

[017\_153]

## METHOD AND LEADING FEATURES OF AN INSTITUTE OF POLITICAL ECONOMY<sup>a</sup> (INCLUDING FINANCE) CONSIDERED NOT ONLY AS A SCIENCE, BUT AS AN ART<sup>b \*</sup>

<sup>a</sup> The Outline of a *projected* work, drawn in the way of anticipation, differs greatly from the Outline of a *finished* work, drawn after completion. The following is something between both.<sup>1</sup>

<sup>b</sup> By Adam Smith, being considered directly as a *Science*, it is considered incidentally only as an *Art*.<sup>2</sup>—Yet of what *use* is the science, but with reference to the art?

NOTE TO TYPESETTER: Please begin new recto.

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\* [Editor's Note: Bentham appears to have drafted this work in at least three, but very probably four, distinct phases. In the first, October 1800, he drafted the text reproduced in Appendix A. In the second, June 1801, he drafted the text reproduced in Appendix B. In the third, August–October 1801, he drafted both the vast bulk of Ch. I in the present volume (with the possible exception of notes—at UC xvii. 347, 219b, and 253—and two passages—at UC xvii. 306<sup>v</sup>, 251—added in March 1804), and the text reproduced in Appendix C. In the final period, March 1804, he added the additional material just mentioned to Ch. I, and redrafted Ch. II almost in its entirety. The work in the present volume contains the text as it appeared at the close of this fourth and final period. The text of Ch. I is reproduced from copies of the text corrected by Bentham, while his own earlier autograph draft, begun on 22 August 1801 and revised and completed on 24 August and 30–31 October 1801, is at UC xvii. 161–2, 158, 164–6. The text of Ch. II is reproduced largely from a fair copy, only sporadically dated, but for which Bentham's autograph draft, written between 10 and 20 March 1804, survives at UC xvii. 309, 322, 309, 323–6, 334, 328, 313, 337–8, 266, 312, 327, 314–16, 180, 316–19, 307–8. On three occasions, in the face of lacunae in the corrected fair copy, the text is supplied from Bentham's draft at 266, 314–15, 307–8.]

<sup>1</sup> Bentham added the text of this and the following note to an earlier, superseded copy of this material at UC xvii. 159 (31 October 1801).

<sup>2</sup> Smith's analysis of systems of political economy addressed the subject as 'a branch of the science of a statesman or legislator': see *Wealth of Nations (Glasgow Edition)*, (Bk. IV, Introduction) i. 428. He nowhere considered it directly as an 'art'.

## Ch. I. METHOD

§ 1. *The Science—Precognita and Precognoscenda*<sup>3</sup>

I. Objects or Ends in view.

1. *Maximum* of National Wealth—2. *Maximum* of Population.

II. Uses of the matter of Wealth.<sup>c</sup>—I. Provision for *Subsistence*—*present* Subsistence—and *Security* in respect of *future*. II. Provision for *Security* in respect of *Defence*—viz: against—1. *external adversaries*.—2. *internal adversaries*—and 3. *calamities*, to which, without human design, the community is exposed. III. Provision for *Enjoyment*:—viz: mere enjoyment; as far as distinguishable from that share, which is the natural, and more or less inseparable, accompaniment of *Subsistence* and *Security*.

<sup>c</sup> From<sup>4</sup> the faculty of being exchanged for one another, the several modifications of the matter of wealth derive a common nature, and in virtue of that nature are susceptible of this common name. Say *matter of wealth*, not *wealth* simply: for *wealth* excludes small portions, such as fall to the share of poverty.

1. Provision for Defence against external adversaries is by administration of *military* force. 2. Provision for defence against internal adversaries is by administration of the power of *Justice*. 3. Provision for defence against calamities and minor physical inconveniences is by Administration of the power of the corresponding branch of the *Police*. Application of the matter of wealth to these cases belongs—not to Political Economy, but to other branches of political art and science:—Art and Science of War—Art and Science of Legislation.

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III. Modifications of the matter of wealth. These are correspondent to the above *Uses*.—1. *Articles of Subsistence*. 2. *Instruments of Security*, in respect of Defence. 3. *Instruments of Enjoyment*.<sup>5</sup> But, Enjoyment being inseparable from the application of the articles of Subsistence to

<sup>3</sup> i.e. ‘Things foreknown’ and ‘Things to be foreknown’.

<sup>4</sup> Bentham added the text of this note to an earlier, superseded copy of this material at UC xvii. 159 (31 October 1801).

<sup>5</sup> In his first draft of this Chapter at UC xvii. 163, Bentham included the following note: ‘Novelty, whence encrease of variety in regard to instruments of mere enjoyment—or articles of subsistence considered as instruments of enjoyment—add[s] nothing to quantity of wealth, but leave[s] it as it was, so far as the old are superseded and kept out of existence by the new. Example: new fruits and flowers, new stuffs, new colours—new fashions for cloathing, useful

their respective uses, an article of Subsistence is also an article of Enjoyment.<sup>d</sup>

[017\_347] [14 March 1804]

<sup>d</sup> It<sup>6</sup> is in consequence of the *interconvertibility* above mentioned, that wealth in any one shape is wealth in any other: that every instrument of mere *enjoyment* is a pledge of *security*: and that national power, so far as depends upon wealth, is in proportion, not to *absolute*, but only to *relative*, opulence: not to the absolute quantity of the matter of wealth in a nation, but to its ratio to the mass of population. For, of the aggregate value of the aggregate mass of the matter of wealth in a nation, the part dedicated to enjoyment is the only disposeable part: the only part applicable to the purpose of *defence*. What is necessary to subsistence must be applied to subsistence, or the man must starve. Hence the reason why France, so much superior to Britain, not only in population, but in absolute wealth,<sup>7</sup> is yet inferior in power, except with relation to countries so near adjacent, that the expence of invading them may be more or less defrayed, by the contributions raised in them.

Increase of Population is desirable,<sup>8</sup> as being an encrease of 1. the beings susceptible of *Enjoyment*—2. the Beings capable of being employed as *Instruments of Defence*. It results of course from the encrease of the means of Subsistence; *and cannot be carried beyond them*.<sup>e</sup>

<sup>e</sup> Of population,<sup>9</sup> nothing said by Adam Smith.<sup>10</sup> Yet of what use is wealth, but with reference to population? and how can either be considered in any comprehensive point of view, without

and ornamental, and furniture, new productions of the imitative arts. But in as far as novelty and variety are sources of enjoyment, as these encrease, so does wealth, if not in *quantity*, yet (what is as good) in *value*.<sup>?</sup>

<sup>6</sup> Bentham's draft of this note appears on an undated clip at UC xvii. 225b, which had been pinned to the text sheet at xvii. 225a (30 August 1801), the text from which latter is reproduced in Appendix C, p. 000 below. [To UC xvii. 225a, Appendix C]

<sup>7</sup> The population of France in 1802 was calculated as 33,111,962: see *Statistique générale et particulière de la France et de ses colonies, avec une nouvelle description topographique, physique, agricole, politique, industrielle et commerciale de cet état*, ed. P.E. Herbin de Halle, 8 vols., Paris, 1803–4, i. 117. The population of Great Britain (England, Wales, and Scotland) was recorded in the census of 1801 as 10,942,646: *Commons Sessional Papers* (1801–2) vi. 556. Ireland, which had approximately 5,200,000 inhabitants, was not included.

<sup>8</sup> In the margin, Bentham has noted at this point: 'This *here*, or under title *Population in Leading Features*?'

<sup>9</sup> The text of this note is in Bentham's hand.

<sup>10</sup> Smith had, in fact, included two brief discussions of the relationship between population, wealth, and subsistence. See *Wealth of Nations*. (*Glasgow Edition*) (Bk. I, Ch. VIII), i. 97: 'Every species of animals naturally multiplies in proportion to the means of their subsistence, and no species can ever multiply beyond it'; and *ibid.* (Bk. I, Ch. XI), i. 180: 'Countries are populous, not in proportion to the number of people whom their produce can cloath and lodge, but in proportion to that of those whom it can feed'.

the other?—since, *quantity* of wealth being given, degree of opulence (relative opulence) is inversely as population.

IV.<sup>11</sup> Genesis of the matter of wealth—Causes and mode of its production—under its several modifications. See for the present Adam Smith, who has not left much to do, except in the way of method and precision.<sup>12</sup>

On the part of the individuals by whom it is produced, the production of it is either purely *spontaneous*, or (with or without design, directed to the encrease of it) either promoted, or obstructed, by the operations of Government. Correspondent practical division of acts and operations, the effect of which is to exert an influence on the quantity of the *national*, to which may be added *mundane*, stock of the matter of wealth.—1. *Sponte acta*.<sup>13</sup> 2. Agenda. 3. Non Agenda.<sup>f</sup>

[017\_219b] [10 March 1804]

<sup>f</sup> Among these several classes<sup>14</sup>—*Agenda*, *Sponte acta* and *Non Agenda*—the distribution of the imaginable stock of institutions will differ in a very considerable degree according to the different circumstances of the several political communities. In regard to defalcations from general opulence for the security of subsistence, an arrangement of the sort which in one country may be at once *needful* and *practicable*, may in another be either *not needful*, or, what is more apt to be the case, *not practicable*. The greater the degree of opulence, the greater the list of *Sponte Acta*—the less therefore that of *Agenda*. In England, [an] abundance of useful things are done by individuals, which in other countries are done either by government, or not at all. Docks, Harbours, Canals, Roads—Institutions for relief against misfortune—in a variety of shapes, and a variety of causes: Bodily affliction, death of friends, Fire—hostile capture, criminal depredation. In Russia, under Peter the great, the list of *Sponte Acta* being a blank, that of *Agenda* was proportionally abundant.<sup>15</sup>

To this head belongs the investigation of the influence of money on *real wealth*—or say for

<sup>11</sup> This and the following two paragraphs are in Bentham's hand.

<sup>12</sup> See Smith, *Wealth of Nations*. For an earlier discussion of Smith's approach see 'Manual of Political Economy' in *Writings on Political Economy: I (CW)*, pp. 165–214, at 167–70.

<sup>13</sup> i.e. 'Things done of one's own will'. In Bentham's first draft at UC xvii. 161 (22 August 1801), he included the following note at this point: 'In this is included the cases (actual and possible) for Inventions and Patents.' For discussion of patents see 'Manual of Political Economy', in *Writings on Political Economy: I (CW)*, pp. 178–84.

<sup>14</sup> The insertion of this note at this point, drafted by Bentham in March 1804, is conjectural.

<sup>15</sup> Peter I the Great (1672–1725), joint Tsar of Russia from 1682, sole Tsar from 1696, Emperor from 1721, was remembered for having imposed sweeping reforms to modernize and westernize Russia, and for having ruthlessly suppressed all opposition to his policies.

shortness *wealth*. Money may well be put in contradistinction to every thing else which is ever called *wealth*: which is ever considered as a modification of the matter of wealth. For *money*, so long as it is kept in the shape of money, and in the same hands, is of no kind of use. In that shape no man can ever make any kind of use of it, but by parting with it, or at least standing engaged to part with it. What value it has, is in the way of *exchange*: value in the way of use it has none. When out of that shape, the materials are thrown into other shapes, then indeed they have their value in the way of use: that value, but for which they would have had none in the way of exchange. Paper money, not having in respect of its materials any value in the way of use, has no value but in the way of exchange: nor in that way, but on the supposition of its being capable of being exchanged for that money, or an equivalent for that money, of which it contains and conveys the promise.

