

BENTHAM AND WAKEFIELD

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I

Though Jeremy Bentham was in his eighties and at the very close of his life when Edward Gibbon Wakefield and his plan of Systematic Colonization appeared, Bentham was one of the first eminent names to advance the program. This has occasioned some significant commentaries on the intellectual basis of the affiliation. One modern student has said that "by and large there seems to be a considerable change in Bentham's attitude to colonial development very broadly—though far from precisely—in tune with the change . . . in his economic ideas" respecting the efficacy of the classical economists' law of markets generating full employment of the natural resources.¹ Yet another maintains that

the view long associated with Bentham, and the Ricardians generally, was that it was the quantity of capital rather than the extent of the market which determined the size of trade in which a nation could engage; this view held colonies to be a drain upon the capital of the mother country. Wakefield, quite early, set out to convince Bentham that this view was erroneous—sending his early anonymous writings to the old man while still in Newgate prison—and he succeeded, at last, in overcoming Bentham's economic objections.²

However, it should be clear that the wages-fund doctrine could be used by opponents and proponents of emigration and colonization. The drain on the capital fund from the expenses of colonization had to be evaluated in the light of the subsequent effects on the labor market. This was stated explicitly by Herman Merivale in his Oxford lectures on colonization. He correctly maintains that, while emigration entails capital expenses, the "economical success of that experiment depends on whether the abstraction of capital and consequent diminution of employment for labor over-balances, or not, the relief which emigration gives to the market for labor."³ Some like James Mill and Francis Place felt that the expenses would be relatively too great;⁴ there were others (and these before

¹ T. W. Hutchison, "Bentham as an Economist," *Economic Journal*, Vol. LXVI, June 1956, reprinted in *Essays in Economic Thought: Aristotle to Marshall*, Joseph J. Spengler and William R. Allen, eds. (Chicago: Rand McNally and Co., 1960), p. 347. Also see Hutchison, "Robert Torrens and Classical Economics," *Economic History Review*, Vol. XI, December 1958, pp. 317-18.

² Bernard Semmel, "The Philosophical Radicals and Colonization" in "Tasks of Economic History, Colonialism and Colonization in World History," *Journal of Economic History*, Vol. XXI, December 1961, p. 518; D. N. Winch, "Classical Economics and the Case for Colonization," *Economica*, Vol. XXX, November 1963, pp. 389-91.

³ Herman Merivale, *Lectures on Colonization and Colonies: Delivered before the University of Oxford in 1839, 1840, and 1841* (2 vols.; London: Longman, Orme, Brown, Green, and Longmans, 1841), Vol. I, p. 139.

⁴ Francis Place, *Illustrations and Proofs of the Principle of Population*, Critical and Textual Notes by Norman E. Himes (London: George Allen and Unwin, Ltd., 1930), p. 323, p. 329n.; see also [James Mill], "Colony," Supplement to the Fourth, Fifth, and Sixth Editions of the *Encyclopedia Britannica* (Edinburgh: Archibald Constable, 1824), Vol. III, p. 262.

Wakefield) who took a contrary view. "Public provision," wrote McCulloch, "should be made for discharging, at once and forever, the entire expense of the emigration" of the Irish, even though the expenses are very large, thereby improving the circumstances of the remaining populace.⁵ Senior followed with a plea for publicly supported emigration as a precondition for the rise of moral restraint among the populace, since the vacuum created in population by the emigration "would give time for reflection" and so prevent the vacuum from being refilled.⁶

Indeed there was no cleavage, by and large, among the classical economists concerning the propriety of colonization and emigration as a means of alleviating the indigence found in their era. The analytical framework for formulating colonization programs was developed in the early classical authors. J. S. Mill's plea for colonization, decades later, only reflected the continuity in the classical policy, as he admired.⁷ This can be shown from just a cursory reading of the classical analysis of the stationary state. In Smith's system the competition of capital with capital lowered the rate of profits since product prices would fall and wages would rise in the process, making it more difficult for new capital to find profitable methods of employment. Smith wrote:

As capitals increase in any country, the profits which can be made by employing them necessarily diminish. It becomes gradually more and more difficult to find within the country a profitable method of employing any new capital. There arises in consequence a competition between different capitals, the owner of one endeavoring to get possession of that employment which is occupied by another. But upon most occasions he can hope to jostle that other out of this employment, by no other means but by dealing upon more reasonable terms. He must not only sell what he deals in somewhat cheaper, but in order to get it to sell, he must sometimes too buy it dearer. The demand for productive labour, by the increase of the funds which are destined for maintaining it, grows every day greater and greater. Labourers easily find employment, but the owners of capitals find it difficult to get labourers to employ. Their competition raises the wages of labour, and sinks the profits of stock. But when the profits which can be made by the use of a capital are

