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# Etienne Dumont: Genevan Apostle of Economic Freedom

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Cyprian Blamires

## **Résumé**

*A l'instar de son maître, le philosophe du droit Jeremy Bentham (1748–1832), le publiciste et homme politique genevois Pierre-Etienne-Louis Dumont (1759–1829) est connu plutôt pour son œuvre dans le domaine des idées juridiques et politiques que par ses contributions à la pensée économique. Il fut cependant un ardent propagandiste de la liberté économique, ce qu'illustrent en particulier son ouvrage en deux volumes: Théorie des Peines et des Récompenses (1811) et son article intitulé: «Vue générale sur la balance du commerce» (Bibliothèque universelle, 1829); sa contribution au débat du Conseil représentatif de Genève sur l'assurance incendie obligatoire (1820) montre cependant qu'il était capable, dans la pratique, de faire des exceptions au principe de la liberté économique.*

## **Zusammenfassung**

*Im Gegensatz zu seinem Meister, dem Rechtsphilosophen Jeremy Bentham (1748–1832), ist der Genfer Publizist und Politiker Pierre-Etienne-Louis Dumont (1759–1829) eher für sein Schaffen im Bereich der rechtlichen und politischen Ideen bekannt als für seine Beiträge zur ökonomischen Philosophie. Er war aber ein engagierter Befürworter der Wirtschaftsfreiheit, wie insbesondere aus seinem zweibändigen Werk: Théorie des Peines et des Récompenses (1811) und aus seinem Aufsatz mit dem Titel: «Vue générale sur la balance du commerce» (Bibliothèque universelle, 1829) hervorgeht. Sein Beitrag in der Debatte des Repräsentativen Rates von Genf über das Obligatorium in der Brandversicherung (1820) zeigt allerdings, dass er in der Praxis auch bereit war, Ausnahmen vom Prinzip der Wirtschaftsfreiheit gutzuheissen.*

## I. *Théorie des Peines et des Récompenses*

Leaving aside his well-known collaboration with Mirabeau during the French Revolution, the Genevan ex-pastor Pierre-Etienne-Louis Dumont (1759–1829) is chiefly remembered in the international arena for his tireless promotion of the thought of English philosopher and legal reformer Jeremy Bentham (1748–1832). In this role he is generally associated with the juridical sphere or with politics rather than with economics. Likewise Bentham's own name tends to be associated with legal, political and social radicalism rather than with economic thought, despite the great importance of economic issues for him. Writing in 1991 Marco Guidi could observe that 'Bentham è infatti stato considerato dalla maggior parte degli interpreti come un filosofo et giurista, il cui contributo economico sarebbe tutto summo modesto, anche se, paradossalmente, proprio sull'ideologia dell'interesse mercantile e della concorrenza egli avrebbe costruito l'intera sua riflessione'<sup>1</sup>. On the other hand, considerable attention was devoted to Bentham's economic thought in Halévy's classic work *La Formation du radicalisme philosophique* as long ago as 1901<sup>2</sup>; while W. Stark, in his introduction to the third volume of his edition of Bentham's economic writings, pointed out 'how fully modern economics was prefigured, and how far it was prepared, by Bentham's utilitarian psychology of economic man'<sup>3</sup>. Dumont was clearly very aware of the centrality of economic thought in Bentham's worldview; for when in 1797 and 1798 he sent in a series of contributions to the newborn Genevan journal *Bibliothèque britannique* outlining his plan for the presentation of Bentham's philosophy over several volumes, he gave an important place in the programme to Political Economy<sup>4</sup>.

This promise held out in the 1790s was eventually fulfilled in 1811 when Dumont published the second of his recensions of the manuscripts of Jeremy Bentham, a two-volume work entitled *Théorie des Peines et*

1 Marco E. L. Guidi: *Il Sovrano e l'imprenditore. Utilitarismo ed economia politica in Jeremy Bentham*, Bari, Laterza, 1991, p. 4.

2 Elie Halévy: *La Formation du radicalisme philosophique*, 3 vols., Paris, 1901, Alcan; new revised edition, 3 vols., Paris, PUF, 1995; see i, pp. 111–151.

3 W. Stark: *Jeremy Bentham's Economic Writings. Critical edition based on his printed works and unprinted manuscripts*, 3 vols., London, The Royal Economic Society/George Allen & Unwin Ltd., 1952–1954, iii, p. 59.

4 *Bibliothèque britannique* (Littérature) vii, 1798, pp.105–133; 369–389. See also Cyprian Blamires: 'The *Bibliothèque britannique* and the birth of Utilitarianism' in David Bickerton and Judith Proud (eds.): *The transmission of culture in Western Europe 1750–1850. Papers celebrating the bicentenary of the foundation of the Bibliothèque britannique (1796–1815) in Geneva*, Berne, Peter Lang, 1999, pp. 51–67.