[017\_154]

## § 2. THE ART—*Agenda, and for that purpose Sponte Acta, and Non Agenda*

Subjects of so many books—

NOTE TO TYPESETTERS: Please centre the following line of text.

### I. Wealth

I. *Sponte Acta*. Steps taken by *individuals, of their own accord*, towards the encrease of the mass of the National Wealth.

II. *Non agenda*. *Ineligible* measures, on the part of *Government*.—Almost all that have been employed or been proposed in this view.

III. *Agenda*. *Eligible* measures on the part of *Government*. In point of effect and importance, these in comparison of *Sponte Acta* and *Non Agenda*, are very inconsiderable.<sup>g</sup>

<sup>g</sup> In the natural,<sup>16</sup> that is most convenient, order, *Agenda* should precede *Non Agenda*: indication of the line of rectitude should precede the indication of the deviations. Such would probably be the order in the work at large. In this Outline, a transposition of it was produced by accidental circumstances.<sup>17</sup>

<sup>16</sup> Bentham has marked this 'Note': '*Inserendumne?*', i.e. 'To be inserted or not?'

<sup>17</sup> Bentham decided to revert to the natural order in the Chapter II, pp. 000–000 below. [To Ch. II, this file]

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## II. Population

The same heads—4. *Sponte Acta*; 5. *Non Agenda*; 6. *Agenda*.<sup>18</sup>

NOTE TO TYPESETTERS: Please centre the following line of text.

## III. Finance

7. *Sponte Acta*,<sup>19</sup> 8. *Agenda*; 9. *Non Agenda*—as before.

Finance operates *in toto* in *diminution* of Wealth:—the *object* or *end in view* is—to render the *diminution* as *small* as possible, and as *pure* as possible from *collateral* vexation, and inconvenience in every shape.<sup>20</sup>

NOTE TO TYPESETTERS: Please centre the following line of text.

## IV. Wealth, Population, and Finance together.

V. *Noscenda*<sup>h</sup>—i:e: Statisticks: including *Data* and *Danda*:<sup>21</sup> between which the field of

<sup>18</sup> In an earlier corrected copy of this material at UC xvii. 159, Bentham added the following footnote at this point: ‘For preservation, Poor Laws, Hospitals &c. For encrease, nothing.’

<sup>19</sup> In an earlier corrected copy of this material at UC xvii. 159, Bentham included ‘none, except by accident’ at this point. He also drafted the following footnote, presumably for insertion: ‘Exceptions. 1. Contributions to the Poor, where this not made compulsory by Gov<sup>t</sup>. 2. Voluntary Contributions in war time in France and England.’ In the summer of 1789 a subscription to contribute voluntary ‘Dons patriotiques’ towards the elimination of the national debt was opened by the National Guard of Versailles, and their example was followed by the province of Touraine. Although considerable sums were pledged, the National Assembly resolved in September 1789 to levy a compulsory ‘Contribution Patriotique’ at a rate of 25% of income. In England, voluntary subscriptions to were opened in many counties for the support of local volunteer corps, the paper strength of which amounted to over 300,000 men. For comparison of the voluntary contributions in France and England during the war, with a heavy emphasis on the superior generosity of the latter, see Rose, *Brief Examination*, pp. 7–8 n., 29, 46–7, 72.

<sup>20</sup> In the margin, Bentham has noted in relation to this paragraph: ‘Here, or rather in title Finance in Leading Features?’

<sup>21</sup> In his first draft at UC xvii. 161, Bentham included the following note at this point: ‘Of *Noscenda*, the most constructive indication I know of is that given by Necker: *Admin. des Fin. France*, but without reference to particular uses, as determined by particular *Agenda* or *Non-Agenda*. The most instructive body of *Data* the world has yet seen is that furnished during M<sup>r</sup> Pitt’s Administration, principally by the House of Commons Committee of Finance, of which the pretended re-impression is but a mutilated extract.’ Jacques Necker (1732–1804), Genevan statesman, had directed

*Noscenda* is divided, in portions which, of course, would be found different, as yet, in each *community*, and each *portion of time*.<sup>22</sup>

<sup>h</sup> *Individual facts*.<sup>23</sup> By *Precognita*, and *Precognoscenda*, are meant general facts and principles.

[017\_306v] [11 March 1804]

Statistical matter being food for curiosity, many derive amusement from the pursuit of it, some consequently a profit from the furnishing of it. On this account, so far as depends upon *inclination*, the operation of furnishing it belongs constantly, and so far as depends upon *knowledge* and *power* occasionally, to the head of *sponte acta: Agendum* thereupon on the part of government—the completion of the requisite stock of *knowledge* and *power*, by furnishing the *data* to individuals; or even collecting them itself, wheresoever that operation can be performed, without preponderant vexation and expence. In every walk of life, public and private, public more especially, publicity—publicity!—is the best guardian of virtue.<sup>24</sup>

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French finances as Director of the Royal Treasury 1776–7, and then Director-General of Finances of France 1777–81, 1788–9, 1789–90, was author of *De l'administration des finances de la France*, 3 vols., Paris, 1784. The House of Commons Select Committee on Finance had been appointed on 13 March 1797, under the chairmanship of Bentham's step-brother Charles Abbot (1757–1829), first Baron Colchester, lawyer and politician, Chief Secretary for Ireland 1801–2, Speaker of the House of Commons 1802–17, to examine the public debt and the public revenues, and to suggest measures for reducing public expenditure without detriment to public service: see *Commons Journals* (1796–7) lii. 392–3. The Committee sat between 1797 and 1798, and presented a total of 36 reports: see *Commons Sessional Papers of the Eighteenth Century*, cvii–cxiii (1797–8). In referring to a 'mutilated extract' is of the Finance Committee's Reports Bentham presumably had in mind *The Reports from the Select Committee of the House of Commons on Finance, as presented to that House; containing An Account of the Public-Funded Debt, Taxes, Unfunded Debt, &c. And Including the Present State of the Several Following Public Offices, with the Measures that May be Adopted for Reducing the Public Expenditure, &c. &c. &c.*, London, 1798, authorised by the Committee but 'Printed for J. Debrett, opposite Burlington House, Piccadilly', which included versions of the Committee's first twenty-two reports, from which all appendices were excised.

<sup>22</sup> In the text, Bentham has inserted a note-marker at this point, but no corresponding note has been identified. In his first draft at UC xvii. 161, Bentham had added at this point: 'Reporters, commissioned or uncommissioned, furnish facts: Adam Smith has in most instances, with a superior degree of success, set himself to point out the connection between those facts.'

<sup>23</sup> The text of this note is largely derived from the text of a note added by Bentham to an earlier, superseded copy of this material at UC xvii. 159 (31 October 1801).

<sup>24</sup> The following paragraph is in the hand of Richard Smith, but is copied from Bentham's original 1801 draft of the work at UC xvii. 162 (25 August 1801).

The collection and publication of statistical facts being attended with *Expence*, no institution should be set on foot for the furnishing any such articles without a previous indication of the benefit derivable from such knowledge and a conviction that it will pay for the *Expence*.—The *Expence* necessary for one purpose may, however, be sufficient for the accomplishment of many purposes.

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[I. Wealth.]<sup>25</sup>

1. Whatever is *Sponte actum* on the part of individuals falls thereby into the class of *Non Agenda* on the part of Government. Coercion—the inseparable accompaniment, precedent, concomitant, or subsequent, of every act of government, is in itself an *evil*: to be any thing better than a *pure evil*, it requires to be followed by some more than equivalent good. Spontaneous action excludes it: action, on the part of Government, and by impulse from Government, supposes it.

2. Rule for judging of the utility of any measure of Government, in this line or any other, for the execution of which money is required. Compare the expected benefit of it with the mischief of the *vexation*, attached to the levying of the sum in question by *the most vexatious Tax*: for, by giving up the projected measure, the vexation from the Tax may be saved or done away.

[017\_156]

Non Agenda may be distinguished into—I. Broad Measures—II. Narrow Measures.

I. Broad Measures, applying to *all* sources of wealth, without distinction.

I. *Forced Frugality*. Adding to National Capital (real capital) by *money* raised on purpose; which must be by *Taxes*. Of all *ineligible* measures this is the *least ineligible*, and most effective. The *objection* is—that it is a defalcation from individual property without *necessity*. The collation, how great soever the ratio of it to the ablation, is not compatible with justice: the defalcation is from the property of Paul; the addition is to the property of Peter.<sup>i</sup>

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<sup>i</sup> When National Debt is paid off, it produces *this* effect, *without the objection*.

On the *buying-in, or paying-of* of the *Government Annuities*, in which the Debt consists, the

<sup>25</sup> Bentham's draft of the following two paragraphs is at UC xvii. 321 (11 March 1804). The paragraphs were originally drafted for Chapter 2, § 3, pp. 000–000 below, before being relocated here. [To UC xvii. 255–6, 332–3, 263–4, 266–8, this file]

money raised by taxes, of which the whole mass, with a trifling exception or two, bears—not upon *capital* but upon *income*, is [put] into the hands of the *expelled Annuitants*; who, to make it afford them an *Income*, as before, must employ it *themselves* in the shape of *capital*, or lend it to *others*, who will employ it in that shape.

If the sum of money paid by government to such Annuitants, on the redemption of their Annuities, be greater than the sum received by government on the creation of those same Annuities, the quantity of the sum thus raised by forced frugality, and poured into the money market in the shape of capital, receives a proportionable increase. In some instances for about £50 received, Britain has in this way engaged to pay £100.

II. *Increasing Money*: an indirect Income Tax on *fixed-incomists*. *Labour*, not *money*, is the *real* source of wealth. All hands being employed, and employed in the most advantageous manner, *wealth* could admitt of no further increase: but *money* would be increasable *ad infinitum*.<sup>j</sup>

[017\_261] [31 October 1801]

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NOTE TO TYPESETTER: Please centre the following line in the note, and note the multiplication sign in the paragraph which follows it.

Indication of the Indirect Income Tax, resulting from Increase of Money.

In Britain, Money is about [£]72,000,000; income (A° 1801) about £216,000,000 {72:216::1:3}. *Each* million added to *money*, adds therefore *three* million for ever to *pecuniary Income*; and [this]<sup>26</sup> (setting aside the 15 per cent for ever {£150,000} for profit on the million if employed in the shape of capital) without addition to *real income*.—If, in every year, £2,000,000 be added to money, (*plus* £300,000 for an equivalent to the addition made as above to real wealth) in 36 Years (A° 1837) the nominal or pecuniary amount of a mass [017\_261<sup>v</sup>] of real income, equal to the amount of 1801, will be doubled i:e: become £432,000,000: to which will be added £10,800,000 for an equivalent to the intermediate addition to real wealth {£300,000 × 36}. But the £432,000,000 of 1837 being worth no more than the £216,000,000 of 1801, each £100 of the £432,000,000 will be worth but £50 of the £216,000,000: that is the

<sup>26</sup> MS ‘thus’. The text follows Bentham’s original draft at UC xvii. 165.

income of each *fixed-incomist* will, by that time, have been subjected to an indirect income tax of 50 per cent: {the *King's* £900,000 will be reduced to £450,000.}<sup>27</sup> He, whose pecuniary income in 1837 is double what it is in 1801 will in point of *wealth* be neither a *gainer*, nor a *loser*, by the change. *Not* so in point of *comfort*. For, by so much as he is a *gainer* in *wealth* in the *one* way, by so much he is a *loser* in the *other*: and, by the nature and constitution of the human frame, sum for sum, enjoyment from *gain* is never equal to suffering from *loss*.