⁵ [J. R. McCulloch], "Emigration," *Edinburgh Review*, Vol. XLV, December 1826, p. 70; also [McCulloch], "Restraints on Emigration," *Edinburgh Review*, Vol. XXXIX, January 1824, pp. 315-45; and especially his evidence in *Sessional Papers: Minutes of Evidence before the Select Committee on the State of Ireland*, Vol. VIII, 1825, pp. 817-20, 830-31. In McCulloch's "Colonial Policy," *Edinburgh Review*, Vol. LXXIX, August 1825, pp. 279-303, he pleads for the Greek ideal of colonization: the spreading of the "empire of civilization" where the similar cultural ties of the colonists with those of the mother country assure the dominance of the latter's produce in the former's market. This removed the need for the formal and costly political tie of Empire. It also helps to explain why McCulloch felt that it was a matter of indifference where the emigrants landed, while he was advocating, simultaneously, large sums for emigration. Thus, see his "Causes and Cures of Disturbances and Pauperism," *Edinburgh Review*, Vol. LII, March 1831, p. 53.

⁶ Nassau William Senior, *Three Lectures on the Rate of Wages, Delivered before the University of Oxford, in Easter Term, 1830. With a Preface on the Causes and Remedies of the Present Disturbances* (2nd ed.; London: John Murray, 1831), pp. xvii-xviii; [McCulloch], "Dr. Chalmers on Political Economy," *Edinburgh Review*, Vol. LVI, October 1832, p. 55. This is discussed more fully in the present writer's "The Development of the Theory of Colonization in English Classical Political Economy," *Southern Economic Journal*, Vol. XXXII, January 1965, pp. 195-98.

⁷ John Stuart Mill, *Principles of Political Economy with Some of Their Applications to Social Philosophy*, Sir W. J. Ashly, ed. (London: Longmans, Green, and Co., 1929), pp. 727-28.

in this manner diminished, as it were, at both ends, the price which can be paid for the use of it, that is, the rate of interest, must necessarily be diminished with them.⁸

However, Smith explicitly discussed instances where this historical trend could be reversed through "the acquisition of new territory . . . [which] may sometimes raise the profits of stock, and with them the interest of money, even in a country which is advancing in the acquisition of riches."^{8a}

Likewise, under certain institutional conditions, the Ricardian stationary-state analysis could lead to the recommendations for colonization. Ricardo begins with the study of the economy characterized by the high rate of profits and wages. This encourages population. But, given that land is fixed in quantity, diminishing average returns accrue from additional doses of capital and labor. Thus, as population increases, rents rise, and wages make up a larger and larger proportion of the total product less rent. Thus, profits fall until net investment is zero. Just how easily this analysis could be used by J. S. Mill as an argument for colonization is evidenced from Ricardo's principle that "if with every accumulation of capital we could tack a piece of fresh fertile land to our Island, profits would never fall."⁹

Of course the classical economists consistently argued that through free trade nations could overcome the constraints on economic welfare from living within the confines of their respective factor endowments. This was one manner of postponing indefinitely the advent of the classical stationary state. But if free trade was not politically feasible, then the implications of their stationary-state analysis indicated that colonization was an effective alternative. Thus the debate of Wakefield's on the possibility of an excessive accumulation of capital is not germane to an understanding of the actual classical *policy* on colonization: the real debate was on the technique to consummate the emigration and colonization, and not on its desirability as such.¹⁰ Colonization was thought necessary because of "the imposition of legislative shackles which cramp the exertion of its inhabitants, and interfere with the natural, that is, the *free* direction of their industry, and the natural and equitable distribution of its produce."¹¹ The writer of these words, G. P. Scrope, reflected widespread opinion when he concluded that "until nations are perfectly convinced of their community of interest — until all mutual jealousy and animosity is extinguished — until the possible occurrence of war and the interruption which it places in the way of foreign commerce be

⁸ Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, Edwin Cannan, ed. (New York: The Modern Library, 1937), p. 336.

^{8a} *Ibid.*, p. 93.

⁹ *The Works and Correspondence of David Ricardo*, Piero Sraffa, ed., with the collaboration of M. H. Dobb (10 vols.; Cambridge: Cambridge University Press, 1951-55), Vol. VI, p. 162; Vol. I, pp. 110-28; Vol. IV, p. 18, 16n.