*des Récompenses*<sup>5</sup>. It followed the pattern established in 1802 in the *Traité de législation civile et pénale*<sup>6</sup>, with Dumont drawing on collections of stylistically rebarbative unfinished English manuscripts which had been gathering dust in their author's attic to produce a polished and readable French rendering that could make Bentham, the pioneer of a systematic philosophy of utilitarianism, accessible to a wider global public. The earlier work had been extremely successful and had, according to Dumont himself, sold 3000 copies quite quickly<sup>7</sup>, but circumstances then were totally different. It had been published during the window of opportunity opened by the Peace of Amiens and it had been published in Paris, with the approval and assistance of no less a personage than Talleyrand himself<sup>8</sup>. This new work by contrast could not have come out under more difficult auspices. Though written in French it had to be published in London and opportunities for dissemination at the height of the Continental Blockade and the Imperial Censorship<sup>9</sup> were of course limited. Further editions were published in Paris in 1818 and in 1825–1826<sup>10</sup>.

The work was in two parts – punishment being the subject of the first volume and reward the subject of the second. The first volume wore a generally familiar look, inviting comparisons immediately with the great classic by Beccaria (one of Bentham's acknowledged masters)<sup>11</sup>, *Dei Delitti e delle Pene*. The second part of the work was less readily classifiable. It has four sections. The first deals with the subject of recompense in general, the second with salaries of government employees, and the third with the encouragement of the arts and sciences (an area where Bentham thinks state intervention worthwhile). The fourth section is

5 *Théorie des peines et des récompenses*, par M. Jérémie Bentham, jurisconsulte anglois, rédigée en français d'après les manuscrits, par M. Et. Dumont de Genève, Londres, de l'imprimerie de Vogel et Schulze, 1811, 2 vols. Henceforth the title is abbreviated to *Théorie*.

6 *Traité de législation civile et pénale*, précédés des principes généraux de législation et d'une vue d'un corps complet de droit, terminés par un essai sur l'influence des temps et des lieux relativement aux lois. Ed. Etienne Dumont, Paris/Genève, Bossange frères, Masson et Besson, 1802, 3 vols.

7 *Théorie*, i, Préface, p. vii.

8 See *The Correspondence of Jeremy Bentham (Collected Works of Jeremy Bentham)*, vol. vii, ed. J. R. Dinwiddy, Clarendon Press, Oxford, 1988, Letter 1695, Etienne Dumont to Jeremy Bentham, 2 May 1802, p. 20 ('Mr. T[alleyrand] s'est occupé de faire recommander les extraits à des ouvriers capables').

9 For a consideration of the question of Napoleonic censorship in relation to the *Bibliothèque britannique*, see David M. Bickerton: *Marc-Auguste and Charles Pictet, the Bibliothèque britannique (1796–1815) and the dissemination of British literature and science on the Continent*, Geneva, Slatkine, 1986, pp. 221–222.

10 2<sup>nd</sup> ed.: Paris, Bossange-Masson, 1818; 3<sup>rd</sup> ed.: Paris, Bossange frères, 1825–1826; another version: Paris, Masson, 1826. There were also translations into Portuguese and Spanish in the 1820s.

11 On Bentham and Beccaria see Cyprian Blamires: 'Beccaria et l'Angleterre', in Michel Porret (ed.): *Beccaria et la culture juridique des lumières*, Geneva, Droz, 1997, pp. 74–81.

the one that concerns us here – it is entitled ‘Des encouragemens par rapport à l’industrie et au commerce’, and it is a strong attack on the notion that trade and industry stand in need of incentives from governments if they are to prosper.

The volume on rewards was neglected by critics from the start – which may reflect the fact that the kind of readers who were happy to follow Bentham down the well-trodden paths of penal reform literature were less at ease with discussing the salaries of civil servants or the comparatively novel subject of Political Economy. A review of *Théorie des Peines et des Récompenses* by the Irish novelist Maria Edgeworth, a close friend of Dumont’s, published some years later both in the *Philanthropist* and in the *Inquirer*, typically covers only the first volume on punishments<sup>12</sup>. The same applies to Lord Brougham’s delayed article in the *Edinburgh Review* in October 1813<sup>13</sup>; after devoting all his space to a consideration of the punishment material, the writer promised to go on to cover the treatment of reward, but did not fulfil this promise. The author of the review that appeared in the *Eclectic Review*<sup>14</sup> devoted just three out of the eleven pages of his article to the treatment of reward; of those three pages a large proportion is taken up by extensive quotation, and there is no mention at all of the fourth section. A review which did pay some attention to this material was the one in the *Monthly Review* – which appeared in four instalments<sup>15</sup>. Of those four only one was devoted to the subject of reward, but at least here the author recognised the importance of the fourth section:

The fourth or concluding book does not yield in interest and importance to any part of these volumes ... We could not have believed that the whole doctrine of Dr. Adam Smith could have been comprized within such narrow limits, and at the same time be exhibited with additional force and clearness ... the author, while he confirms the theory of the Scottish philosopher, carries with him his own original manner; and he exhibits all his native vigour, while he adds his own discoveries to those of his predecessor.<sup>16</sup>

This same reviewer, incidentally, styles Dumont ‘an able and ingenious editor’ and expresses the desire to see ‘original productions from the

12 *Philanthropist* 7 (1819), pp. 149–171; *Inquirer* 1 (April 1822), pp. 111–132; for the original (of which only a part actually appeared in these journals) see *Bibliothèque publique et universitaire*, Geneva, MS Dumont 57. See also Jefferson P. Selth: *Firm Heart and Capacious Mind; the life and friends of Etienne Dumont*, Lanham/Oxford, University Press of America, 1997, p. 170 and n. 96.

13 *Edinburgh Review*, xliii, October 1813, pp. 1–31.