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III. *Reducing Interest*: viz. the lawful rate of Interest of money, borrowed by individuals of individuals:—a *direct* and (to the *state*) *unproductive* Income-Tax, on those whose Income arises out of a mass of money lent out at Interest. In *Ireland*, in 1788 or thereabouts, this was proposed as a *means of increasing wealth*, but rejected after a hard struggle.<sup>28</sup>

IV. *Increasing Land*: viz. by *Colonization*: *eligible*, when there is a prospect of *deficiency of land* with reference to *Population*: *ineligible*, in every other point of view. The *Taxes* borne by the *Mother Country* are *not diminished* by it, but *increased*. In the *British Empire* at least, it is a *principle*—that *all expences*—in establishments civil, military, and naval, and occasional *wars*, are [017\_157] to be borne by the *Mother Country*. The *Capital* employed in the cultivation of the *Colonies* by the *Mother Country* is so much *sent out* of it without adequate return. *Bryan Edwards*, even in magnifying the utility of *Colonies*, makes the rate of profit upon capital so employed but 7 per

<sup>27</sup> £900,000 was the amount of the parliamentary grant, paid annually at that rate since 1786, to defray the expenses of the King's civil list: see 'Report from the Committee on Accounts relating to His Majesty's Civil List', 15 March 1802, in *Reports from the Committees of the House of Commons*, London, 1803, vi. 193–226, at 222–3.

<sup>28</sup> See p. 000 n. above. [To note to UC iii. 257, 'Defence of a Maximum, in answer to the arguments on that head in a pamphlet of 1800 attributed to a late Secretary to the Treasury'] Bentham has indicated that a note on a separate page should be inserted at this point, but no such note has been identified. In the margin, Bentham drafted a note which he later decided to insert in Ch. 2: see p. 000 n. below. [To note to UC xvii. 268, this file] In the margin, Bentham has also noted: 'Interest is the price for the use of capital. As capital becomes more abundant the price of it, as of every other commodity, *lessens*. By reducing the price which people should be permitted to pay for it our[?] statesmen thought they should encrease, if not the quantity of it, at any rate the effect of such measure in the way of encrease of wealth. What they did not consider is that it is only by encrease in the quantity of capital, that wealth can receive any encrease. But [to] lower the price of capital was not the way to encrease the quantity of it. As rational would it have been to [.^.^?] quantity of corn produced by limiting the price. Fixing a maximum for corn has been proposed in another view. But under the notion of encreasing the quantity no such proposition ever[?] entered into the head of [.^.^?].

For Bentham's proposal for fixing a maximum price for corn see 'Defence of a Maximum, in answer to the arguments on that head in a pamphlet of 1800 attributed to a late Secretary to the Treasury', pp. 000–000 above. [To UC iii. 215–30, 235–8, 284, 239–60, 279–81, 233–4, 231–2, 261–2, 173–87, 203–14, 191–3, 201–2, 194–200, 188–90, 264, 282–3, 265–8, 270–5, 277–8]

cent.<sup>29</sup> the common calculation gives, for the profit on capital employed within the Mother Country, 15 per cent. Whatever capital is bestowed upon *this* employment, is so much taken from *other* more lucrative ones.<sup>30</sup>

## II. Narrow or Particular Measures: applying to particular sources of wealth.

1. Wealth being the produce of *Capital*, (which is no more than *labour*, employed through the intervention of money (pecuniary capital) or otherwise) and capital being *limited* (for *labour* at least is *limited*) whatever is *given to any one* such branch, is so much *taken from the rest*.<sup>k</sup>

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<sup>k</sup> Divide<sup>31</sup> into 12 branches the aggregate mass of profit-seeking industry. Each calls, or at least has an equal right to call, upon government for encouragement:—for encouragement, at the expence of the public purse: that is of all the other branches. Gratify all alike, there is, as between them at least, no injustice on the one hand, no profit on the other. Gratify any number short of the whole, injustice is certain, profit questionable.

To what institution at the public charge are objections most apt to be made? To those of which the expence is minute, the profit infinite. To what least apt? To those, of which the expence is great, the profit to the public precarious or even negative. In these instances, in which reason is never present, pretence is never wanting. In infancy in maturity, in decline:—flourishing or languishing—profitable or unprofitable—claims to encouragement are urged with equal confidence.

Whence this inconsistency? From hence:—that in the one case, the profit is remote, and shared by countless multitudes; in the other, immediate, and shared among a few.<sup>32</sup>

2. If the encouragement be by *donation of Capital*—(of money to be employed in the shape of capital)—it belongs to the first head of *Non Agenda*, FORCED FRUGALITY.

<sup>29</sup> See Bryan Edwards, *The History, Civil and Commercial, of the British Colonies in the West Indies*, 2 vols., Dublin, 1793, ii. 249.

<sup>30</sup> Bentham has inserted a note-marker at this point, but no corresponding note has been identified.

<sup>31</sup> Bentham's draft of this note is at UC xvii. 311 (10 March 1804)

<sup>32</sup> In Bentham's draft of this note at UC xvii. 311 (10 March 1804), the following passage is marked for deletion at this point: 'Shuffling[?] capital thus from pillar to post, men in great place give themselves for great men. Whatsoever they have drawn or driven to a spot at which it attracts notice—drawn by direct encouragements, driven by discouragements applied to rival branches—they take credit for as if created, and created by their hands. By additions to the quantity of capital employed in this or that branch—aggregate quantity of capital in all branches not being increased—a nation can

3 An encouragement which is indefensible with reference to *increase of general wealth*, may be eligible with reference to *Subsistence* (instance expence of Magazines for *Corn*):—or to *National Defence*:—(Instance—Measures for keeping up an extra-supply of Ships and Mariners.)<sup>33</sup>

NOTE TO TYPESETTER: Please begin new page.

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no more add wealth to its stock, than a man can add a cubit to his stature.’ For earlier expressions of this view see *Writings on Political Economy: I (CW)*, pp. 134, 140, 156, 173, 242–3.

<sup>33</sup> For discussion of sacrifices of wealth to subsistence and defence see Ch. II, pp. 000–000 below. [To UC xvii. 247–50, this file]

## CHAPTER 2. LEADING FEATURES

[017\_242]

### § 1. I. *Of Wealth. 1. Sponte Acta.*

1.<sup>34</sup> The National wealth, is the sum of the particular masses of the matter of wealth, belonging respectively to the several individuals of whom the political community—the nation—is composed. Every atom of that matter, added by any one such individual to his own stock, without being taken from that of any other individual, is so much added to the stock of National wealth.

2. To add to his own particular stock—and to add, in each portion of time, more than, by use or otherwise, is taken from it in that same portion of time—is, with a very few exceptions, the constant aim and occupation of every individual, in every civilized nation. Enjoyment is the offspring of wealth—wealth of labour. What men want from government is—not incitement to labour—but security against disturbance:—security to each, for his portion of the matter of wealth, while labouring to acquire it, or occupied in enjoying it. For the purpose of encreasing wealth, individuals require neither to be forced to labour, nor allured. The want of that which is not to be had without labour, is sufficient force: the assurance of being able to enjoy it is sufficient allurement. Leave men to themselves, each man is occupied either in the acquisition of wealth (the instrument of enjoyment) or in some actual enjoyment, which, in the eyes of the only competent judge, is of more value. If idleness is to be discouraged, it is not because it is the non-acquisition of wealth, but because it is the source of crimes.

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3. Whoever takes upon him to add to National Wealth, by coercive, and thence vexatious, measures, stands engaged to make out two propositions: 1. that more wealth will be produced by the coercion than would have been produced without it: 2. that the *comfort* flowing from the extra wealth thus produced, is more than equivalent to whatever *vexation* may be found attached, to the measure by which it was produced.

[017\_244]

### § 2. I. *WEALTH. 2. AGENDA*

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<sup>34</sup> Bentham has noted in pencil at the head of this folio: ‘☞ B[entham] to D[umont]. Leave this in one Chapter or divide it, as you please. I suppose you will call each Section a Chapter: and then each paragraph may be referred to as a section:

1. The *application* of the matter of wealth to its several purposes, in the character of an instrument of general *security*, is evidently of anterior and superior importance to the *encrease* of it. But this class of operations belongs to other heads: to legislation and administration in general—to the establishment of laws distributive and laws penal, and the institution, collation, and exercise, of powers military, fiscal, judicial, and of the police.<sup>35</sup>

2. General description of the operations coming under the head of *Agenda*: viz. on the part of Government.

Whatever operation—being conducive, either to the encrease of the National stock of the matter of wealth, or to the application of it, in the most efficient mode, to any of its three uses as above described<sup>a</sup>—and not being attended with preponderant vexation, is not to be expected to be performed by the spontaneous exertions of individuals:—of the three conditions requisite for the production of this or any other effect—viz. *inclination*, *power*, and *knowledge*—some one or more being wanting, on the part of individuals.<sup>b</sup>

<sup>a</sup> *Supra* Ch.1. Method.<sup>36</sup>

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<sup>b</sup> Examples. Establishments for the propagation of knowledge: viz. on the subject of those *arts*, on which the augmentation or preservation of the matter of wealth, in any of its shapes, depends.

In England—

1. The Board of Agriculture—<sup>37</sup>

viz: so far as the division into paragraphs (numbered) has been carried on. If any thing be omitted, do not [.^.^.?] it here, merely because it is here.’

<sup>35</sup> See p. 000 above. [To UC xvii. 153, this file]

<sup>36</sup> See p. 000 above. [To UC xvii. 153, this file]

<sup>37</sup> The Board or Society for the Encouragement of Agriculture and Internal Improvement (generally known as the Board of Agriculture) was established in 1793, in response to the perceived threat to Britain’s food supplies occasioned by the war with France, and after intensive lobbying by Sir John Sinclair, who served as its first president. It was awarded a government grant of £3,000 a year, but functioned as a largely autonomous voluntary society, for most of its existence under the secretaryship of Arthur Young. The Board commissioned agricultural surveys of individual counties, and reviewed and promoted measures for agricultural improvement. See also p. 000 n. above. [To note to UC iii. 209,

2. The Royal Institution—<sup>38</sup>

3. The Veterinary School—<sup>39</sup>

4. The Royal Academy: viz. to a certain degree, if considered in this point of view.<sup>40</sup>

In each of these several instances, the amount of profit reasonably to be expected, is beyond calculation: while the individuals, among whom it may come to be shared, are equally out of the reach of conjecture. On the other hand, in the character of a source of profit, there is no limited assemblage or class of individuals, to whom the establishment of any one of these Institutions would at the same time have been practicable, and have afforded a reasonable expectation of payment for the expence.

5. An illustrious and more useful example—because more *needful*, as well as more *extensive*, than all those English ones put together, supposing the execution to correspond with the design, is afforded by the Universities and other education-establishments now setting on foot in the Russian Empire.<sup>41</sup>

‘Defence of a Maximum, in answer to the arguments on that head in a pamphlet of 1800 attributed to a late Secretary to the Treasury’]

<sup>38</sup> The Royal Institution of Great Britain was founded in 1799 by a group of fifty-eight scientists, philanthropists, and social reformers, including Sir Joseph Banks (1743–1820), then President of the Royal Society, Sir Benjamin Thompson (1753–1814), Count von Rumford of the Holy Roman Empire, and George John Spencer (1758–1834), second Earl Spencer from 1783. It was granted a Royal Charter in 1800. Its object was to be a vehicle for ‘diffusing the Knowledge, and facilitating the general Introduction, of Useful Mechanical Inventions and Improvements; and for teaching, by Courses of Philosophical Lectures and Experiments, the application of Science to the common Purposes of Life’.

