentham’s writings on political economy.

If “Projet Matière” and “Manual” are exploratory works designed to set the theoretical groundwork and basic principles of the “science” and “art” of political economy, the other two works in this volume focus on discrete issues inspired by contemporary policy debates. A Protest against Law Taxes was written in response to Sir John Parnell’s proposal in the Irish parliament, though it appears to have been misreported in the press (p. xciii), to increase the stamp duty on a plaintiff’s declarations and replications in court proceedings, a punitive “tax upon distress” (p. 273) to which Bentham had been opposed since at least 1782. His thoughts on usury first developed in the context of the mapping of his legal philosophy in the late 1770s. Contrary to long-standing English law, Bentham could find no place for it in the classification of offenses on the grounds that what should be considered offenses are actions that produce pain.[3] In 1786, he was prompted to revisit the issue in more concerted fashion by the news, again misreported, that William Pitt, then prime minister, planned to reduce the maximum legal rate of interest from 5 to 4 percent (p. xxxviii). Bentham had already drafted some ideas on the topic as part of a project to dissect the legal obstacles to useful inventions, and abandoning this work he transferred some of the ma-
terial to what was to become *Defence of Usury*, drafted in the form of a series of thirteen letters in early 1787 while Bentham was visiting his brother Samuel in Russia. He could not then have realized just how influential this short penetrating tract was to become; it is the single clear exception to the complaint that Bentham’s writings on political economy have been neglected.

The arguments of *Defence of Usury* are entirely consistent with the commitment to laissez-faire economic principles Bentham inherited from Adam Smith’s *Wealth of Nations* and which he enunciated in his other economic writings. However, in this instance Bentham used these principles as the basis for an effective critique of Smith’s defense of the laws stipulating interest rates for lenders. Smith argued that in the absence of controls, high interest rates would encourage rash lending practices; regulations were required, therefore, to protect financiers from ill-considered speculating on the schemes of “prodigals” and “projectors.” Against this Bentham, one of the period’s great projectors, argued there should be no limitations on the trade in money other than what the market determines. As he put it at the start of Letter I, “no man of ripe years and sound mind, acting freely, and with his eyes open, ought to be hindered, with a view to his own advantage, from making such bargain, in the way of obtaining money, as he thinks fit: nor … any body hindered from supplying him, upon any terms he thinks proper to accede to” (p. 47). To act contrary to this injunction is to impose obstacles to the flow of funds in the financial market place for loan to entrepreneurs, inventors, and other innovators, thereby undercutting the prospects for improvements and discoveries vital to commercial, agricultural, and industrial progress. In a concise tour de force of analysis, Bentham dissected the arguments in favor of usury laws, demonstrating that they are founded on little more than custom and prejudice and are ineffectual in constraining lending at higher rates than those officially sanctioned, albeit with the attendant risks of punishment if the borrower or lender is caught violating the law. Neither the happiness of individuals nor that of society at large is served by usury laws.

Bentham was delighted to hear that Smith himself approved the work and accepted the force of his arguments. Thomas Reid, Smith’s successor as the Chair of Moral Philosophy at Glasgow University also acknowledged that Bentham’s reasoning was unanswerable.[4] The Comte de Mirabeau offered plaudits to the work in the National Assembly.[5] A highly favorable review appeared in the popular *Monthly Review*, with the reviewer stating there could be no doubt of “the national importance of its conclusions.”[6] Later, in *Principles of Political Economy* (1848), John Stuart Mill declared it to be “the best extant writing on the subject” and confirmed its central arguments in his own analysis of the question.[7] However, of more interest to Bentham was the practical impact of his ideas on government policy. He delighted in the news that the arguments of the *Defence* were reiterated in the debate on reducing the legal maximums on borrowing in the Irish parliament in 1788 (p. xliii).

The work was translated into German and French, and its warm reception encouraged the publisher to demand a second edition, which duly appeared in 1790. Another edition was published in 1816, and Bentham’s arguments were cited as authoritative in a speech in the House of Commons that year designed to stimulate debate on a bill to remove all legal restrictions on usury (pp. xlvi, xlix–l). Nowhere were Bentham’s arguments more discussed than in the United States, where state legislatures wrestled with the issue from the birth of the Republic through the following century. The 1787 edition of the *Defence* made its way across the Atlantic, while the first American edition appeared in Philadelphia in 1796, with more editions in 1841, 1842, and 1877, and in New York in 1837 and 1881. Bentham’s arguments were repeated by state legislators and in numerous treatises on both sides of the question, particularly in the debates in Massachusetts, New York, South Carolina, and Virginia.[8] With the exception of Dumont’s edition of the *Traité de législation* and its various translations and the enormously influential *Panopticon: Or, the Inspection House* (1791), few other works by Bentham came close to matching the distribution achieved by *Defence of Usury* and its arguments outside Britain.

The publication of Quinn’s superb first volume of writings on political economy, with its substantive and informative notes, is a tantalizing appetizer for the following three volumes, which together will provide abundant material for a reassessment of Bentham’s significant contributions to the field.

Notes

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