14 *Eclectic Review*, vol. iii, pt. 1, Dec. 1811–June 1812, pp. 77–87.

15 *Monthly Review; or Literary Journal*, lxvi, Dec. 1811, pp. 374–386; lxvii, Jan. 1812, pp. 71–80; Feb. 1812, pp. 178–186; March 1812, pp. 305–314.

16 *Ibid.*, March 1812, p. 312.

same hand'<sup>17</sup>, a desire frequently but vainly expressed by Dumont's own friends.

An important aspect of this review is that the author draws attention to a precedent for such a study of reward, a treatise by the Neapolitan jurist Giacinto Dragonetti (1738–1818)<sup>18</sup>. Dragonetti's little-known piece, entitled *Trattato delle virtù e de' premi* (1765) which was translated into English in 1769 as *A Treatise on Virtues and Rewards*<sup>19</sup>, was in fact intended as a sequel to Beccaria's famous work on crimes and punishments<sup>20</sup>. The reviewer observes that Dragonetti's work, 'praised as it was for a time, compared even to Beccaria', had by now been 'almost forgotten'<sup>21</sup>. There were translations into French, English, Spanish and Russian as well as into Polish, and indeed at least one article has appeared in recent times on the influence of Dragonetti and Beccaria in Poland<sup>22</sup>. The success of Dragonetti's book at the time seems to have been largely due to the association in the public mind with Beccaria – and indeed the impression was widespread that the book had in fact been written by Beccaria himself<sup>23</sup>. That the reviewer should have found it difficult to cite any immediate precedents other than this one is perhaps a sign of changed times. Anna Maria Rao notes that the question of rewards as superior to punishments as a means of reducing crime was fundamental for the Enlightenment, citing the 1744 French translation of Cumberland's *De legibus naturae* and Diderot's 1745 translation of Shaftesbury (*Essai sur le mérite et la vertu*)<sup>24</sup>. Nonetheless, Dumont certainly saw the subject as a new one, as he stated in a preface ('Observations préliminaires') he inserted in the rewards section of the 1818 edition:

17 *Ibid.*, p. 313.

18 For Dragonetti see the article in *Dizionario biografico degli Italiani*, Rome, Istituto della Enciclopedia Italiana, xli, 1992, pp. 663–666.

19 Giacinto Dragonetti: *A Treatise on Virtues and Rewards*, London, 1769: the English and Italian texts are printed side by side in this edition.

20 Curiously, the author of the article on Dragonetti in Michaud's *Biographie Universelle* was under the misapprehension that the author had written his work against Beccaria (see J. R. Michaud: *Biographie Universelle*, Graz, Akademische Druck- und Verlagsanstalt, 1969, xi, p. 287). There is a useful recent summary of *Trattato delle virtù e de' premi* in Anna Maria Rao: 'Récompenser et punir: la circulation du *Traité des vertus et des récompenses* de Giacinto Dragonetti dans l'Europe des Lumières', *Transactions of the Ninth International Conference on the Enlightenment*, 3 vols., Oxford, Voltaire Foundation, 1996, pp. 1180–1183.

21 *Monthly Review*, March 1812, p. 305.

22 Mariusz Affek: 'Il pensiero giuridico di Cesare Beccaria e di Giacinto Dragonetti nella Polonia del Settecento', *Studi Storici*, Jan.–March 1991, anno 32, pp. 111–136. The value of this article is rather diminished by the fact that the author wrongly believes the *Trattato delle virtù e de' premi* to have been published in 1755, ie before Beccaria's famous work (M. Affek, *op. cit.*, pp. 112–113).

23 Anna Maria Rao, *op. cit.*, p. 1181.

24 Anna Maria Rao, *op. cit.*, p. 1181.

‘On a écrit bien des volumes sur les peines. La récompense offre encore un sujet neuf. Dans l’*Esprit des Lois* on ne trouve sur cette matière qu’un chapitre de deux pages, où il y a peut-être plus d’éclat que de vérité. Rousseau, dans ses *Considérations sur la Pologne*, trace un système rémunérateur qui paroît bien lié et bien entendu, mais qui est adapté à une forme particulière de gouvernement. L’ouvrage de Dragonetti (*sic*) ... est une déclamation stérile et prolix, un déluge de mots sur un désert d’idées.’<sup>25</sup>

It seems likely that Bentham, given his particular interests, would have known of Dragonetti’s work, especially as there is evidence in one of his letters that he was personally acquainted with Jean-Claude Pingeron (1730?–1795), author of a French translation (*Traité des Vertus et des Récompenses*, 1768). On the occasion of a visit to Paris in 1779 Bentham records that it was Pingeron who showed him round the new building for the Royal Mint then under construction<sup>26</sup>.