<sup>39</sup> The London Veterinary College—located in the newly-developed suburb of Camden Town—was founded in 1791 on the initiative of the French veterinarian, Charles Benoît Vial de Sainbel (1750–93), who became its first professor, and with the support of a consortium of promoters headed by Granville Penn (1761–1844), author. It operated as a training school for equine physicians and surgeons.

<sup>40</sup> The Royal Academy of Arts, founded in 1768, was the pre-eminent professional association for artists. With its membership limited to forty academicians, it existed ‘for the purposes of cultivating and improving the Arts of Painting, Sculpture & Architecture’. It pursued these aims through maintaining an art school, organizing a programme of exhibitions, awarding medals, dispensing relief to impoverished artists, giving practical assistance to art institutions, and lobbying on behalf of artistic causes.

<sup>41</sup> The only true university in the Russian Empire prior to the nineteenth century was Moscow University, founded in 1755. Under Catherine II (1729–96), Empress of Russia from 1762, a Commission for the Establishment of Public Schools was appointed in 1782 to reform the education system. This bore fruit in the reign of her grandson, Alexander I (1777–1825), Emperor of Russia from 1801, with the reconstitution as imperial universities of foundations in Dorpat, Livonia (1802), and Vilna, Lithuania (1803); the establishment of new universities at Kazan, Tatarstan (1804), and Kharkov, Ukraine (1805); and the opening of the St Petersburg Pedagogical Institute (1804), which attained university status in 1819. Lower schools were placed under the council of the university for their region. The University Statute of

6. France, on the same supposition, may be referred to for another.<sup>42</sup>

Of the recently undertaken Canal for a communication from Sea to Sea through Scotland, the justification will be to be sought for in the same principles, though the preponderance of profit over expence can scarce be expected to prove equally considerable.<sup>43</sup> Of the profit, part, though to an unassignable amount, will distribute itself among a limited, and perhaps individually assignable description of individuals: other part, in portions altogether unassignable, among individuals more clearly unassignable: viz. among the community at large. On this supposition it seems it is, that the expence is divided between the aggregate of these private purses and the public purse. Suppose the profit, to the local proprietors and other neighbouring inhabitants, adequate; and suppose a fund, adequate to the whole expence, obtainable from that source, the propriety of a contribution at the public expence falls to the ground.

A particular case for the interference of government in this view, is where *inclination* and *knowledge*, both adequate to the purpose, and even *power*, (so far as depends on the possession of the matter of wealth,) being pre-existent on the part of individuals, nothing but an allotment of

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1804 gave the universities autonomy, and permitted learned societies to operate under their auspices: those formed in Moscow included the Society of Russian History and Antiquities (1804), the Society for the Emulation of Medical and Physical Sciences (1805), and the Society of Naturalists (1805).

<sup>42</sup> Under the *ancien régime*, public education in France had been dominated by religious institutions. This system was largely effaced by the Revolution, and various attempts were made to replace it with one founded on secular and patriotic principles. In 1794–5, the National Convention established a series of specialist *grandes écoles* to deliver technical and higher education, including the *École polytechnique* (for sciences and engineering), the *Conservatoire national des arts et métiers*, three *Écoles de santé* (for medicine), and the *École spéciale des langues orientales*. At the apex of the system, the *Institut national des sciences et des arts* was founded in 1795 to take the place of the royalist *Académie française* as an elite cultural and scholarly forum. The Convention's initiatives to reform primary and secondary education were less successful, but in 1802 Napoleon Bonaparte (1769–1821), First Consul 1799–1804, Emperor of the French 1804–14 and March–June 1815, King of Italy 1805–14, established a Directory of Public Instruction, headed by a councillor of state, to centralize control of *petites écoles* (primary schools), communal *collèges*, private schools, and the newly-instituted *lycées*. In 1803, he reorganized the *Institut national*, in four divisions of Physical and Natural Sciences, French Language and Literature, History and Ancient Literatures, and Fine Arts. Further reforms in 1808 attempted to bring male education at all levels under the authority of a central *Université impériale*.

<sup>43</sup> The Caledonian Canal, a sixty-two-mile-long sequence of natural lochs and artificial waterways, had been conceived both as a means of opening an inland shipping navigation between the west and east coasts of Scotland, and of providing employment to the depressed Highland region. It was authorized by the Caledonian Canal Act of 1803 (43 Geo. III, c. 102), which allocated £20,000 for preparatory work. The project was wholly funded by the government, with some of the outlay to be offset by future tolls and duties on users. William Jessop (1746–1814), consulting engineer, estimated that work would take seven years, and that costs, excluding the purchase of land, would amount to £474,531. In the event, the canal did not open until 1822, and the final government expenditure was calculated as £912,373 8s. 7½d.

*political* power of an *appropriate* kind, requires to be supplied on the part of government. Such is the case where *corporate* powers are requisite for the management of a *common stock*: and thereby for enabling [017\_246] individuals, spontaneously associated for the purpose, to give a more effectual *combination* to their exertions, in the pursuit of a common end.

4. Whatever *Non Agenda* have been *acta*, the doing away of these *male acta* may form so many additions to the catalogue of *Agenda*.

To this head belong those operations which consist in the removal of obstructions to *Sponte Acta*.<sup>c</sup>

<sup>c</sup> Examples. 1. Facilitating the conversion of intercommunity of occupation of land into separate ownership.

2. Abolition or modification of those laws by which land is vested inalienably in a line of natural successors, how much soever, by impoverishment, disabled from causing increase, or even preventing decrease, in the value of its produce.<sup>44</sup>

3. Abolition or modification of laws, which give the like perpetuity, to obligations attached to property in land, in the case where those obligations are attended with greater *burthen*, (*viz.* in the way of obstruction of increase) to the party *on* whom they are imposed, than *profit* to the party *in whose favour* they were imposed. Such is the case with many of the *obligations* termed (with reference to the party favoured by them) *feudal rights*.<sup>45</sup>

4. Gradual abolition and intermediate modification of those personal obligations which come under the head of *Slavery*.<sup>46</sup>

<sup>44</sup> Bentham probably had in mind the practice of entail, or strict settlement, whereby, in order to secure the long-term future of a landed estate, and preserve it from being broken up or otherwise disposed of by a transitory owner, it was settled on the present possessor for life, and thereafter on other designated heirs in succession, under a system of trusteeship. The practice had its roots in the statute *De donis conditionalibus* of 1285 (13 Edw. I, stat. 1, c. 1), and was clarified by the Exposition of the Statute of Fines Act of 1540 (32 Hen. VIII, c. 36).

<sup>45</sup> [Annotation to be finalized.]

<sup>46</sup> Chattel slavery was generally held to be unsupported by the common law in England and Wales under the judgments of a number of eighteenth-century court judgments, most notably those of Sir John Holt (1642–1710), Lord Chief Justice 1689–1710, in the case of *Smith v. Browne and Cooper* (1701); and of William Murray (1705–93), Baron of Mansfield from 1756, first Earl of Mansfield from 1776, Lord Chief Justice 1756–88, in the case of *Somerset v. Stewart* (1772): see William Salkeld, *Reports of Cases Adjudg'd in the Court of King's Bench; with Some Special Cases in the Courts of Chancery, Common Pleas and Exchequer, from the First Year of K. William and Q. Mary, to the Tenth Year of Queen Anne*, 2 vols., London, 1717–18, ii. 666; and T.B. Howell (ed.), *A Complete Collection of State Trials and Proceedings for High Treason and Other Crimes and Misdemeanors from the Earliest Period to the Year 1783, with*

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5. From the catalogue of *Agenda*, having for their object the encrease of the National stock of the matter of wealth, in all its three shapes together—must be distinguished in any such measures, the aim of which is confined to the encreasing of it in any one of those shapes, at the expence of either of the two others. Measures of this tendency, will, so far as they are justifiable, find their justification in the same considerations, which prescribe the application of the matter of wealth to its several *uses*, as mentioned in N<sup>o</sup>. 1.<sup>47</sup>

6. In this way a sacrifice is made of the matter of wealth, in the most agreeable of its shapes, to the same matter in one or other of the two necessary ones: of the matter of *enjoyment* to the matter of *subsistence*, or the matter of *defence*. Suppose the assumed necessity real, the transformation belongs, by the supposition to the catalogue of *Agenda*.

7. I. *Sacrifice of enjoyment to subsistence*:—If, in any nation, for the use of the whole, or any part of such nation, government were to establish, in the character of *Security-funds*, Magazines of the matter of subsistence—such modifications of course, as are cheapest and least perishable—Grain for example—not to be drawn upon but in times of extraordinary scarcity; an institution of this sort would hardly be thought of, much less be regarded as beneficial and desirable, under the notion of its producing a clear addition to the aggregate mass of the National stock of the matter of wealth in all its shapes taken together. In the catalogue of *Agenda* it would not be placed, in any other character than that in which it is above described.

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8. Suppose the nature of the case to be such, that the aggregate of the *Security-funds* laid up in the country in question by dealers, may at all times be safely depended upon as sufficient, the establishment of such a fund by government on its own account will be plainly indefensible: pregnant with loss instead of gain, (as, in the business of buying and selling, trust management will naturally be, when compared with interested management) it would disturb the operations of individual dealers, and be prejudicial, rather than conducive, to the end aimed at—viz: national *Security* in respect of subsistence.

9. Suppose on the other hand, that in the same country, times are continually liable to recur, in which the aggregate of these private *security-funds* cannot with safety be depended upon, the

proposition is reversed. The Supposition seems probable at least, and for this reason. The speculations of private dealers are confined to the [greatest]<sup>48</sup> *ordinary* rate of comparative deficiency: they neither do, nor can, make provision for such *extraordinary rates* as now and then take place.

10. What an individual is glad to give to insure himself against loss by fire, government need not scruple to give to ensure its subjects in this way, against loss and distress by scarcity. It is in each county an affair of calculation. For the meridian of England, a very considerable stock of *data* have already been furnished by experience. But, what is shorter than calculation, is—the reflection that the world is wide, and should the country ever receive another visit from famine, (a visit too unpleasant to be thought of) what is not to be had *here*, may *perhaps* be to be got elsewhere.

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#### 11. II. Sacrifice of enjoyment to National defence.

1. Example 1<sup>st</sup> *English Navigation Act*.<sup>49</sup> Considered as a measure of *special* encouragement, having for its object the encrease of the aggregate mass of the matter of wealth, it falls under the censure passed under a succeeding head.<sup>d</sup> Operating by discouragement applied to a rival branch of industry—viz. the same occupation in the hands of foreigners—operating in this way, and not by grants of money, it makes no addition to general wealth in the way of *forced frugality*, as described under another succeeding head.<sup>e</sup> It operates in diminution, rather than in augmentation, of the aggregate mass of the matter of wealth. It makes England pay more for freight than she would otherwise: and *pro tanto* drives the foreign nations in question from this line of industry into some less profitable one. This loss to England and the rest of the world together—this loss, whatever be the amount of it—is the price paid by England, for whatever addition it thus makes to its stock of the matter of defence:—viz. for a sort of *Navy of Reserve*:—for an extra portion of *possible* marine force, convertible into *actual* at pleasure. The ultimate eligibility of the measure will depend upon

<sup>47</sup> See p. 000 above. [To UC xvii. 244, this file]

<sup>48</sup> MS ‘greater’: the text follows Bentham’s draft at UC xvii. 325.

