

[003\_506] [15 May 1819]

## Unsent letter to a newspaper.\* <sup>1</sup>

### Paper and Gold

Sir,

In the course of a conversation I had just now with a friend of mine,<sup>2</sup> who is not unknown to you, on the subject of the question relating to Paper and Gold, in the course of the few moments that the conversation lasted he came out with an idea which struck me as at once so simple, so luminous and so conclusive, and so replete with the most important public benefit, that finding it, though it did not originate with me, in so perfect accordance with my own principles I can not resist the propensity I feel to use my humble endeavours to communicate: and little as my small name or mind may contribute to the giving circulation to any opinion, yet as for the purpose of reference it may be of use that among such a multitude of opinions each one should have its distinctive mark, this letter will accordingly offer itself to you for insertion with my name at the bottom of it. Though I could not without falshood and injustice look upon myself as the father, I may thus, at any rate, which is next, consider myself as the foster-father, and not impossibly the grandfather of it.<sup>3</sup>

[003\_507]

The great object is, as far as it is possible, to exclude the sensation of loss; as well from one set of

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\* [Editor's Note: This letter, which appears incomplete, was drafted but not sent by Bentham in May 1819. It is included in the present volume on the ground of the light it sheds on Bentham's continuing commitment to price stability on the one hand, and his order of prioritization between stability in general and political reform on the other. For a related discussion of the same issues, written between November 1819 and April 1820, see 'Radicalism not dangerous', Bowring, iii. 599–622, at 608–11.]

<sup>1</sup> The folio is headed: 'Not sent. Bank Paper Restoration[?].'

<sup>2</sup> Bentham's friend has not been identified.

<sup>3</sup> The remainder of the text is in the hand of a copyist.

men as from another, as well from men in one situation as from men in another: as well from men in the situation of |^^^| as in the situation of |^^^| on the other. But if this object be the right and proper one, what use can there be in effecting, supposing it possible, a decrease of prices, any more than an increase of prices? By an encrease of prices to any given amount, men in certain situations would, it is true, be sufferers, but by the decrease of prices, to no less an amount would the men in the corresponding and opposite situation be sufferers. I say to no less an amount: for to save loss of words by useless criticism, though to some it may seem a useless refinement, by the subtraction of a given sum, be it what it may, of the present price of any thing, a somewhat greater loss will be incurred by him who has to pay it, than will be, by the addition of that same sum: a shilling, for example, forms a larger portion of 10 shillings than it does of eleven shillings. Supposing, then, by the appropriate means, whatever they be, this steadiness secured, and with it, so long as it continues, all sensation of loss from the source in question excluded, what need or what use can there be of or in the resumption of cash payments. What need or use of the restriction of [003\_508] issues of Bank paper?—Of issues beyond the present average amount, yes: for that would produce rise of prices, and thence and with it the sensation of loss on the part of men in the opposite and correspondent situations: of issues not beyond the present average amount, no: for that would produce lowering of prices, and thence and with it the sensation of loss on the part of men in the opposite and corresponding situations, as before. Those who insist on the reduction of Bank issues to that degree in a scale, whatsoever it may be, that shall have the effect of rendering it as easy to obtain coin to any given nominal amount as paper at the same nominal amount: and, therefore, exactly at the same price, admitt of the graduality of such reduction.<sup>4</sup> And, so far as it seems, they judge right; for if a loss must come, the more slowly and gradually it comes, from a heavy loss down to an almost imperceptible one, the better: the sensation of loss is, by so much as the reduction is more slow and regular, the less severe. But to what end, if it can be avoided, inflict any such sensation at all on any one? To this question, it does not seem to me possible to give any satisfactory answer.

[003\_509]

On this subject I hear—for as to reading, that being seeing, which is not to any tolerably adequate extent in my power—different theories, I understand, on this subject, presented themselves at various

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<sup>4</sup> [Annotation to be finalized.]

times to different persons in the region of power and influence. And for the not[?] inaudible purpose of enjoying as extensive a concurrence as possible in the course which it was agreed by the majority should be recommended for practice, the object was to borrow from as many as possible as much as could without inconsistency be borrowed, and at the least to avoid as much as possible to give to any any unnecessary contradiction. My own situation having, in the midst of [my]<sup>5</sup> obscurity, and even by virtue of that same obscurity, the advantage of preserving me from the necessity of making on this occasion or on any other occasion any such or any other compromises, guided by that most simple principle by which on all questions of property I have ever been guided by, that principle of which in international law the name is *uti possidetis*,<sup>6</sup> but for which in English Common Law no name has ever been made, nor will, if they can help it, ever be adopted, it being their interest that the infractions of it should be as frequent and extensive as possible, I have ventured to submit to the public these my thoughts, without so much as [003\_510] attempting to look into any of those more particular and more appropriate, but less comprehensive, and even without knowing any thing more of them, I can almost venture to say less unquestionable, theories: and be pleased to observe, Sir, that it is not because they are theories that I think so of them, for I am not of the number of those who, seeing reason to be against them, see in the word theory and in any other they can continue to add to it a pretence—heaven pity them—for discarding the use of reason, but because, if the above principle of mine is a correct one, all other theories are, in proportion as they diverge from it, bad theories.

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In the conceptions above hazarded, should I, either from further reflection or from any observations that may happen to come to my ears, see reason to regard any thing as erroneous, to confess my error will cost me less than can easily be imagined. The field is one in which I have not for these many years been accustomed to work: and to any part on which at the time I have not been working it has not been much my custom to turn my thoughts.

Of those who think with me—I ought rather to have said with whom I think—on the subject of Parliamentary Reform there are many I believe who look to the destruction of the Bank paper money

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<sup>5</sup> MS 'his'.

<sup>6</sup> i.e. 'as you possess'. [Annotation to be finalized]

and the extinction of the property in government annuities with complacency and anxious desire, regarding the two connected events as being certain of arrival[?] and as certainly productive of Parliamentary Reform in a radical shape.<sup>7</sup> For my part though with a tolerably distinct view at all times of the magnitude of the extempore calamity which would be produced in this Country by that double Catastrophe, yet having a not less distinct view of the all pervading and perpetually encreasing mischiefs produced by the absence of that exclusively effective remedy, I should regard the purchase as an extremely cheap one if, at the price of the utmost mischief producible by that double Catastrophe—the Establishment of Parliamentary Reform in its radical shape, which to me is the only shape, were to be accomplished: and even at that price, if I saw any probability of the accomplishment of it, I w<sup>d</sup> with the utmost of my endeavours, contribute to the accomplishment of it.<sup>8</sup>

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<sup>7</sup> [Annotation to be finalized]

<sup>8</sup> No continuation of this letter has been identified.