In the *Trattato delle virtù e de’ premi* Dragonetti asserts that it is the task of princes ‘to stimulate by rewards the industry of the labourer, and to alleviate his actual misery’<sup>27</sup>. He offers various examples of how the requisite stimuli may be applied: for example, to encourage maritime endeavour a fund could be created out of levies on the industry to provide relief for the families of those lost at sea: ‘A public bank, raised on the tributes of successful navigation, and destined to rear the helpless family of the wrecked, would be a reward due to the desperate sacrifices of the sailor, would incite new numbers to stem the waves and breast the hurricane.’<sup>28</sup> The Neapolitan coral fisheries are a vulnerable industry – ‘Should a company unite to lend on moderate interest to our fishermen and to take their coral at a reasonable price, those fisheries must become a mine of wealth to this nation.’<sup>29</sup>

Despite the strongly interventionist strain in Dragonetti (and despite the abuse heaped on him by Dumont in the 1818 preface), in some ways his approach is not so remote from Bentham’s. He considers that the sovereign ‘might deserve our attention, who should discover a mode of government that contained the greatest sum of individual happiness, with the fewest wants of contribution’<sup>30</sup> – a sentiment with which Bentham would have cheerfully concurred. Moreover, Dragonetti’s argu-

25 *Théorie des Peines et des Récompenses*, 2 vols., Paris/London, Bossange et Masson, 1818, ii, p. vii.

26 *The Correspondence of Jeremy Bentham*, vol. i, ed. Timothy L. S. Sprigge, London, Athlone Press, 1968, p. 143.

27 Dragonetti: *A Treatise on virtues and rewards*, p. 77.

28 *op. cit.*, p. 87.

29 *op. cit.*, p. 117.

30 *op. cit.*, p. 157.

ment that it is trade that makes the wealth of a nation rather than abundance of gold would also have won him the approval of Bentham.

Anna Maria Rao describes Dragonetti's work as constituting 'une sorte de programme de gouvernement pour le jeune roi de Naples qui en 1767 devait sortir de sa minorité, dessinant un plan général du développement des arts, de l'agriculture, du commerce, de l'armée et de la marine. La globalité de son approche et l'universalité de son message en faisaient en même temps un programme de gouvernement pour toutes les monarchies européennes'<sup>31</sup>. This is fundamentally old regime philosophy, the philosophy of Enlightened Absolutism, and it clashes strongly with the arguments in the fourth section of *Théorie* ii. Significantly it is here – precisely in the insertion of an argument for free enterprise – that Dumont's editorial intervention in *Théorie* ii is crucial. Frequently in Dumont's recensions it is difficult to gauge the extent of the often considerable editorial interventions that he frankly admits to having made, but here is a case where the matter is clear: Dumont informs the reader quite candidly that this section did not form a part of Bentham's original *Treatise on Rewards*, and that he chose to insert it himself, having found in Bentham's papers an unfinished manuscript entitled 'Manual of Political Economy'. Of this particular manuscript Stark writes: 'It was worked out in the year 1793, as it seems (though there is evidence that Bentham thought about the final form of his *opus* as late as Jan. 29, 1795)'<sup>32</sup>. In inserting this material into *Théorie* ii, Dumont was combining manuscripts written at more than 15 years' distance from each other, for the rest of the material in the volume had originally been penned by Bentham in the mid-1770s<sup>33</sup>.

Stark alerts us to a potential source of confusion over this 'Manual' text, arising as so often from the work of Bentham's posthumous editor John Bowring, a notoriously unsatisfactory practitioner. Bowring's third volume of Bentham's works contains a text on which Bowring himself bestowed the title 'Manual of Political Economy'<sup>34</sup>, but this is not the text under discussion here. Most of it comes from an entirely separate manuscript composed in the early 1800s with the proposed title of 'Institute' rather than 'Manual'<sup>35</sup>. In this later manuscript Bentham is preoccupied by a new question not dealt with in the 'Manual' manuscript – the

31 Anna Maria Rao, *op. cit.*, p. 1181.

32 W. Stark, *op. cit.*, i, p. 49.

33 *Théorie* i, Préface, p. viii.

34 *The Works of Jeremy Bentham*, published under the superintendence of his executor, John Bowring, 11 vols., Edinburgh, 1838–1843, iii, pp. 31–84.

35 The relevant manuscript sheets in box xvii of the Bentham Manuscript Collection in the library at University College London are listed by Stark at Appendix I, vol. iii, p. 457.



influence of the circulating medium on the increase of wealth. To complicate matters however Bowring did actually insert a small amount of material in with the 'Institute' text that does come from the 'Manual' manuscript<sup>36</sup>.

References here to Bentham's 'Manual of Political Economy' are then to the text to be found under that title in the UCL library collection of Bentham manuscripts<sup>37</sup> – and published for the very first time by Stark himself – rather than to the text to be found misleadingly under that title in the Bowring edition of Bentham's works. In content, the piece is as we have already observed a Smithian-type polemic against state intervention in trade and industry. But there are differences between Bentham's approach and Smith's, differences which Bentham himself specifies. Bentham baldly lists ten inadequacies in Smith's treatment: the Scottish writer gives only the science of political economy and neglects the art – for Bentham the practice is always the useful part and the value of the theory is always purely to serve as a guide for practice for it has no value in its own right<sup>38</sup>. He, Bentham, will take as read Smith's science of Political Economy and attempt to show how to manage an economy effectively. He complains that Smith fails to develop his argument fully; fails to embrace the whole of the subject; fails to compress the argument appropriately; fails to employ the best method; mixes in with political economy questions that are alien to it; fails to ask how the law ought to be, and when on occasion he does raise that issue he mixes up expository with censorial matter; fails to recognise the foundational nature of the principle of the limitation of industry by the limitation of capital; and finally, argues against whole schools of thought rather than taking up positions over against individual views.