<sup>49</sup> ‘An Act for increase of Shipping, and Encouragement of the Navigation of this Nation’ was passed by the Commonwealth parliament in October 1651: see *Acts and Ordinances of the Interregnum, 1642–1660*, ed. C.H. Firth and R.S. Rait, 3 vols., London, 1911, ii. 559–62. It was designed to benefit English merchant shipping, and to disadvantage Dutch merchants, by placing restrictions on the import of goods from outside Europe to England or its colonies in foreign ships, and the import of goods from European countries to England in ships of a third nation. Its provisions were re-enacted and extended by the Navigation Acts of 1660 (12 Car. II, c. 18) and 1663 (15 Car. II, c. 7), and other statutes of the seventeenth and eighteenth centuries. Bentham’s view that the restrictions had been counter-productive echoes that of Adam Smith, *Wealth of Nations (Glasgow Edition)*, (Bk. IV, Ch. VII) ii. 595–600.

the reality of the assumed necessity, for the maintenance of the sort of security-fund thus kept up: i:e: for that part of the national stock of maritime skill, which owes its production and maintenance to this measure.

<sup>d</sup> § 3. Non Agenda.<sup>50</sup>

<sup>e</sup> § 3. Non Agenda.<sup>51</sup>

2. Example. 2<sup>d</sup>.—Allowances in money, given for the encouragement of certain fisheries.<sup>52</sup> *Object*, the same as in the former case. *Mode* of encouragement, being not, as [017\_250] in that case, *indirect*, but *direct*: viz. by allowances given in money at the expence of National wealth, and thence of National enjoyment. The question is—whether without this encouragement the trade

<sup>50</sup> See p. 000 below. [To UC xvii. 255–6, 332–3, 263–4, 266–8, this file] In the margin, Bentham has added in pencil in relation to this cross-reference: ‘☞ To Dumont. This makes an *anticipation*, which is in some respects inconvenient. There have been doubts and fluctuations in regard to the order of priority, as between Agenda and Non Agenda. To adjust the matter completely to my satisfaction, would require more or less to be written all over again, which would take my up some days more.

‘*Agenda*, as laying down the standard, seems to have the best claim to priority, but at the first time of writing was put after the Non Agenda.

‘Do thou what seems good to thy eyes.’

<sup>51</sup> See p. 000 below. [To UC xvii. 255–6, 332–3, 263–4, 266–8, this file]

<sup>52</sup> The fishing industry, in its several branches, had for many years received financial incentives in the form of bounties, premiums, and allowances. The Salt Duties Act of 1718 (5 Geo. I, c. 18, § 6) had authorized allowances on exports of various types of salt fish. The Herring Fishery Act of 1749 (23 Geo. II, c. 24, §§ 11–16) had authorized bounties on herring fishing vessels: rates had fluctuated, but in 1786 (26 Geo. III, c. 81) were set at 20s. a ton on decked vessels of 15 tons or more, with further bounties of either 4s. or 1s. on every barrel of herrings landed, and premiums on the largest deep-sea catches. Bounties on exported pilchards and mackerel had been introduced and progressively increased by a series of recent statutes (25 Geo. III, c. 58 (1785), 31 Geo. III, c. 45 (1791), and 39 Geo. III, c. 65 (1799) for pilchards; and 35 Geo. III, c. 54 (1795) and 36 Geo. III, c. 77 (1796) for mackerel). The whaling fisheries had also received extensive incentives, beginning with relief from duties on imported whale fins and other products granted in 1732 (5 Geo. II, c. 28), and proceeding to a system of bounties first allowed in 1771 (11 Geo. III, c. 38), and a system of premiums introduced in 1786 (26 Geo. III, c. 50). Two societies had been incorporated by statute with powers to encourage fisheries through the granting of premiums and loans: the Society of the Free British Fishery, in existence from 1749 to 1771, which focused on the herring fisheries; and the ultimately more successful British Fisheries Society (incorporated by 26 Geo. III, c. 106 (1786); its powers augmented by 39 Geo. III, c. 100 (1799)), with a remit limited to Scotland. Adam Smith was highly critical of these various measures, observing, among other points, that ‘it has, I am afraid, been too common for vessels to fit out for the sole purpose of catching, not the fish, but the bounty’: *Wealth of Nations* (Glasgow Edition), (Bk. IV, Ch. V) i. 518–22, and (Bk. IV, Ch. VII) ii. 578.

would be beneficial enough to be carried on, or not. Let the answer be in the negative, the quantity of the matter of wealth thus bestowed is so much taken from enjoyment, and given to defence: and thence, if not necessary to defence, thrown away. Let the answer be in the affirmative, the result of the measure is—besides the transfer of so much of the matter of wealth from the account of defence, a neat addition to the quantity of the whole. But it is only in the supposed necessity of it for the purpose of *defence*, that such sacrifice of national *enjoyment* can receive its justification. Take away the necessity, there remains wealth purchased at the expence of justice: enjoyment given to one man, at the expence of enjoyment taken from another. A case conceivable, and perhaps realized, is—that, as to part, the allowance falls under one of the above suppositions; as to other part, under the other.

[017\_255] [17 March 1804]

### § 3. I. *Wealth*.—3. NON AGENDA

1. Measures which present themselves in the character of *Non Agenda*, may be distinguished into *Broad Measures*, and *Narrow Measures*: broad measures, having for their effect, or their object, the augmentation of wealth in all its shapes, without distinction: narrow measures, having for their object the augmentation of wealth, by the encrease of profit-seeking industry, in this or that particular branch in preference to others, under the notion of its producing more wealth in that than in others.

#### *Examples of Broad Measures—*

##### 1. *Forced Frugality*.

—National Opulence promoted, or endeavoured to be promoted, at the expence of justice.<sup>53</sup> National wealth, without regard to the particular shape, encreased or endeavoured to be encreased, by the application of money in the shape of capital, that money raised (as of course it must be) by taxes: taxes imposed on property or expenditure as the case may be. Necessity, (viz. for the application, of the wealth thus produced, to the purpose either of *subsistence* or *defence*) is here out of the question: for necessity, in either of those its branches, constitutes a distinct ground, mentioned [above].<sup>54</sup>—Injustice the first; forcing a man to *labour*, though it were for his own benefit, where he wishes to *enjoy*. Injustice the second; forcing one man to labour for the sake of encreasing the enjoyments of another man:—encreasing his enjoyments, or rather the stock of the

<sup>53</sup> Bentham considered inserting at this point the footnote at p. 000 n. above. For further details of his doubts about the positioning of material in this work see the Editorial Introduction, pp. 000 above.

<sup>54</sup> MS ‘further on’. See pp. 000 above.

instrument of enjoyment in his hands: for all that government can do in behalf of enjoyment, otherwise than by *security*, is—to encrease the quantity of the mass of instruments of enjoyment: application of these instruments in such manner as to produce actual enjoyment, depends altogether upon the individual, and is an effect altogether out of the reach of government.<sup>f</sup>

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<sup>f</sup> To the opulence of the Prussian Empire, Frederic the Great made some real additions, and some imaginary ones. The imaginary ones consisted in encouragements given to this and that branch of profit-seeking industry: of which presently.<sup>a</sup> The real ones consisted in capital fairly given: money given, on condition of being employed in the shape of capital. But to be given to Peter it must have been taken from Paul: that is from Paul and Peter and their brethren. This he scrupled not to do: his object being—the encrease of the Monarch’s power and grandeur—not the preservation of the means of enjoyment in the hands of his subjects. In this way opulence may be purchased, and to no small amount, by the Sovereign who thinks it well purchased at the expence of justice. At this expence it was that Egypt not only was, but continues to be, enriched: enriched with Pyramids and Temples.

Perhaps, having placed himself in a state of perpetual insecurity by injustice towards his neighbours, he found himself under a sort of necessity of encreasing his means of security by this injustice towards his subjects. On this supposition, the injustice consisted—not in the taxes for defence, and the taxes for the production of national wealth as a fund for defence, which the perpetually-impending danger had rendered necessary; but in the wars of successful rapacity by which the perpetually-impending danger had been produced.<sup>55</sup>

Among the largesses bestowed by the same illustrious Monarch, we may find another class which do not come under either head of reprobation. These consist in money given in reparation of damage done by war.<sup>56</sup> Largesses of this class are not only unexceptionable, but

<sup>55</sup> For much of Frederick II’s reign, Prussia was engaged in wars, especially with the Habsburg empire: see p. 000 & n. above. [To UC iii. 146 & n., ‘Thoughts on Paper Money’]

<sup>56</sup> In the margin, Bentham has noted at this point: ‘☞ To Dumont. The arrangement[?] of Frederick’s donations is taken from a memory of 12 or 14 years old from a book of Hertzbeurg’s which I have lost.’ Bentham had in mind Ewald Friedrich, Graf von Hertzberg (1725–95), Prussian statesman, who had from 1780 delivered yearly discourses to the Academy of Sciences and Belles Lettres of Berlin, in which he reported on the government of Frederick II, and in which he included tables of the sums which Frederick had dedicated ‘to the re-building and embellishment of towns, to the promotion of agriculture and manufactures, and in general to the improvement of his dominions, or given in presents to his subjects’: see, for instance, Hertzberg, *Two Discourses delivered at Public Meetings of the Royal Academy of Sciences and Belles Lettres, At Berlin, in the years 1785 and 1786*, London, 1786, pp. 40–5, 116–20. See also Hertzberg, *Historical Memoir of the Last Year of the Life of Frederick II, King of Prussia, read in the public assembly of the Academy of Berlin, on the 25th January, 1787; by the Count de Hertzberg*, London, 1787, p. 16, in discussion of

useful: being consistent as well with the interests of justice as with those of national opulence. Their utility rests on the same basis as that of insurance against loss by calamities purely physical. See *Legisl. Civ. et Pen.*<sup>57</sup>

As to the largesses given under the notion of *special* encouragement (encouragement to a particular branch of trade in preference to others) though the addition set down as made on this score by each sum of money so bestowed was imaginary, yet from that same sum of money flowed a real addition, though on a different score: viz: on the score of *forced frugality*, as above explained.

<sup>a</sup> § [^^^].<sup>58</sup>

[017\_332]

## 2. Increasing Money

In some cases, and to a certain extent, the addition supposed to result to wealth from this source, has been already shewn to be illusory.<sup>g</sup> Such is the case, in proportion as the fresh money passes at the first step into non-productive hands (i:e: into hands which by their expenditure of it, apply it to a non-productive purpose) without having ever passed into productive ones (into hands which, by their expenditure of it, apply it, and dedicate the equivalent of it for a constancy to a productive purpose).

<sup>g</sup> See Ch. [^] Method.<sup>59</sup>

Example 1. Metallic money, received by a rich mine-proprietor, in increase of rent, and by him spent, as rich men spend their incomes, in the way of *consumptive* expenditure.