¹⁰ See the writer's, "The Development of the Theory of Colonization . . .," *op. cit.* and "Wakefield, The Sufficient Price, and Classical Economics" (forthcoming).

¹¹ George Poulett Scrope, *Principles of Political Economy Deduced from the Natural Laws of Social Welfare and Applied to the Present State of Britain* (London: Longman, Rees, Orme, Brown, Green, and Longmans, 1833), p. 379.

prevented, it will be safer for a nation to produce within its own limits the commodities it requires."¹² That is, colonize.

In this connection Bentham's position presents an interesting study, if for no other reason than that his stature demands a closer scrutiny of his ideas on colonization than the scattered comments found heretofore. But there is a more important reason. As this writer has shown elsewhere, there is no association between views on the classical law of markets and the attraction to Wakefield's system of colonization.¹³ Yet, as shown below, there does seem to be a correlation between Bentham's early (and vacillating) position on excessive capital accumulation and his early (and vacillating) views on the desirability of colonies. But was this association also found late in life when he publicly supported Wakefield? The evidence indicates that substantive changes of theory were not involved in his later support of Wakefield's plan of Systematic Colonization. His reasons for the adoption of the latter's program were due to the new technique of colonization espoused by Wakefield; and, had he lived, his probable differences with other economists would have revolved around Wakefield's doctrine of the sufficient price and not on analytical differences pertaining to the effects of capital accumulation on the rate of profits. Within the framework of his dictum that industry was limited by capital, he was already advocating colonization shortly before he became familiar with Wakefield's plan. The need to enlarge on these considerations is the apology for what follows.

II

The vacillations in Bentham's thoughts on colonization are striking. His view that industry was limited by capital had been cited often by Wakefield as evidence for his allegation that the classical economists considered colonization a burdensome undertaking. In Bentham's *Emancipate Your Colonies!* written in 1793 but published in 1830, Bentham had painted vividly this radical picture, adding that the colonies did not provide revenue, they did not provide markets—indeed, trade was greater with the noncolonial areas. He also maintained that the colonies did not enhance the division of labor in the home country;

¹² *Ibid.*, pp. 372–73, 392. Similarly, John Rooke, *An Inquiry into the Principles of National Wealth Illustrated by the Political Economy of the British Empire* (Edinburgh: A. Balfour and Co., 1825), pp. 1–14, 78, 79, 103, 141–42, 150, 372–73; G. R. Porter, *The Progress of the Nation, in Its Various Social and Economical Relations from the Beginning of the Nineteenth Century to the Present Time* (3 vols.; London: Charles Knight and Son, 1836–43), Vol. II, pp. 95, 96; Vol. III, pp. 318, 369; [T. R. Edmonds], *An Inquiry into the Principles of Population, Exhibiting a System of Regulations for the Poor: Designed Immediately to Lessen, and Finally to Remove, the Evils Which Hitherto Pressed upon the Labouring Classes of Society* (London: James Duncan, 1832), p. 56; J. S. Eisdell, *Treatise on the Industry of Nations; or, The Principles of National Economy and Taxation* (2 vols.; London: G. B. Whitaker and Co., 1839), Vol. I, pp. 316–17; Francis William Newman, *Lectures on Political Economy* (London: John Chapman, 1851), pp. 189, 197–98. For much earlier pleas see Charles Bosanquet, *Thoughts on the Value to Great Britain of Commerce in General and the Value and Importance of the Colonial Trade in Particular* (London: S. and C. McDowall [1808]), esp. pp. 48, 49; and R. Torrens, *The Economists Refuted; or, An Inquiry into the Nature and Extent of the Advantage Derived from Trade* (London: S. A. Oddy, 1808), pp. 31, 35.

¹³ *The Development of the Theory of Colonization in English Classical Political Economy*. Unpublished Ph.D. thesis, Chicago, 1962.

and that the monopoly of the colonial trade violated property, liberty, and equality, resulting in a tax on all the citizens "to raise the money to maintain by force the restraints it imposed" upon the colonists. Too, since the imports are luxuries, only the rich reap the benefits from the trade, and even these commodities could be purchased more cheaply without the trade monopoly. He concluded that the expenses of defending the colonies were enormous, and that France (to whom the essay was addressed) should liberate her colonies, thereby setting an example for the world.¹⁴