In place of this blunt and brutal list of deficiencies in the approach of the great Scottish master, Dumont's rendering adopts a more eirenic and reverential tone. He first prefaces the 'Manual' material with some introductory remarks, observing that the situation with regard to political economy has undergone a transformation since Bentham was composing the piece in the 1790s. The study of the subject has grown very much commoner, with the result that what might have actually been quite demanding for readers then is fairly elementary material now<sup>39</sup>. At the same time however, the mercantilist errors castigated by Bentham

36 W. Stark, *op. cit.*, iii, pp. 37.

37 See W. Stark, *op. cit.*, iii, p. 452 (Appendix I) for a list of the relevant manuscript sheets.

38 W. Stark *op. cit.*, i, p. 224.

39 *Théorie* ii, p. 248. Perhaps the reluctance of reviewers to tackle the reward material suggests that Dumont was rather too optimistic about the spread of familiarity with Political Economy.

have been anything but eradicated. Dumont goes on to suggest that the material from the 'Manual' shows the greatest principles of the social order in a new light<sup>40</sup>. He lists these principles as: security, the freedom to develop industry, the energy of the attractive and remuneratory motives that encourage the free man to work, and the comparative weakness of constraint, which reduces individuals to listless slavery. Dumont's rhetoric here is interesting. It is perfectly correct to say that Bentham praises up 'the freedom to develop industry', but this is because according to his anthropology, which involves human subjection to the attractive force of pleasure and the repellent force of pain<sup>41</sup>, interventionism simply will not work. Interventionism is based on a misunderstanding of how people function, and Bentham's anthropology looks decidedly mechanistic, given his strong assertion that we are incapable of doing anything but pursuing pleasures and eschewing pains. His objection to the traditional interventionist philosophies is not that they reduce individuals to 'listless slavery' but that they fail to increase wealth because they misunderstand how wealth is increased. If it could be shown that constraint did increase wealth, then presumably Bentham would have been happy to see it so employed. He writes in other words essentially as a pragmatist, while Dumont wants to enlist him here as a defender of freedom. But freedom for Bentham is always seen as a function of security<sup>42</sup>.

Dumont now comes to the relationship between Smith's approach and Bentham's, treating Smith's approach more sympathetically by relating it to the historical context in which Smith was writing. The Scotsman was after all faced with a new and highly controverted subject and felt it therefore necessary to begin with an exposition of the facts<sup>43</sup>. He felt he had to lay the historical groundwork and let others draw a theoretical framework from that. 'Il a rassemblé les connoissances

40 *Ibid.*, p. 249.

41 Cf. the strongly deterministic tone of the opening paragraph in Bentham's *An Introduction to the Principles of Morals of Legislation*; 'Nature has placed mankind under the governance of two sovereign masters, *pain* and *pleasure*. It is for them alone to point out what we ought to do, as well as to determine what we shall do. On the one hand the standard of right and wrong, on the other the chain of causes and effects, are fastened to their throne. They govern us in all we do, in all we say, in all we think: every effort we can make to throw off our subjection, will serve but to demonstrate and confirm it. In words a man may pretend to abjure their empire: but in reality he will remain subject to it all the while. The *principle of utility* recognises this subjection, and assumes it for the foundation of that system, the object of which is to rear the fabric of felicity by the hands of reason and of law.' (J. H. Burns and H. L. A. Hart (eds.): *An Introduction to the Principles of Morals and Legislation*, London, Athlone Press, 1970, p. 11.)

42 See M. D. A. Freeman: 'Jeremy Bentham: contemporary interpretations' in Riccardo Faucci (ed.): *Gli Italiani e Bentham: dalla 'felicità pubblica' all'economia del benessere*, 2 vols., Milan, Franco Angeli, 1982, pp. 19–48; esp. p. 35.

43 *Théorie* ii, p. 246.

élémentaires, et il a laissé à la fermentation du temps le soin de mûrir les conséquences.<sup>44</sup> In doing so he chose the most ‘ornate’ and ‘easiest’ method but not the shortest or the most didactically appropriate. In Dumont’s thinking this apparently innocuous reproach actually involves quite serious criticism. It was axiomatic for him that Bentham had pioneered a crucial battle for the elimination of traditional belles-lettristic treatments of political, social and legal subjects, and that Bentham’s stand against metaphor and figurative language was one of his most important and courageous positions<sup>45</sup>. At the same time Dumont notes that Smith is criticised ‘by some’ for ‘diffuse argumentation’ and for having put together a collection of separate treatises rather than a coherent work. This complaint hangs together with the previous one in Dumont’s book, for they amount to the accusation that Smith is not a systematic thinker – and any serious treatment of topics in this area must be systematic; for the alternative is arbitrary assertion without any grounding in reason. It is interesting that when Richard Smith later came to translate the *Théorie des Peines et des Récompenses* into English under the title *Rationale of Reward* he did not use the rather tentative word ‘theory’ to render *théorie* but the much more decisive and ambitious term ‘rationale’<sup>46</sup>. This word suggests an explanation for something based exclusively on internally coherent and self-evident rational principles – why it *has to be* the way it is. Any other approach but this would have been mere declamation, empty rhetoric, the expression of personal whimsy. Bentham ‘va toujours des définitions aux principes, et des principes aux conséquences’<sup>47</sup>. It is indeed of the essence of Bentham’s achievement, not to have invented the fundamental idea of utilitarianism – namely, that society should be ordered to the greatest happiness of the greatest number – but to have created a systematic philosophy which takes this principle as its basis and applies it exhaustively and consistently to the construction of a new legal and social edifice.

