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NOTE

BENTHAMISM, LAISSEZ FAIRE, AND COLLECTIVISM

BY WILLSON H. COATES

In the use of the terms "laissez-faire individualism" and "collectivism" for the history of modern political and economic thought there has been no discernible ambiguity, but the antithetic political concepts to which these terms refer have, from a twentieth-century perspective, a somewhat baffling relationship. In successive interpretations of the era of laissez faire in Britain, individualism and collectivism seem perversely to shift their positions and even to exchange places. This process can be illustrated by turning to four discussions touching on that period and published within the last fifty years—A. V. Dicey's *Law and Public Opinion in England*¹ before the first World War, J. S. Schapiro's "Utilitarianism and the Foundations of English Liberalism"² before the second World War, and, more recently, William Irvine's "Shaw, the Fabians and the Utilitarians"³ and J. B. Brebner's "Laissez faire and State Intervention in Nineteenth Century Britain."⁴

These four expositors are all concerned, at least in part, with an analysis of Benthamism. Among them there are significant differences of view, but there is a common recognition that it was by the unrestricted use of the legislative power of the state that Bentham sought to effect his reforms. For Dicey, Bentham was the prophet of individualism, but "English collectivists," Dicey saw with regret, "have inherited from their utilitarian predecessors a legislative doctrine, a legislative instrument, and a legislative tendency pre-eminently suited for the carrying out of socialistic experiments."⁵ The three other writers, viewing with more equanimity the decline of laissez-faire individualism, see the same logical connection between Benthamism and collectivism, but here agreement ends. Brebner charges Dicey with misrepresentation and provocatively states the case for regarding Benthamism as the original form of English collectivism. Schapiro sees Benthamism as, in a sense, "tied to laissez faire," but thinks that J. S. Mill made it adaptable "to the needs of a new era."⁶ Irvine and Brebner use the same phrase in characterizing the Fabians as "but latter-day Benthamites"; but Irvine sees them as "compelled by the logic of history to war against Benthamism";⁷ whereas Brebner regards Bentham's *Constitutional*

¹ London, 1914, 1920.

² *Journal of Social Philosophy*, IV (1939), 121-137.

³ *Journal of the History of Ideas*, VIII (1947), 218-231.

⁴ *The Tasks of Economic History*, supplemental issue of the *Journal of Economic History*, VIII (1948), 59-73.

⁵ *Opus cit.*, 310.

⁶ *Opus cit.*, 137.

⁷ *Opus cit.*, 222.

Code as a “forbidding, detailed blueprint for a collectivist state,” and sees Edwin Chadwick, who was “Bentham’s most stubbornly orthodox disciple,” as having “his insistent finger in every interventionist pie.”⁸

This divergence of opinion exemplified by the four writers leaves unaffected at least *some* well-established facts about the laissez-faire era in Britain. There is no doubt, for instance, that there was a simultaneous extension and contraction of laissez faire in the free trade and factory legislation of the first half of the nineteenth century, which, strictly speaking, means there was no laissez-faire era in Britain.⁹ The industrialists who wanted unmitigated freedom for their enterprise were necessarily checked by their constantly shifting association with the landed interests, the masses, the humanitarian movement, and other forces. While laissez faire dominated the economic thought of the time, it did not accord with some of the practice; industrialization was too complicated a phenomenon to function adequately in a mere emancipation from state control; in fact, it could not evolve without the exercise of positive governmental authority. The very process of depriving the state of its power over economic activities required the employment of the power of the state.

Thus, as we see more precisely than the later Victorians could the complexities of the era of laissez faire, it is not surprising to find conflicting interpretations of what the Benthamites were doing and thought they were doing. But the differences, if logically inconsistent, may be factually reconcilable. Élie Halévy suggests this by asserting that there were two distinct but complementary aspects to Bentham’s philosophy,¹⁰ and G. M. Trevelyan, by associating Benthamism both with laissez faire and with “its exact opposite.”¹¹ The question remains whether Benthamism, especially as conceived by Bentham himself, was distinct from, and even contradictory to, the creed of the classical economists who were not, it is true, in complete

⁸ *Opus cit.*, 62, 64. None of the writers is concerned with the purely circumstantial affinity noted by C. R. Fay when he says, “The early socialists admired Bentham because he was sweeping away the tangle from the ground on which they hoped to build.” *Life and Labour in the Nineteenth Century* (Cambridge, 1920), 47.