However, soon after the beginning of the nineteenth century Bentham's views on capital accumulation took an about-face, revealing a cleavage with the classical position on the ability of the interest rate to equate the rate of savings with the rate of investment, thereby maintaining full employment. In his *Defence of a Maximum* (1801-04), Bentham argued that when capital and labor were redundant — as he believed the case to be in England — the arguments against colonization collapsed.¹⁵ But in July 1818 he wrote (but never published) a new and caustic introduction to his *Emancipate Your Colonies!* in which he embellished the Radical theme on the uselessness of colonies.¹⁶ In the early 1820's he prepared several long drafts of a plan for the emancipation of the Spanish colonies entitled, in final form, *Rid Yourselves of Ultramarina*.¹⁷ And in 1820 he sent a copy of *Emancipate Your Colonies!* to a South American official with an accompanying letter that claimed continuity in his thought. He wrote:

The arguments in the enclosed Tract . . . applied themselves in particular, to the case of France at that time. But, from that time to this, my opinion has been, that all colonies and distant dependencies, without exception, are essentially mischievous . . . to the great majority of the people on both sides.¹⁸

To modern students, the culminating point in Bentham's thought on the economies of colonization is found in his acceptance of Wakefield's plan of Systematic Colonization. In the latter's *England and America*, Bentham's conversion is recorded:

During the summer of 1831, Mr. Bentham's attention was called to this subject [limits to the employment of capital]. At first he urged the objection to colonization which has been examined [i.e., that industry was limited by capital, not by the field for its employment], but finally abandoned it. Then immediately, notwithstanding his great age and bodily infirmities, he proceeded to study the whole subject, and even to write at some length. His written remarks upon the subject, now in my possession, show that he lived

¹⁴ Jeremy Bentham, *Emancipate Your Colonies! Addressed to the National Convention of France*, in *The Works of Jeremy Bentham*. Published under the Superintendence of His Executor, John Bowring (11 vols.; Edinburgh: William Tait, 1843), Vol. IV, pp. 410-16.

¹⁵ *Jeremy Bentham's Economic Writings: Critical Editions Based on His Published Works and Unprinted Manuscripts*, W. Stark, ed. (3 vols.; London: George Allen and Unwin, Ltd., 1954), Vol. III, pp. 301-02.

¹⁶ Bentham Mss. (London: University College), Folio #8, folder no. 1.

¹⁷ *Ibid.* In these particular manuscripts, Bentham draws on the theme that James Mill was to embellish: colonies are maintained by and for the benefit of the "ruling few" ("sinister interest") at the expense of the subject many. Thus, *ibid.*, p. 6 and folder no. 2, pp. 14, 70.

¹⁸ Bentham, *Works*, Vol. X, p. 513.

to consider colonization, not as an agreeable folly, but as a work of the greatest utility. I am proud to add, that the form of the present treatise was suggested by one of the wisest and best of mankind.¹⁹

If Wakefield's account is true, then it appears that substantive changes in Bentham's economic theory on the possibility of excessive accumulation of capital were paralleled by changes in his attitude toward the economic benefits of colonization. In this instance, Bentham would appear to have renounced his views on capital accumulation stated in his *Defence of a Maximum*, and in the immediate year just prior to his acquaintance with Wakefield, therefore took a stand adverse to colonization. No doubt he retracted the views stated earlier in the *Defence*, but, like Wakefield's graphic account of Bentham's conversion, such considerations are actually of no value for understanding the nature of the debate on colonization policy among the classical economists, nor of the position of Bentham.

Most importantly, as already noted, one should be skeptical of any account of the classical position on colonization which claims that a substantive change in the classicists' views on colonization was necessary before a positive policy could be recommended. Moreover, in his enthusiasm to cope with the pressing economic and social problems of the time, Wakefield frequently led his readers astray. His misrepresentation of the position of the classical economists on colonization, and his account of the influence of Sir R. J. Wilmot-Horton (founder of the competing plan of Systematic Emigration) in the demise of Wakefield's Colonization Society are cases in point.²⁰

¹⁹ [Edward Gibbon Wakefield], *England and America: A Comparison of the Social and Political State of Both Nations* (New York: Harper and Bros., 1834), p. 252n. In a letter to Leigh Hunt, dated November 30, 1836, Wakefield wrote: "There is one book to be sent to you, which shall go today — the first volume of my edition of the *Wealth of Nations*, which contains the best statement of that principle of Combination of Labour which forms the base of the System of Colonization. You will also find in that Vol., under the head of profits and wages, a further explanation than is given elsewhere of the grounds on which, as is told in 'England and America,' Bentham altered his opinion as to the utility of colonization — I allude to the new doctrine of *superabundance of capital* as well as population, which calls for the creation of new fields of employment for both capital and labour. The article 'Prosperity and Distress' and the Letter thereupon in the accompanying number of the *Spectator*, tend to show the spread of the new doctrine." *Correspondence of J. H. Leigh Hunt, Supplement, Vol. I, 1807-44*, British Museum, Add. Mss. 38, 253, f. 149.