Bentham’s guiding principle in political economy, says Dumont, is that trade and industry are limited by the extent of the available capital. He did not invent or discover this principle himself, for (as Bentham himself acknowledged) it may be found in Smith – but diffusely. Dumont observes that by basing his own approach on this overriding principle,

44 *Ibid.*

45 See Cyprian Blamires: ‘Bentham et Dumont’ in Kevin Mulligan and Robert Roth (eds.): *Regards sur Bentham et l’Utilitarisme*, Geneva, Droz, 1993, pp. 20–24.

46 *The Rationale of Reward*, trad. Richard Smith, London, John and Henry L. Hunt, 1825.

47 *Théorie* ii, p. 247.

Bentham is able to bind together observations which are hard to make sense of when they are scattered diffusely as in Smith.

It is not my purpose here to analyse at length the arguments for commercial and industrial freedom put forward by Bentham in his 'Manual of Political Economy' manuscript and reproduced in French by Dumont in *Théorie des Récompenses*. I have rather intended to describe how Dumont exercises his editorial mandate to insert this piece in the 'Reward' writings and then give an indication of how he presents Bentham's disagreements with Smith. I will simply indicate that of cardinal importance for Bentham in this piece is the assumption that nobody knows a person's interests better than that person himself, an assumption which automatically casts doubt on any interventions by government officials chair-bound in their offices and completely removed from the scene of commercial operations. Any entrepreneur will have a better idea of what is likely to be profitable in his particular area of activities than any outsider. The bulk of the work is devoted to consideration of the different kinds of levies or taxes or prohibitions that can be brought to bear on trade and industry with a trenchant statement of objections to their use. Other chapters consider the economic disadvantages of colonies and the pitfalls lurking before any attempts to incentivise population increases. A penultimate chapter surveys how wealth does actually increase and sets out to show that – in Dumont's words – 'l'intervention du Gouvernement n'est bonne et nécessaire que pour maintenir la sûreté, pour écarter des obstacles, ou pour répandre des instructions'<sup>48</sup>.

## II. *Vue générale sur la balance du commerce*

The *Théorie des Récompenses* is not the only place where Dumont took the opportunity to press Bentham's case for economic freedom. In Dumont's manuscripts in the BPU in Geneva there is a series of manuscript sheets under the heading 'balance du commerce' in which he launches into a full-scale attack on this central notion of mercantilism<sup>49</sup>. There are fourteen chapters, numbered I–IX and XI–XV<sup>50</sup>. The theme of the work is that the true facts concerning the so-called 'balance of trade' are impossible to determine because of the statistical problems involved, so that the tradition of using the concept as a basis for foreign policy is completely unjustifiable. Even if the facts could be established the fundamental tenet of the system – that it is of benefit to a country to have a

48 *Théorie* ii, p. 333.

49 *Bibliothèque Publique et Universitaire*, Geneva, MS Dumont 51, fos. 70–142.

50 See Stark, *op. cit.*, iii, p. 28 n.

net inflow of gold – is false, since no such benefit can in fact be shown to accrue. Bentham's original manuscripts on this topic have not survived, so Stark had to make do with translating the bulk of Dumont's manuscript (omitting 2 chapters) for his edition of Bentham's economic writings and publishing it under the title 'Of the balance of trade'<sup>51</sup>. What Stark does not mention however is that a reworked version of Dumont's manuscript was in fact published in 1829 in the *Bibliothèque Universelle*, under the title 'Vue générale sur la balance du commerce'<sup>52</sup>.

One of the things Dumont does with this 1829 article is to *recontextualise* Bentham's arguments, for the 'Vue générale' appears as number three in a series of pieces published by Dumont in the *Bibliothèque Universelle* for 1829. The first<sup>53</sup> was a review of an 1820 edition of the Genevan professor Burlamaqui's classic work *Principes du droit de la nature et des gens*<sup>54</sup>. Dumont uses it to launch a typically Benthamic attack on the whole natural law tradition. The argument continues in a second article<sup>55</sup> entitled 'Origine des notions morales, des lois civiles et du droit des gens'. Here Dumont contrasts himself with writers like Grotius and Vattel – they presented themselves as interpreters of the laws of nature, while he proclaims no law, avoids trespassing on the rights of sovereigns, has no existing science to proclaim, but seeks to establish the proper foundations for discussion of the common interests of nations and of the laws which general utility would dictate to sovereigns<sup>56</sup>. His predecessors have treated 'the law of nations' as an existing law which needs only to be observed, whereas he deals with 'international law'<sup>57</sup> as a very fragmentary and only barely-existing thing, a law that will develop gradually with the progress of enlightenment, a law that will only be properly enforceable with the positive assent of the nations represented by their sovereigns – something which is not very likely to happen.

The third article in this series is the one on the balance of trade, and a footnote observes that the subject has self-evidently to do with the science that studies the common interests of all nations<sup>58</sup>. This is interest-

51 Stark, *op. cit.*, iii, pp. 217–246.

52 *Bibliothèque Universelle*, 'Littérature', nouvelle série, vol. 41, no. 1, May 1829, pp. 35–61.