⁹ That in Canada, too, there was no period of completely free competition and untrammelled private enterprise is the thesis of Francis Hankins and T. W. L. MacDermot in their book *Recovery by Control* (Toronto, 1933). Similarly, Thomas C. Cochran in a discussion of Edward Chamberlin’s *The Theory of Monopolist Competition* (*The Tasks of Economic History*, supplemental issue of the *Journal of Economic History* III, 30) has shown that the age of classic laissez faire never really existed in the United States, and Brebner has called attention to the recent literature in support of this theme. *Opus cit.*, 59.

¹⁰ *A History of the English People, 1830–41* (New York, 1928), 339. See also his *The Age of Peel and Cobden* (London, 1947), 250–252.

¹¹ *English Social History* (New York, 1942), 544.

agreement with one another about the rôle of the state,¹² but who were surely strongly biased in favor of laissez faire. The greatest happiness doctrine of the Benthamites was certainly associated with a laissez-faire conception of society, but it is readily applicable to a collectivist state. Moreover, the extension of political democracy, in which Bentham came to believe, in the long run led, as the Chartists hoped it would, to the social service state. One might say that there is an inescapable logic to this association between democracy in an industrial society and modern collectivism. But did Bentham see it? We cannot say that he *must* have seen it any more than we can say that Chief Justice Marshall must have known that he would be laying the constitutional basis for the New Deal. There are many paradoxes in the history of political and economic thinking; ideas which seem to belong to one system of thought can be made to fit another, and philosophers are known comfortably to support contradictory concepts.¹³

We come back, then, to the question whether Bentham really held out against the current political economy. Did Bentham, transformed from a Tory young man into a Radical old man through his readiness to follow where his own formula of utility would lead, allow his formula to lead to collectivism in defiance of the classical economists? We know that it was James Mill who was concerned with fusing Benthamism and laissez faire, and that Bentham never dissociated himself from this trend of Benthamism during his old age. He had been a disciple of Adam Smith, more uncompromisingly laissez faire than the master on the question of usury, and although after his conversion to representative democracy his primary interests lay outside economics—in penal, constitutional, administrative, religious, and educational reform—there is no reason to suppose that he did not find his always unshaken belief in man as a rational animal in pursuit of his pleasures entirely compatible with the economic dogmas of his own intimate circle.¹⁴ In his *Constitutional Code* the economic activities

¹² Kenneth O. Walker has discussed these disagreements in his "The Classical Economists and the Factory Acts," *Journal of Economic History*, I (1941), 168–177.

¹³ There is something very much like Marx's labor theory of value in Locke and in Ricardo; there is an implicit economic rationalism in both the classical economists and in Marx's sociological analysis (though not in his communist utopia); the arch-individualist Spencer propounded Social Darwinism, which was to become an important ingredient of the Nazi philosophy; and so on.

¹⁴ G. M. Young, after indicating differences among the Benthamites, says that "On all other matters, above all on the sovereign authority of Economic Law, they spoke with one voice" (*Victorian England: Portrait of an Age* [London, 1936–44], 9). According to Halévy, "Bentham incorporated Adam Smith's economic philosophy with his Utilitarianism. Later, in the time of Ricardo and James Mill, . . . the political economy of Adam Smith and his successors played a preponderating part in Bentham's system" (*The Growth of Philosophic Radicalism* [New York, 1928], 488).

assigned to the state are very limited, and the ministries which he set up with such ingenuity, in so far as they were concerned with trade and industry, were not to control the manufacturer and merchant but rather to assist them with all kinds of information.¹⁵ Bentham came to believe in sweeping reforms to bring about an identity of interests between the governors and the governed; it was the sovereign parliament which would carry out these reforms and a centralized and bureaucratically efficient state which would sustain them; but the reforms would sweep away obstacles to the spontaneous activities of the middle class in whose virtues he believed; they would release energies in the economic sphere where the identity of interests was conceived to be natural.¹⁶

It is, of course, possible that some of Bentham's disciples who became politicians embraced laissez-faire economics more whole-heartedly than Bentham would have liked. Henry Brougham, for example, made Utilitarian principles coincide exactly with middle-class aspirations. But let us consider Edwin Chadwick, the "orthodox disciple." It may be assumed that in 1833-34, Chadwick's Benthamism was as untainted as it was ever to be. Those were the years in which he had so much to do with shaping the Reports of the Royal Commissions on Factory Reform and the Poor Law. There is revealed in those Reports Chadwick's passion for an efficient and centralized bureaucracy, but equally clear, and vigorously expressed is the unrelenting creed of the economists. Children under 13 are not "free agents"; they should be given educational opportunities, and for them social regulation is justified, as it is in a limited sense for "young persons" under

¹⁵ For the Britain of that time the ministries described by Bentham involved an expansion of state activities chiefly in the fields of education, colonization, and public health. The Indigence Relief Minister would have had functions similar to those of the New Poor Law Commissioners. The Preventive Service and Interior Communications Ministers were innovations, but they were in no way to restrict the principle of economic laissez faire. See *Constitutional Code*, Bk. II, Ch. XI, in *Works* (Bowring edition) IX, 428-453. See also J. H. Clapham, *An Economic History of Modern Britain* (Cambridge, 1930), I, 312; Leslie Stephen, *The English Utilitarians* (London, 1900), I, 310.