The article Wakefield refers to appeared in the *Spectator* November 19, 1836, p. 1111. Here the writer readily admits that with free trade the surplus of capital would disappear so that without Corn Laws, the "prosperity as we have enjoyed for the last three years might be prolonged for centuries." Since repeal of the Corn Laws was an important aspect of Ricardian policy, such statements are hardly calculated to gain converts from the "orthodox" Ricardian views on free trade versus colonization as means-alternative to alleviating Britain's economic distress. The letter, "Mr. Bentham and the Westminster Review. To the Editor of the Westminster Review" and signed "A Benthamite," appeared in the *Spectator*, November 1, 1834, pp. 1038-39, and repeats Wakefield's account of Bentham's conversion, although he does not mention specifically the problem of the field for the employment of capital.

²⁰ Douglas Pike, "Wilmot-Horton and the National Colonization Society," *Historical Studies: Australia and New Zealand*, Vol. VII, May 1956, pp. 205-10. Professor Pike maintains that Wakefield's account of the debate with Wilmot-Horton "indicates that Wakefield was guilty of either malice or of failing memory." In [Wakefield's] Charles Tennant, *Letters forming Part of a Correspondence with Nassau William Senior Esq., concerning Systematic Colonization, and the Bill now Before Parliament for Promoting Emigration; also, A Letter to the Canadian Land-Company, and, A Series of Questions, in Elucidation of the Principle of Colonization* (London: Ridgway, 1831), pp. 11, 12, there is a lament that only Senior and Malthus had examined the

There is much more room for skepticism, however. Wakefield, writing anonymously from Newgate gaol, sent his *Sketch of a Proposal for Colonizing Australia* to Bentham in the summer of 1829. There is nothing in this pamphlet on the role of colonization in alleviating a superabundance of capital in the mother country, a consideration that was prominent in his later writings. In this pamphlet Wakefield is intent on presenting the essentials of his plan. This was a technique of colonization that was logically independent of the capital-accumulation argument, but which was to be the basis of his influence on Bentham. Wakefield believed that in the absence of a high price on colonial lands colonists would spread themselves over the cheap land in such a fashion as to preclude the establishment of an effective division of labor. The subsequent loss in productivity would lower profits and wages, making the colonies unattractive for emigrants and capitalists, and would discharge the laborers and capitalists already in the colonies. To Wakefield, cheap land was the source of this colonial failure. However, by placing a restrictive price on land that would prevent colonial laborers from becoming landowners "too soon," a supply of labor would be available to the capitalist assuring an economic division of labor. The rise in productivity would sustain a rate of wages and profits sufficient to attract labor and capital to the colonies.

The ensuing prosperity of the colonies that adopted this "sufficient price" would also provide the funds for financing the emigration. The rents created by the economic progress of the colony would offer a tax base. These revenues, coupled with the revenues from the sale of colonial land by the appropriate authorities would provide an emigration fund sufficient to defray the costs of emigration. Any surplus in the proceeds over what was required for emigration would be used in relief of other colonial taxes and for meeting the general expenses of colonial government. The emigration itself would be selective, concentrating on equal numbers of both sexes between the ages of 18 and 24, picked from all social strata in the mother country, thus creating quickly an old society in the New World.²¹

Colonization Society's proposals; yet a few weeks later he wrote to another that "some of the most eminent Political Economists of the day . . . [believed] . . . that the proposed system of colonization will be adopted sooner or later," pp. 73, 74. Moreover, Malthus was hostile to Wakefield's plan. See R. N. Ghosh, "Malthus on Emigration and Colonization: Letters to Wilmot-Horton," *Economica*, Vol. XXX, February 1963, pp. 55-60. Senior was impressed only with the provision for the emigration fund; see his *Industrial Efficiency and Social Economy*, S. Leon Levy, ed. (2 vols.; New York: Henry Holt and Company, 1928), Vol. I, pp. 351-57.