Example 2. Paper money issued by a government in discharge of its debts, or for the defraying of the consumptive part of its expenditure:—Salaries to functionaries, purchase of warlike stores,

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Frederick's policy in the years of peace following the conclusion of the Seven Years War in 1763: 'Thus he raised the standing army to 200,000 men, rebuilt all the towns and villages destroyed during the war, established an immense number of plantations, new villages and manufactures'. Frederick II himself reported that by the autumn of 1766 he had already rebuilt 8,000 houses in Silesia, and a further 6,500 in Pomerania and the Neumark: see *Œuvres de Frédéric le Grand*, ed. J.D.E. Preuss, 31 vols., Berlin, 1846–57, xxiii. 107–8, 112.

<sup>57</sup> i.e. Pierre Étienne Louis Dumont ed., *Traité de législation civile et pénale*, 3 vols., Paris, 1802, ii. 25–6.

<sup>58</sup> See p. 000 and 000–000 below. [To UC xvii. 268, this file; and UC xvii. 269–74, Appendix C]

<sup>59</sup> See p. 000 & n. above. [To UC xvii. 156, 261, this file]

and so forth.

In all cases where the addition thus made to wealth is not illusory *in toto*, it is so as to part, and that by far the greatest part. Such is the case where, before it passes into any non-productive hands—(hands expending it in the way of non-productive expenditure)—it passes into a productive hand—(a hand expending it in the way of productive expenditure.)

Example 1. Paper money, issued by a Banker to a borrowing customer—agriculturalist, miner, fisher, manufacturer, or merchant—by whom, before it gets into any non-productive hand, it is employed in the way of productive expenditure.

[017\_333]

Where the addition to wealth is illusory *in toto*, as above, it produces vexation, in the shape of the unproductive income-tax above described;<sup>h</sup>—that vexation not compensated, either to the party vexed or to any other. Where it is illusory in part only, real in other part, the vexation from the illusory part is *pro tanto* compensated for by the gain from the real part; but the compensation, besides being in quantity inadequate, is in its application uncomformable to justice, being shared in the<sup>60</sup> larger proportion by the mercantile man, *for whose benefit* the tax has been imposed, than by the public, *on whom* it has been imposed.

<sup>h</sup> See Ch. |^| Method.<sup>61</sup>

Of the proportion, between the illusory and the real part, of the supposed addition to real wealth, the rise of prices, in a country where no fresh money has been poured into unproductive hands, without first passing through a productive hand, is at once a demonstration, and a *measure*. So much of the added money as *hath not* been accompanied by a countervailing addition to wealth, goes to produce the rise of prices. So much of it as *hath* been accompanied by a countervailing addition to wealth, whether it have contributed any thing to that addition or no, is over and above that portion which has been solely employed in producing the rise of prices. Suppose that, within the last half century, in the whole commercial world together, wealth has received an encrease to the amount of one fourth, and at the same time prices have doubled. It follows, that, of the money now existing in that world, nearly half has to a certainty been worse than thrown away, having been employed in the imposition of the unproductive income tax above described. And as to the addition to wealth, it is a matter of uncertainty what part, and even whether any part, has been produced by

<sup>60</sup> MS orig. 'a'.

<sup>61</sup> See p. 000 & n. above. [To UC xvii. 156, 261, this file]

the addition to money, since without any such addition it might have been produced, as well as by it.

[017\_263] [19 March 1804]

### 3. Reducing Interest: viz. the utmost rate of interest allowed to be given by individuals, for money borrowed of individuals.

1. Of a measure of this kind the principal mischief consists in another sort of unproductive income-tax, imposed upon all such individuals whose income arises out of a mass of money lent out at interest to individuals.<sup>62</sup> It is not, as in the case of the encrease of money, gradual, and in its amount in some degree uncertain and questionable; but sudden and determinate. Reduction from 5 to 4 per cent would be a tax of exactly 4<sup>s</sup> in the pound.

2. As to the effect in the way intended, it would be purely illusory. To the proportion of money employed in the shape of capital, it would make no addition: if by impoverishment it forced some whose [money], by anterior opulence, had been either withholden from trade or withdrawn from it, to embark in trade, so much capital as they thus embarked in a trade of their own, so much would they withdraw from the trade of those other traders, to whom otherwise it would have been lent.

3. Instead of adding to, it would defalcate from, the aggregate mass of wealth. Being a tax on money, lent in the shape of capital within the country, it would in effect be a prohibition; prohibiting the keeping it there, and under a penalty equal to the amount of the tax. It would have the effect of a bounty on the exportation of it: on the exportation of it to any country, where any rate of interest, higher than the reduced rate, would be to be had.

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4. The expected addition, being an illusion,<sup>63</sup> has its source in another illusion. Encrease of wealth, though not the effect, is apt to be an accompaniment of a reduction in the rate of interest. As capital encreases, wealth encreases: and as capital encreases, if the effectual demand for capital, (for money in the shape of capital) does not encrease in so great a proportion, men will not give so high

<sup>62</sup> Richard Smith, Bowring, iii. 47, inserted at this point a passage at UC xvii. 265 (30 October 1801) drafted by Bentham for his earlier discussion of this issue, and reproduced in the present volume in Appendix C, p. 000 below. [To UC xvii. 265, Appendix C]

<sup>63</sup> The first six words of this sentence have been deleted by Richard Smith, and replaced with: ‘The expectation that the reduction of interest would produce an addition to the aggregate mass of wealth is an illusion’. The text follows Bentham’s draft at UC xvii. 338.

a price for the use of it as they did before. The reduction, in this case, is the result of *freedom*: and though it does not itself increase wealth, it cannot take place any further than as wealth is increased by other causes. The reduction, here contended against, is the product of *coercion*: and whenever the illusion prevails, it may be carried into effect at any time, in the poorest country as well as the richest, in the most declining as well as the most prosperous, accelerating and aggravating the decline.<sup>1</sup>

<sup>1</sup> In Ireland, in 1788 or thereabouts, the reduction of the rate of interest, from 6 to 5 per cent, was proposed in Parliament, as a means of encreasing wealth;<sup>64</sup> but, though proposed by Administration there, rejected after a hard struggle.<sup>65</sup>

The mischief that would be produced by a *reduction* in the rate of lawful interest, is over and above the constant mischief produced by the *fixation* of that rate: concerning which, see the ‘*Defence of Usury*’.<sup>66</sup>

[017\_266] [20 March 1804]

#### 4. Increasing Land: viz: in the way of Colonization.

Land is worth nothing, but in proportion as labour is applied to it. Land at a distance is worth less than land at home, by the amount of all the distance. Of the mass of labour which is employed in adding to real wealth no inconsiderable portion is employed in lessening the expence of carriage from a great distance to a level with the expence of carriage from a less distance. If it could be done without destruction to existing capital, and above all without vexation, and destruction of security of property, wealth might be increased[?] by taking the existing population, and transporting it from greater distances with reference to the metropolis, to lesser distances.

Land newly acquired [by]<sup>67</sup> a nation, especially in the way of colonization, is acquired at a greater distance. Foundation of a Colony is an introductory expence, government of it a continual

<sup>64</sup> See p. 000 and n. above. [To note to UC iii. 257, ‘Defence of a Maximum, in answer to the arguments on that head in a pamphlet of 1800 attributed to a late Secretary to the Treasury’]

<sup>65</sup> In the margin, Bentham has noted at this point: ‘To Dumont. The *Defence of Usury*, which I sent over at the time, contributed to throw out the Measure, as Parnel, then Chancellor of the Exchequer, very good humouredly acknowledged to me.’ For *Defence of Usury* see *Writings on Political Economy: I (CW)*, pp. 43–121. Sir John Parnell (1745–1801), Irish Chancellor of the Exchequer 1785–99.

<sup>66</sup> The final seven words of this sentence have been deleted by Smith. Bentham has noted under the text: ‘☞ Four pages more of Non-Agenda are to follow. viz: 2 on *Encreasing Land*: 2. on Narrow Measures.’

<sup>67</sup> MS ‘to’.

expenditure, war for the defence of it an occasional one. All this requires money: and money is not to be had for it but from taxes. To the Mother Country the positive profit from it is equal [to] 0: the negative profit, the defalcation from national wealth consists in the amount of the taxes.<sup>j</sup>

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<sup>j</sup> When, at the expence of a war—and of a hundred millions and a hundred thousand lives sacrificed in that war—England has got another Nation or another Colony to trade with—the foreign nation maintaining itself at its own expence, the Colony to be maintained at the Mother Country’s expence—whatever portion of wealth in the shape of capital is *transferred* to the new spot, the Englishman considers as *created*. For a few *negative* hundred thousands a year, he looks upon the *positive* hundred millions as well bestowed. On the strength of this negative increase in opulence, the Englishman encreases in insolence; the German envies him, the Frenchman would devour him, and thus it is that wars are never to have an end.

But though, in the way intended, no good is done, good is done in another way, in which it is not intended. By the export of capital, a check is applied to the virtual income tax, imposed upon fixed incomists, by the reduction effected in the rate of interest by the continually increasing *ratio*, of that part of the mass of money which is employed in the shape of *capital*; viz: to the remainder, which is employed in the shape of expenditure of income.

If, from the acquisition of a Colony any real advantage were derivable to the Mother Country, whence would it arise? From the diminution in the burthen of Taxes: from the amount of Taxes paid, by the inhabitants of the Colony, to the Government of the Mother Country, over and above what they would have paid, had they staid at home: the expence of governing and defending the Colony being first defrayed by them. But it is a maxim, that by or for the Mother Country, Colonists, as such, are not to be taxed at all: and thus it is that the inhabitants of the Mother Country are benefited by Colonies.<sup>68</sup>

The country the fondest and the proudest of her Colonies is England.<sup>69</sup>

<sup>68</sup> Bentham deleted the following paragraph at this point: ‘A man who has a good constitution and nothing the matter with him may be physicked and dieted by an ignorant apothecary, and yet remain alive and hearty. Should the apothecary ascribe the patient’s remaining strength to the blood that has been taken from him instead of the goodness of his constitution, he would reason as these politicians do who ascribe the opulence of England to its Colonies. Territory for territory, there was more opulence in Austrian Belgium than in England. Austrian Belgium had no Colonies.’ The Southern Netherlands were ceded to Austria by the Treaty of Utrecht (1713), becoming known as the Austrian Netherlands, or Austrian Belgium. The region was seized by France in 1794.

<sup>69</sup> Bentham has noted at this point: ‘Not quite finished’. In the margin, he has noted: ‘From the natural causes[?], the mother country encreases in wealth: it encreases notwithstanding this drain: therefore, the conclusion is, because of it.’

## *Narrow Measures*

[017\_268] [15 March 1804]

Given in the shape of money, encouragements (so called) (special encouragements) though they miss the good they aim at in the shape of special encouragement, produce, in the shape of general encouragement, another good which they do or do not aim at: the addition made to wealth, as above, by forced frugality at the expence of justice.

Given otherwise than in the shape of money—given by discouragements applied to rival branches—they make no addition to wealth by forced frugality, and therefore make no addition at all to wealth. Discouragements to the import, and thence production, of foreign goods, are discouragements to the export, and thence to the production, of the home goods that would have been taken by the foreigners in exchange for their goods.

Of the [favour]<sup>70</sup> shewn to home goods, in comparison of foreign goods, what is the result?—That in each country, men get their commodities either not so good, or not so cheap, and thence not in such plenty, as they would otherwise. Such not only is the result of all these conflicting operations, on the part of all nations, taken together, but, to the extent of the operation, would be so in each, even if there were no such retaliation any where else.<sup>71</sup>

[017\_281]

### *IV. Population IV. Sponte acta. V. Non Agenda. VI Agenda*

The support of population may be aimed at in either of two ways—1. preventing decrease [by]<sup>72</sup> *deperition*: [2.] causing *encrease*.