53 *Bibliothèque Universelle*, 'Littérature', nouvelle série, xl, Jan. 1829, pp. 20–29.

54 *Principes du droit de la nature et des gens*; par Burlamaqui, professeur à l'Académie de Genève. Nouvelle édition, revue, corrigée, et augmentée d'une table analytique et raisonnée; par M. Dupin, Docteur en droit et avocat à la Cour Royale de Paris. 4 vol. in -8. Chez Warée, au Palais de Justice, 1820. The first edition had been in 1747.

55 *Bibliothèque Universelle*, 'Littérature', nouvelle série, xl, April 1829, pp. 335–351.

56 *Ibid.*, p. 338.

57 The word 'international' was in fact invented by Bentham, a prolific creator of novel terminology.

58 *Ibid.*, p. 35, n. 1.

ing in that Stark believes<sup>59</sup> that Bentham's original (but now lost) papers on the balance of trade were most likely to have been part of *The True Alarm*<sup>60</sup>, which was concerned with such topics as inflation and paper money. Stark makes the connection clear: 'The country bankers increase the monetary circulation in the country; so do the statesmen who pursue an export policy in accordance with the mercantilistic system of thought. The former pump in additional paper; the latter pump in additional metal; the problem is in either case the same.'<sup>61</sup> But now in 1829 we see Dumont *recontextualising* the subject of the balance of trade, presenting it now as an issue for international relations rather than for economics. Hence the fourth and fifth articles<sup>62</sup> of the series deal appropriately with the economic disadvantageousness and unprofitability of the colonial system. (The topic of colonies in Bentham and Dumont, though of course closely related to that of freedom of trade, is beyond the scope of the present article.)

In terms of its content, the 'Vue générale sur la balance du commerce' is essentially a reprise of the earlier manuscript but much better structured and disciplined. Basically Dumont reduces the issue again to a question of fact and a question of utility. The reality of the 'balance of trade' cannot be demonstrated and the presupposition that wealth in the form of precious metals is more valuable to a country than wealth in the form of goods is false anyway. To want to increase the national stock of money by direct means, to establish prohibitions or rights on the basis of an alleged balance of trade, to limit business operations and encourage trade productive of gold over that which is productive of merchandise is to be as skilful in politics as a doctor who injects blood into the veins of his patient to increase his strength<sup>63</sup>. When the nation has earned all the money the theorists want it to earn, what is she to do with it? Can she use it to buy the things she needs, or can she not? If she cannot, her gold is useless, if she can, surely it would be equally valid to receive the goods directly<sup>64</sup>?

Dumont does not claim originality for the argument of the *Vue générale*. In a footnote<sup>65</sup> he observes that Say has exposed in his *Traité d'économie politique*<sup>66</sup> the errors inherent in the balance of trade theory.

59 W. Stark, *op. cit.*, iii, p. 27.

60 For the text of this see Stark, *op. cit.*, iii, pp. 61–216.

61 W. Stark, *op. cit.*, iii, p. 27.

62 Bibliothèque Universelle (Littérature), nouvelle série, xli, August 1829, pp. 349–376; xlii, Sept. 1829, pp. 27–48. The final article appeared in the month of Dumont's death.

63 *Bibliothèque Universelle* (Littérature), nouvelle série, xli, May, 1829, p. 60.

64 *Ibid.*, p. 61.

65 *Ibid.*, p. 35, n. 1.

66 Jean-Baptiste Say: *Traité d'économie politique ou simple exposition de la manière dont se for-*

But false notions cling so stubbornly in Dumont's view and their consequences are so dangerous that they must be fought in different ways and by different modes of demonstration which will be persuasive to different classes of readers.

### III. Compulsory fire insurance – an exception to the principle of economic freedom ...

Though a consistent defender of economic liberalism from his earliest outlines of his planned Bentham recensions in 1798 right up to the articles on the balance of trade and on the colonial system that he published in the very last months of his life, Dumont was enough of a pragmatist to recognise the possibility that the principle might be susceptible of exceptions, as William Rappard pointed out many years ago<sup>67</sup>. He was also here too following in the footsteps of Bentham for whom economic freedom was not a sacred cow but a guiding principle that admitted of exceptions<sup>68</sup>. Rappard discusses Dumont's intervention in favour of such an exception in a debate in the Genevan Representative Council in 1820, noting that had they been recorded at the time for posterity, Genevan parliamentary debates around 1820 involving men like Dumont, Sismondi, Rossi and Bellot, would have proved of immense interest to economic historians:

'Il est fort probable ... qu'un grand débat parlementaire au cours duquel des hommes comme Etienne Dumont, Sismondi, Rossi et Bellot échangèrent en 1820 leurs vues sur des matières telles que la nature de la loi, les limites de l'intervention légitime de l'Etat, la responsabilité individuelle et la solidarité sociale des membres d'une collectivité politique aurait depuis longtemps trouvé sa place dans les annales du libéralisme et de l'interventionnisme économique.'<sup>69</sup>

Although the full account of the debate in question has not survived, Dumont's own speeches can be found among his manuscripts<sup>70</sup>. And they throw an interesting light both on his understanding of the principle of utility and on his pragmatic understanding of the issue of economic

ment, se distribuent et se composent les richesses, Paris, Crapelet, 1803.