¹⁶ Halévy's profoundly illuminating analyses of Bentham and the Benthamites, both in his great book on the Philosophical Radicals and in the *History of the English People*, make much of the contradiction between the principles of the artificial identification of interests and the natural identity of interests, and of the difficulty of drawing the line between the juristic and economic aspects of politics to which the two principles respectively belonged. The contradictions were there and they remained there throughout the history of the movement, but they were reconciled to the satisfaction of Bentham and the Benthamites. How this was done on the question of education is quite clear, on some other questions not so clear, and consequently there were differences of opinion among the Benthamites. But the underlying basis for that reconciliation was, I believe, the same for Bentham and all the Benthamites—a high regard for the middle class.

18; but to restrict the hours of labor for free adults would have, it is argued, nothing but pernicious consequences. Just as pernicious, it is thought, were the existing practices of outdoor relief which in their defiance of the laws of a self-regulating economy had led to the degradation of the poor. The state interventionism, if it may be so-called, of the New Poor Law was for the purpose of restoring the normal operation of what were presumed to be fundamentally beneficent economic laws and with them the stamina and initiative of the poor.¹⁷

We know that in practice the Poor Law Commissioners had to make concessions to social realities which did not accord with what they thought to be economic laws, but if Bentham posthumously contributed in any way to the working-class unrest that tempered the enforcement of the New Poor Law, it was as a political democrat, not as an economist. We know, too, that the Factory Act of 1833 was only the first reasonably effective law of a series of Acts; but in the deliberations on those subsequent measures the Benthamite argument for distinguishing between free adults who should be let alone and children who should be protected gave way under pressure from essentially anti-Benthamite forces. Ashley in Parliament and Oastler in the West Riding, Tory leaders in the ten-hours movement, were both men for whom Bentham's philosophy was anathema; humanitarian sentiments, vindictiveness towards the manufacturers, or old-fashioned belief in government were behind the Tory votes for factory reform; while the profound working-class discontent and social awakening came from many sources unconnected with the Philosophical Radicals. If in one respect the spirit of Bentham may be said to have operated in favor of factory reform, especially in converting men like Macaulay and Lord John Russell, it was in the disposition to put utility even above laissez faire when these principles were clearly in conflict.¹⁸ But this is not to say that Benthamism is identical with an incipient collectivism. For most Benthamites laissez faire was still a valid principle compatible with utility for adult factory workers, and they were not inclined to extend state intervention into fields other than those, like education and colonization, to which Bentham had been committed.¹⁹

¹⁷ The New Poor Law well illustrates the dichotomy in Benthamism. On the administrative organization of the Poor Law there is no doubt that Chadwick was introducing pure Benthamite doctrine, and on economic theory he had no difficulty in collaborating on the Royal Commission with Nassau Senior, a leading exponent of the wages fund theory. See Halévy, *History of the English People, 1830-41*, 126-131; Cecil Driver, *Tory Radical, The Life of Richard Oastler* (New York, 1946), 273-276; C. R. Fay, *opus cit.*, 41.

¹⁸ Macaulay was a utilitarian in whom the empirical spirit was strong, but empiricism was only spasmodically manifest in Bentham. See Halévy's discussion of the Benthamites' essential rationalism, *Growth of Philosophic Radicalism*, 493-495.

¹⁹ There are many degrees of belief in laissez faire, and that principle was

What of the testimony of John Stuart Mill? Here a distinction must be made between his revelations of the tenets of Benthamism and the development of his own thinking. From Mill's autobiography it is abundantly clear that Bentham gave to the principle of utility, especially in the field of morals, a vitality which, for Mill, had been lacking in the abstract expositions of his father.²⁰ The younger Mill indicates differences of temperament and opinion between Bentham and James Mill,²¹ but there is no suggestion of differences about political economy, and he speaks of the two men as belonging to the same school of political theory.²² The period of what John Mill calls his own "most extreme Benthamism" was the time when his conceptions of social reform, apart from universal education and parliamentary reform, consisted of little more than getting rid of primogeniture and entails. He was then, as he put it, "a democrat, but not the least of a Socialist."²³ Subsequently his views changed, but Bentham had no part in this process. There were many others who influenced Mill, but above all, it was his own constant questioning of his convictions and his extraordinarily sustained capacity for intellectual growth that made him an original thinker quite distinct from Bentham. Neither Mill's penetrating observations in the famous essay on liberty nor his final posthumously published discourse "On Social Freedom"²⁴ derives from Bentham.