#### I. Prevention of Decrease. Agenda.—

1. To prevent deperition is to afford Security: security against the extremity of all mischief, destruction of man's life. The only reason for *action* on the part of government belongs in this case to another head.<sup>k</sup>

<sup>70</sup> MS 'faver': the text follows Bentham's draft at UC xvii. 327.

<sup>71</sup> Bentham considered relocating the footnote at p. 000 n. above to this position. [To note to UC xvii. 156, this file] For details of his uncertainty concerning the final positioning of material in this work see the Editorial Introduction, p. 000 above.

<sup>72</sup> MS 'of': the text follows Bentham's draft at UC xvii. 314.

<sup>k</sup> See Ch. 1. Defence against external hostility, internal hostility, or calamity.<sup>73</sup>

Examples of institutions for preventing deperition—

1. Hospitals for the use of the curable sick and hurt among the poor.

2. Hospitals for the incurable sick and helpless.

3. Establishments for the occasional maintenance and employment of the able-bodied among the poor: viz: of such by whom either the one or the other is unobtainable from the ordinary sources. By their maintenance, population is preserved: by their employment, be wealth increased or no, crimes of idleness are prevented.

4. Establishments for the prevention or mitigation of contagious diseases. Establishments till now<sup>74</sup> for inoculation, henceforward for vaccination.

Much *may* be done on the part of government, under this head as well as so many others, by *instruction*. More or less requires to be done, in proportion as, by the ignorance of the people, operations of this class are excluded from the class of *Sponte Acta*, and thence placed among the *Agenda*.

[017\_314] [10 March 1804]

## II. Causation of Encrease.<sup>75</sup>

Institutions on the part of government, having for their end in view the causation of encrease of population by births, may best be characterized by a parallel example—Institutions punishing men for not eating, or for eating food not sufficiently nourishing: Institutions paying all mankind for eating, with premiums for those who eat most and oftenest.

To this head may be referred penal laws punishing for what is commonly meant by infanticide, for abortion, for irregularities of all sorts in the venereal appetite. The apprehension of a deficiency of population for want of the regular intercourse between the sexes in the way of marriage is altogether upon a par with an apprehension of the like result from a general disposition in mankind to starve themselves. Days in a year, 365: average power of, and disposition to, procreation, say

<sup>73</sup> See p. 000 above. [UC xvii. 259, this file]

<sup>74</sup> Richard Smith has corrected the copyist's version of this passage, replacing 'till now' with 'in former times'.

<sup>75</sup> The pagination of the corrected copy indicates that two folios are missing at this point. The deficiency is supplied from Bentham's draft at UC xvii. 314–15.

equal to one act of sexual conjunction per diem the year round. Number of children capable of being produced between each pair by a single act of procreation in the first day of the 365, 1; N° of d° capable of being produced by an act of sexual conjunction for each day of the year, one and no more. On these assumptions, the disposition to sexual conjunction in the regular way is 365 times as great as it need be to the production of the maximum of effect in the way of population. Halve the ratio, or double it, the conclusion will be the same. Before any the least decrease of population could have been produced by the uncontroled indulgence of irregular appetites, the regular gratification of the regular appetite must have become *unnatural* to an extreme.<sup>76</sup>

[017\_315] [11[?] March 1804]

For the penal laws of this class, an anxiety about population has never been any thing but a pretence. In the principle of utility they have no ground whatever. Of the establishment of these laws, the historical causes are to be looked for exclusively in the conjunct influence of the principles of asceticism and antipathy.<sup>77</sup>

To be consistent, the ascetic should extend the prohibition and the punishment to every act of sexual conjunction or gratification between married persons, either of them beyond the age of fecundity, and, within that age, in the interval between conception and convalescence after childbirth: as likewise to deserts following a full meal, and to the use of tobacco in every shape, &c. &c.: the antipathist, to every sort of act which affords to others a gratification in which he has no share. The chewers of betel-nut should mutually extirpate, and be extirpated by, the chewers, snuffers and smokers of tobacco. Expressions of abhorrence for inclinations not his own is a price which no man need grudge, and which the most worthless never grudge, to pay for the praise<sup>78</sup> of virtue.

[017\_287]

### § 5.1. III. *Finance. 7. Sponte acta—8.—Agenda—9. Non Agenda.*

1. When a Tax is imposed upon any commodity, a proportionable discouragement—intended or not intended—is applied to the corresponding branch of profit-seeking industry, and thence a proportionable encouragement to the most immediately rival branches.<sup>1</sup> In this way the branch of Political Economy which belongs to Finance, is unavoidably, though often perhaps undesignedly,

<sup>76</sup> For an earlier discussion of this point see *Writings on Political Economy: I (CW)*, pp. 256–8.

<sup>77</sup> For discussion of the principles of asceticism and of sympathy and antipathy see *An Introduction to the Principles of Morals and Legislation*, eds. J.H. Burns and H.L.A. Hart, Oxford, 1970 (CW), pp. 17–33.

entangled, in practice and effect, with the other branches.

<sup>1</sup> Post. N° 6.<sup>79</sup>

2. To an *indirect* tax, each man pays no more than he pleases; and the *vexation*, attendant on the collection of it is confined to the makers and venders of the commodity taxed.

3. To a *direct* tax, each man pays what the imposer of the tax pleases; and the vexation embraces every man who pays.<sup>m</sup>

<sup>m</sup> Among a certain set of political philosophers, may be observed a horror of indirect taxes, a passion for direct ones: a passionate desire to be coerced and vexed.<sup>80</sup> The word *indirect* seems to have been the source of illusion here, as the word *venality* when applied to judicial offices. A man<sup>81</sup> who buys the office at such a price as to perform the functions of it gratis, shews that it is the function that recommends it to him, not the salary. A eulogistic or dyslogistic *appellative*, stands in place of a *reason*, and works more than a reason, upon the great body—not only of mankind, but of philosophers and politicians.

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4. Indirect taxation, as far as it will go, is therefore preferable to direct; but the length to which it can be made to go, depends, in the instance of each nation, upon its degree of *relative opulence*.<sup>n</sup>

<sup>78</sup> MS orig. ‘reputation’.

<sup>79</sup> See p. 000 below. [To UC xvii. 289, this file]

<sup>80</sup> ‘Les Économistes’, now generally referred to as the Physiocrats, were a circle of French economic and political thinkers, including Anne Robert Jacques Turgot, Baron de l’Aulne (1727–81), Comptroller-General of Finances of France 1774–6, François Quesnay (1694–1774), Jacques Claude Marie Vincent, Sieur de Gournay (1712–59), and Pierre Samuel du Pont de Nemours (1739–1817), whose central principle was that only agricultural labour was truly productive. They were strongly critical of indirect taxes (*‘impôts indirects’*), meaning all taxes other than those levied on the net product of the land: see in particular Quesnay, ‘Seconde Problème Economique’ (originally published 1767), in *François Quesnay et la Physiocratie*, 2 vols., Paris, 1958, ii. 977–92; and Turgot, ‘Sur la mémoire de Saint-Péavy’ (written in 1767), in *Oeuvres de Turgot et documents le concernant*, ed. G. Schelle, 5 vols., Paris, 1913–23, ii. 641–58. Benjamin Franklin (1706–90), natural philosopher and revolutionary politician, used the term to describe duties imposed by Britain on goods imported into America: see *The Papers of Benjamin Franklin*, vol. xix, ed. W.B. Willcox, New Haven, 1975, p. 220; and *The Complete Works of Benjamin Franklin*, ed. John Bigelow, 10 vols., New York, 1887–8, ix. 414–15.

<sup>81</sup> Bentham considered deleting this sentence, having noted in the margin ‘Omitt?’.

<sup>n</sup> See Ch.1. Method. Note (d).<sup>82</sup>

France, England and Batavia: in the scale of absolute wealth, France is at the top, Batavia at the bottom. In the scale of relative opulence, France is at the bottom, Batavia at the top. I speak of the recently *past*: one knows not well what to say of the *present*.<sup>83</sup>

Comparatively speaking, England, till of late, made little use of *direct* taxes: France little use of any other. Her abstinence from indirect taxes has been chiefly the result of necessity,<sup>o</sup> though in some degree of choice.

<sup>o</sup> Indirect taxes, being collected from vendors, presuppose exchange: direct taxes may alike be levied, exchange or no exchange; they may be levied on producers, vendors or no[t]<sup>84</sup> vendors. The further a Nation is advanced in the career of opulence, the fewer the articles produced by non-vendors. A main cause as well as effect of opulence, as per Adam Smith, is division of labour:<sup>85</sup> as this advances, fewer and fewer sorts of things are done by the same hand: till at last, some one sort of thing excepted, there is nothing that a man does not find it cheaper to buy than to make at home. This applies more particularly to manufactures: in Agriculture, the division is stopped by a variety of causes, which for the most part, though not *in toto*, are insuperable.

France used to swarm, and swarms as much as ever, with petty occupiers of land, proprietors or not proprietors, who, producing each of them the greater part of what he consumes, have the less need, and the less ability, to purchase:—and who, accordingly, if they were not forced to pay to direct taxes would scarce pay any thing.

5. A tax on *imports* is borne by our own people: a tax upon exports to foreign countries, is borne by the inhabitants of foreign countries. Whatever imposition of this kind foreigners can be made to bear, is so much gain to *us*. If indeed, when a fresh tax is imposed upon an article of export, the quantity of it produced is considerably diminished by the tax, a temporary distress is thereby produced; and the suffering may be less, or greater, than the suffering saved by the saving in the amount of taxes borne by ourselves. [017\_289] But if the quantity produced be merely *prevented from increasing*, no such suffering is produced, and the benefit by the saving in home-paid taxes is pure. The addition which, had it not been for the tax, would have been made to the quantity of the

<sup>82</sup> See p. 000 & n. above. [To UC xvii. 347, this file]

<sup>83</sup> Bentham has written in relation to this sentence: ‘Note?’. Batavia was the name for the Dutch colonial possessions in modern Indonesia.

<sup>84</sup> The text follows Bentham’s draft at UC xvii. 180.

<sup>85</sup> See Smith, *Wealth of Nations* (*Glasgow Edition*), (Bk. IV, Chs. I–II) i. 13–30.

commodity thus taxed, spreads itself among other commodities of all sorts.

6. The *direct* effect, of the sort of tax called *indirect*, is to make a man pay for the use of the article taxed, and go on using it as before: an *indirect* effect is to make him cease to use it, to avoid paying the tax. This indirect effect is the same as that of a *prohibitive* law, prohibiting the use of the article, viz. under a penalty equal to the amount of the tax. So far as the one effect takes place, the other does not. Commonly they take place together, in proportions infinitely diversifiable.

7. In the way of prohibition, a tax seldom falls on the article taxed, so exclusively as might be supposed. The prohibition falls—not merely upon the article taxed, but upon whatever article each man can best spare. When a fresh tax is imposed upon Wine, a man who having been used to buy Wine and Books, is fonder of Wine than Books, reduces the quantity, not so much of his Wine, as of his Books. By a tax upon Gin, many a man, instead of being sobered, has been starved.

8. The *best* sort of indirect tax is that which, by its effect in the character of a prohibition, diminishes the consumption of an article, the use of which is pregnant with future misery, the dregs of the cup of present pleasure. Such, above all are the *pabula* of drunkenness. The fiscal, is in this case crowned by a moral, use.