67 William Rappard: 'Un beau débat de politique économique au Conseil Représentatif genevois en 1820' in *Economistes genevois du XIX<sup>e</sup> siècle. Necker – Bellot – Sismondi – Cherbuliez – Pellegrino Rossi*, Geneva, 1966, pp. 1–54.

68 See James Steintrager: *Bentham*, London, George Allen & Unwin, 1977, pp. 62–77; Ross Harrison, *Bentham*, London, 1985, Routledge & Kegan Paul, pp. 121–127; and M. D. A. Freeman: 'Jeremy Bentham: contemporary interpretations', in Riccardo Faucci (ed.): *Gli Italiani e Bentham; dalla 'felicità pubblica' all'economia del benessere*, 2 vols., Milan, Franco Angeli, 1982, pp. 19–48 (see esp. pp. 44–47).

69 William Rappard, *op. cit.*, p. 2.

70 Bibliothèque publique et universitaire, Geneva. MS Dumont 41. fos. 146–151.

freedom. The question of compulsory fire insurance for property-owners in Geneva was not quite as straightforward as might appear – in fact the problem of fire damage was less severe in Geneva than elsewhere because of the quality of the buildings and the efficiency of the rescue services<sup>71</sup>. But this was part of the problem, for the premiums required of the citizens were calculated on the basis of the higher risks prevailing elsewhere, largely because all the insurance companies were foreign, and this meant that all the premiums paid to the companies flowed out of Geneva.

This was the background to the debate and it certainly contributed to the position Dumont adopted. Surprisingly perhaps, he was on the side of a compulsory insurance system. This was too much for his colleague Pellegrino Rossi<sup>72</sup>, who spoke up vigorously against compulsion, and apparently on utilitarian grounds – though he was not a utilitarian. Our only record of his speech is in the account of it given by Dumont himself, but it seems that Rossi pointed out that if something is in the interests of a group of people they will do it themselves – there is no need to force people to pursue their own interests. This argument was one which Bentham and Dumont had of course often utilised themselves. In addition, Rossi noted that the intervention threatened property rights – for if property-owners were coerced on this point they could be coerced on many others<sup>73</sup>. Dumont has to concede the validity of these arguments and his defence is based precisely on the idea of exception. As Rappard puts it in commenting on Dumont's speeches, 'il serait difficile de résumer avec plus d'élégance et de concision la doctrine fondamentale du libéralisme économique qui leur était commune à tous deux'<sup>74</sup>. Dumont's case rests on three points: firstly, the supposition of potential exceptions to all general principles under given circumstances; secondly, the likelihood that the presence of such exceptional conditions will be better judged under a representative government than under an arbitrary one. Arbitrary governments are for ever making laws to interfere in commerce, health, families, marriage ... 'leurs lois somptuaires sont ruineuses, leurs lois d'industrie l'entravent, leurs lois de commerce le troublent, ils se mêlent de tout, on les trouve partout, ils veulent mener leurs sujets comme des enfants, comme des pupilles qui ne sauraient juger de rien par eux-mêmes'<sup>75</sup>. It is under such governments that we

71 *Ibid.*, p. 6.

72 Pellegrino Rossi (1787–1848), exile from Italy, sometime professor of Roman law in Geneva, later professor of Political Economy in the Collège de France, assassinated in Rome in 1848.

73 William Rappard, *op. cit.*, p. 33.

74 *Ibid.*, p. 34.

75 Quoted in William Rappard, *op. cit.*, p. 35.



have to worry about the dangers of the mania for governing. 'En Suisse on va jusqu'à fixer le moment où l'on peut récolter les pommes de terre par la peur que les sujets ne se fassent du mal en les mangeant mal mûres et mal saines: on fixe l'âge où des personnes peuvent s'unir en mariage et ailleurs, on ne peut voyager qu'avec la permission du souverain.'<sup>76</sup>

But under a representative government such excesses are no longer to be feared, because once people have been given the right to self-government, they can be trusted to know when to adopt a measure contrary to a general principle, something they will do only when they see that this general principle, always subject to the rule of utility, admits of exceptions. Moreover of course under a representative government the people who implement a project are free to rescind it. The third point is to ask whether the case under consideration is not precisely an exception to the rule. Dumont thinks this is so, because of Geneva's smallness and the nature of her relations with her neighbours<sup>77</sup>. If the contract is left voluntary, it will be on too small a scale, some will not think of availing themselves of it, others will prefer foreign insurance companies; the country citizens are the ones who will remain outside and yet they are the ones who will benefit the most – they get help by virtue of people's generosity as it is but such generosity can be exhausted. Those who insure with foreign companies damage the economy on account of the small size of the country; what could not be done with the sum exported in this way every year? Then comes the nub of the argument: 'Rejeter la mesure, parce qu'elle est en opposition avec la loi générale sur les contrats, ce serait une superstitieuse adhésion à un principe qui étant lui-même fondé sur son utilité cède à une utilité supérieure par les circonstances.'<sup>78</sup>

Principles are not to be venerated for themselves, they must be related to their 'reasons', the measure must not be rejected out of respect 'for an abstraction'. This whole episode shows Dumont's Benthamic utilitarianism translating from theory to practice and doing so at its best: clear in argument, eloquent, but rooted and grounded in existential reality.

<sup>76</sup> *Ibid.*

<sup>77</sup> *Ibid.*, p. 36.

<sup>78</sup> *Ibid.*, p. 37.