But even John Stuart Mill, whatever interpretation we put on his "qualified socialism," did not through his writings disrupt the association in nineteenth-century Britain between Benthamism and laissez faire. That he was a real link between the Benthamites and the Fabians and exerted a profound influence, particularly on Sidney Webb, has been persuasively demonstrated by Irvine.²⁵ But the Fabians could be utilitarian collectivists because they had no compunctions about detaching Utilitarianism from

certainly invoked in opposition to the Benthamites' advocacy of public education, as it was to Chadwick's public health activities. Chadwick, as the Hammonds have said, "served laissez faire with his lips, but efficiency with his life" (*Lord Shaftesbury* [New York, 1924], 155). But disease is no respecter of owners of private property, and the cause of public health which Chadwick promoted with such zeal is entirely compatible with economic individualism, while efficiency in whatever governmental agencies are necessary has never up to our own time been decried by the champions of laissez faire. They would heartily approve of Bentham's slogan, "Official aptitude maximized, expense minimized" (Quoted in *The Times Literary Supplement* [November 16, 1948], 617).

²⁰ *Autobiography of John Stuart Mill* (New York, 1924), 45-47.

²¹ *Ibid.*, 71, 73, 75, 142-3.

²² *Ibid.*, 110; see also 149-150.

²³ *Ibid.*, 162-3.

²⁴ *Oxford and Cambridge Review* (June, 1907; New York, 1941).

²⁵ *Opus cit.* See also Ernest Barker, *Political Thought in England from Herbert Spencer to the Present Day*, 213-216, and Beatrice Webb's statement of how she and the Fabians differed from the Benthamites (*Our Partnership* [New York, 1948], 210-211).

laissez faire, whereas for Mill this was a painful process. He did not cease reflecting to the end of his life on the problem of freedom and social control, but he did not convey to his contemporaries his growing misgivings about the adequacy of the laissez-faire principle. Nothing he wrote that was published in his life-time altered "in the public mind his position as symbol of orthodox individualism."²⁶ His *Principles of Political Economy*, which "became at once the text-book of his generation,"²⁷ sustained in the last chapter, in the seventh edition of 1871 as in the first, the view that the whole burden of proof rests on those who would restrict laissez faire.²⁸

Thus in the late nineteenth century for those who believed, like T. H. Green, in extending collectivism to promote social welfare and the freedom of the many, a new philosophical basis, and an anti-Benthamite one, had to be found. Why Benthamism ceased to be the philosophy of social renovation that it had been has more than one answer, but we have been here concerned with one. The principles of utility and the greatest happiness were in themselves flexible enough to serve the purposes of reform in either an entrenched aristocratic or a fluid middle-class society; but these principles historically served only the former purpose, for in the process of attacking the aristocratic structure of eighteenth century Britain, Benthamism was set in the mould of laissez faire. The Benthamites became accustomed to regarding spontaneous adjustment as a basic truth in economic affairs and after their middle-class revolution was accomplished this laissez-faire principle had become a habit of Victorian middle-class thinking. Parliamentary reform was for the dominant middle classes the end of a process rather than the beginning of a new era of social reform, and they sought to consolidate their resistance to changes affecting property rights by ending the feud with their erstwhile aristocratic enemies.²⁹ Thus Benthamism, as John Mill reluctantly came to see, was not equipped to deal with the new inequalities that were increasingly recognized in late Victorian Britain. By the time Dicey pointed out its affinity with collectivism, Benthamism was a historical phenomenon and no longer a dynamic philosophy.

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²⁶ Helen Lynd, *England in the Eighteen-eighties* (New York, 1945), 99–100.

²⁷ J. H. Clapham, *Early Victorian England, 1830–65* (G. M. Young, editor, London, 1934), I, 64.

²⁸ Mill's chapter on "The Probable Future of the Working Class" (Ashley edition, 1909), 752–794, is not socialistic in the sense of advocating state intervention. He gives his approval, rather, to profit-sharing and the cooperative movement.

²⁹ For a much fuller treatment of this changed historical situation (and, indeed, of some other points in this paper) see J. S. Schapiro's *Liberalism and the Challenge of Fascism: Social Forces in England and France (1815–1870)* (New York, 1949), especially chapters 4–7, 9 & 11.