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9. The *worst* sort of indirect tax, is that which in the character of a prohibition lessens the use of an article to which a man's attachment is apt not to be so great as it were to be wished it were, considering what is the produce of it in the shape of permanent good, over and above the evanescent pleasure. The fiscal use is in this case clogged with an anti-moral tendency. Books, especially of the instructive kind, may be mentioned as examples. But books of the least instructive kind, music, instruments of pastime of all sorts, not to speak of public entertainments—every thing—morality is served by every thing, that calls a man off from drunkenness.

10. The mischief done in the way of prohibition by that species of *direct* tax which is imposed upon produce, and encreases with the quantity or value of the produce, is frequently but too real, but is apt to be exaggerated. Though my profit would be greater, if I had nobody to share it with me, my having somebody to share it with me does not make me deny myself all profit. Few men so spiteful as to hate others more than they love themselves: especially the government, which is nobody, quarrels with nobody, and protects every body. A man without a partner has the whole profit to himself, yet many men submit to saddle themselves with partners. The government, which imposes proportional taxes on produce, is a partner who furnishes protection, though nothing else.

11. I have elsewhere spoken of the *best* of all financial *resources*, and the *worst*.<sup>86</sup> The best, (supposing public opinion to admitt of it) as well as the most copious, seems to be—that which gives to the public a share, in property become [017\_291] vacant by death, on failure of near relations. The formation of counter-expectations being prevented by pre-established law, receipts from this source need not be attended with that vexatious sense of *privation*, which is the inseparable accompaniment of a tax.

12. The *worst* is that tax, call it direct or indirect, which, as often as it acts as a *prohibition*, deprives a man of *every thing*, by depriving him of *justice*: the tax I mean upon *law proceedings*, by which the Poor, that is the bulk of the community, especially the oppressed and afflicted part of it, are put out of the protection of the law.

13.<sup>87</sup> Abstractedly considered, the tax upon *Medicine* might be stated as still worse: the prohibition in this case bearing more immediately and exclusively, as well as extensively, upon health and life. But the tax is not apt to be so heavy upon *Medicine* as upon *Justice*. There are moreover Hospitals and Dispensaries for the relief of the Poor who want *Medicine*: but there are none for the relief of poor and helpless suitors, who want *justice*.<sup>88</sup>

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14. In the case of indirect taxes, a common notion considers the *ratio* of the tax to the price of the article as limited to a *maximum*: limited, viz.—by the effect of smuggling. Encrease the ratio, you lose more, (it is supposed) by the quantity that escapes the tax, than you gain by the addition to the amount of the tax on the quantity that pays it. This notion, supposing it just, as applied to the aggregate of taxable articles, will be apt to be illusive, as applied to this or that sort of article, considered by itself. In respect of difficulty of evasion, and facility of collection, the scale of

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<sup>86</sup> See, respectively, ‘Supply without Burthen’, in *Writings on Political Economy*: II, ed. M. Quinn, Oxford, 2019 (CW), pp. 1–45, and ‘Protest Against Law Taxes’, in *Writings on Political Economy*: I (CW), pp. 269–93, which Bentham had published together in *Supply without Burthen; or Escheat vice Taxation: being a proposal for a saving in taxes by an Extension of the Law of Escheat: including Strictures on the Taxes on Collateral Succession, comprized in the Budget of 7th Dec. 1795. To which is prefixed, (Printed in 1793, and now first published,) A Protest against Law Taxes: shewing the Peculiar Mischievousness of all such Impositions as add to the Expense of An Appeal to Justice*, London, 1795.

<sup>87</sup> This paragraph, which appears in the copyists text, appears to have been originally added to that text in pencil by Bentham in the margin, with the instruction ‘Add this’, before being erased.

<sup>88</sup> Richard Smith, Bowring, iii. 78, inserted at this point a passage at UC xvii. 182 (29 August 1801), drafted by Bentham for his earlier discussion of taxation, and reproduced in the present volume in Appendix C, p. 000 below. [To UC xvii. 182, Appendix C]

variation is stretched to a great latitude by the bulkiness of the article, by the local circumstances of the place at which the tax is collected, and by a variety of other circumstances. But other causes of variation, and those very powerful ones, are—the organization of that part of the financial system which concerns the mode of collection; and thence the vigilance or remissness—the sufficiency or insufficiency in number—and the probity or improbity—of the functionaries employed; the good or bad contrivance of the taxation-laws, in respect of the obligations imposed on the contributors for the prevention of evasion; the amplitude or scantiness—the good or bad choice made—of the powers given to the collectors for the prevention of evasion; and the apposite or inapposite construction of the system of judicial *procedure* on this subject, including the rules of *evidence*.<sup>89</sup>

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15. When money is to be borrowed, borrowing it, in part at least, of foreigners, is attended with two advantages. At the time of *borrowing*, it diminishes the consumption of home capital, the consequent check to production, and the loss, to private borrowers as well as to government, by the sudden *rise* in the rate of interest: at the time of paying off, it diminishes the loss produced to money'd men at home, by the sudden pouring in of capital into the market (money which must be laid out in the shape of capital) and by the sudden *fall* in the rate of interest, which is the consequence. By *money'd men*, understand here—not the opulent only, but *all*, to the very poorest, whose incomes arise out of the interest of money, and that interest reducible.

Some men grieve, on this occasion, at the thoughts of the money that goes out of the nation to pay foreigners. A housekeeper might as well grieve at the thoughts of the money that goes out of the house to pay the baker with. If to day the money goes out of the house, it is because t'other day the bread came into it. Do without bread, or bilk the baker, the money will be saved.

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## § 6. *Noscenda*

Examples of *Registranda*—

I. Forensic Steps, Documents and Costs:—steps taken, documents exhibited, in each cause, with the expences respectively attendant upon each.

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<sup>89</sup> Smith, Bowring, iii. 78, inserted at this point a passage at UC xvii. 182 (29 August 1801) drafted by Bentham for his earlier discussion of taxation, and reproduced in the present volume in Appendix C, p. 000 below. [To UC xvii. 182, Appendix C]

1. Uses to the Administrator—the Judge. 1. Shewing the ground afforded for each successive step and document, by the several preceding ones. 2. Costs to be stated, that in each instance, so far as justice requires, and ability extends, the burthen may be thrown upon the party in the wrong.

2. Uses to the Legislator. 1. By the operation of publicity, check upon injustice, as well collateral as direct, on the part of the Judge. 2. In the way of instruction, view of the price paid for justice (direct justice) in the shape of *collateral*, and in some degree unavoidable, *injustice*: viz: in the triple shape of vexation, pecuniary expence and delay:—paid, in each cause individually, and thence in each class of causes collectively, the causes being for this purpose divided into classes.<sup>90</sup> 3. Ultimate use to the legislator and the public, *reducing* continually, and finally *keeping*, to its minimum, by successive improvements, the quantity of injustice in both shapes, collateral as well as direct.<sup>P</sup>

<sup>P</sup> In this line, an interesting example has been lately set by the Danish Government, on the occasion of the Tribunals lately instituted, under some such name as that of *Reconciliation Offices*.<sup>91</sup> I speak of the *design*: of the *execution*, materials for judging have not reached me.

The expence of *registration* will be amply paid for by the first of the uses to the legislator, added to [the] two uses to the Judge.

The expence of *publication* might be much reduced, as well as the utility in the way of instruction increased, by throwing the matter into a *Tabular* form, abridged in bulk and digested under heads.

## II. Deaths, Births and Marriages.

1. Use to the Judge.—Use of these several documents, in the character of *evidences*, constituting the basis of the most important, because most extensive, class of rights and obligations; rights of property derived from succession: rights and obligations of various sorts, derived from condition in life.

<sup>90</sup> Bentham has noted his intention to make ‘Reference to Dumont *Principles*’, i.e. to his own classification and subdivision of offences in Dumont, *Traité de législation*, ii. 240–50.

<sup>91</sup> Conciliation commissions were established in Denmark by a royal edict of 1795, which required civil disputes to be submitted in the first instance to a local commission, and forbade their being entered for judgment in court without a certificate showing that conciliation had failed. Bentham mentioned this system of resolution as an alternative to more formal proceedings, on several occasions in his writings on evidence, notably in *Rationale of Judicial Evidence, Specially Applied to English Practice*, ed. J.S. Mill, 5 vols., London, 1827, i. 423–7, 560–2 n. (Bowring, vi. 189–585

2. Use to the Legislator.—Indications of the state of population—encreasing, stationary, or declining—thence, in cases of check or decline—general or local—indication of the extent, the causes, and the remedies. Indications of the amount of profit and loss by war. Loss, real in every war: neat profit, seldom more than ideal, (wealth taken into the account) from the most successful war.

In every line of management, private or public, a necessary Guardian to Good Economy is Good Book Keeping.

Mode of publication, abridged, digested, and tabular, as above.

To the Ecclesiastical function, wherever *established*, the business of registering and transmitting *Noscenda* of this class (not to speak of others) seems a natural appendage—How can the shepherd feed his flock, if he does not know them?<sup>92</sup>—how know them, if he cannot number them?

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III. Contracts of all sorts—viz: such as by their importance are worth registering.—Mode or amplitude of registration, in some cases transcription; in others abbreviation; in others simple mention of existence.

1. Use to the Administrator, the Judge.—Uses of these documents, in the character of evidences, as above.

2. Uses to another sort of Administrator—the Collector of the Revenue—in the case where documents of this sort have been taken for the subject of taxation.—1. Check to fraud on the part of the intended *contributors*. 2. Check to speculation and negligence on the part of the *sub-collectors*.

3. Uses to individuals at large. [1.] Prevention of fraud by forgery, whether in the way of fabrication or alteration. 2. In the case of contracts of conveyance—viz: of specific articles of immoveable property *inter vivos*, prevention of fraud viz: the fraud commissible by the repeated sale of the same article to different purchasers.

4. Uses to the legislator.—Various, according to the nature of the contract. Examples. 1. For the purpose of finance, see *Uses to the Collector of the Revenue*, as above. 2. In the case of

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and vii. 1–644, at vi. 326–7, 366 n.), and ‘An Introductory View of the Rationale of Judicial Evidence; for the use of Non-Lawyers as well as Lawyers’, Bowring, vi. 1–187, at 24 n.

<sup>92</sup> A loose echo of several Biblical passages, including Isaiah 40: 11.

contracts, circulating as money, and constituting a species of paper money, view of the quantity of it in comparison of the quantity of metallic money, thence of its influence on the aggregate prices of goods and on public, or say rather general, credit: 1: view of the actual depreciation of money, and the danger of general bankruptcy.<sup>b</sup> 3. View of the state of the nation in respect of improvement—progressive, stationary or declining—in the several lines of action which constitute the subject of the several classes of contracts, as deducible from the nature of the several *sorts* of contracts, and the *number* of contracts of each sort, entered into within a given period of time, compared with the several preceding periods of the same length.

<sup>b</sup> *v. supra* § Non Agenda. Broad Measures.<sup>93</sup>

Mode of publication, abridged, digested, and tabular, as above.—In the case of such contracts as are considered as proper to be kept *secret*, the publication may extend to all points but the particular ones in respect of which the secrecy is required: and aggregate quantities may be given at any rate.

<sup>93</sup> See pp. 000–000 above. [To UC xvii. 255–6, 332–3, 263–4, 266–7, this file]