²¹ There is no date on this pamphlet. It was printed by J. F. Dove, St. John's Square. The copy in the British Museum is inscribed in Bentham's hand "Jeremy Bentham 13 July 1829 Received from the Unknown Author without accompanying note." In the *Bentham Mss.* there is a six-page work (pp. 192-97) in Wakefield's hand entitled *E. Gibbon Wakefield on the Colonization Society Plan*, dated "23 Aug. 1831." It is exclusively devoted to the doctrine of the sufficient price. Moreover, by this time Bentham was aware of Wakefield's views on the necessity for including the field for the employment of capital as a factor of production since he notes that the doctrine of the sufficient price "has been diffused and scattered through a variety of small publications . . ." (*Bentham Mss.*, p. 154n, p. 176n). These later publications did include the broadening of the field for the employment of capital as an incentive for colonization. Significantly, Bentham did not feel the need to consider this view.

Later, Wakefield was to advocate representative government in the colonies. He believed this would make the selective emigration more successful since self-government would attract the superior immigrant to the particular colony. Like Adam Smith, he also felt that this would

Throughout the years, Wakefield emphasized that the core of his program was the sufficient-price concept, and that this was independent of the provision for the emigration fund, though he considered this fund a desirable feature of the plan in general.²² Likewise, there is no necessary relationship between his technique for colonization and the surplus capital argument. The former simply says the sufficient price on colonial lands will assure a successful colonial venture if colonization is desirable. The latter could constitute an argument for colonization in itself. This also could augment arguments for colonization that were based on relief of population pressure or on the creation of markets for the produce of the mother country in the colony, by showing the role of colonies in alleviating redundant capital in the mother country. As the writer has shown elsewhere,²³ some "followers" of Wakefield accepted the doctrine of the sufficient price, the emigration fund, and the surplus-capital thesis.²⁴ Some accepted the provision for financing the emigration through the sale of colonial land while criticizing the doctrine of the sufficient price as well as ignoring the surplus-capital viewpoint of Wakefield's.²⁵ Others accepted the surplus capital as a short-run phenomenon only, remained critical of the intricacies of the theory of the sufficient price, and feared the loss of the better quality personnel from the home country through selective emigration. Nevertheless, they still felt that

be the cheapest mode of government for both the colony and the mother country. See Wakefield, *England and America* . . . , pp. 322-31; and Richard Charles Mills, *The Colonization of Australia (1829-42): The Wakefield Experiment in Empire Building*, Introduction by Graham Wallas (London: Sidgwick and Jackson, Ltd., 1915), pp. 129-31.

Wakefield initially felt that the sufficient price was inapplicable to Canada since proximity to the United States would simply direct emigration to the cheaper lands there. He soon reversed his opinion on this point, and consequently received considerable criticism from this. Cf. Wakefield's, *A Letter from Sydney and Other Writings*, Introduction by R. C. Mills (London: J. M. Dent and Sons, Ltd., 1929), pp. 105-06, with his *Letters Forming Part of a Correspondence with Nassau William Senior* . . . , pp. 42, 43, 45.

²² See Wakefield's evidence in *Sessional Papers: Minutes of Evidence before the Select Committee on the Disposal of Lands in the British Colonies*, Vol. XI, 1836, Qu. 797, p. 586; Qu. 797, pp. 586-87. He believed that the provisions for the emigration fund assured "that the supply of labour should correspond exactly with the quantity of land granted . . ." See, *England and America* . . . , pp. 297-301. Wakefield was to modify his position a few years later. See Mills, *op. cit.*, p. 106, and Wakefield's evidence in *Sessional Papers: Minutes of Evidence before the Select Committee on South Australia*, Vol. XI, 1841, pp. 273-74.

In Tennant, *op. cit.*, pp. 35, 36, Wakefield wrote that "Mr. Horton proposes that the costs of Emigration should be defrayed by a poor's rate; which expenditure of British capital would diminish by so much the fund which employs labour. Whereas I propose that the whole costs of Emigration shall be defrayed by the Colonists . . . by means of certain arrangements which would confer wealth on the Colonies, and enable them to pay for the incalculable advantages of a full and regular supply of labour. . . . Mr. Horton proposes *pauper labour*. He proposes to furnish the Emigrants with capital by diminishing by that amount the capital of Britain." This emphasis on depletion of the capital fund sounds like Place and Mill.

²³ *The Development of the Theory of Colonization in English Classical Political Economy*. Unpublished Ph.D. dissertation, University of Chicago, 1962.

²⁴ R. Torrens, *Colonization of South Australia* (2nd ed.; London: Longman, Rees, Orme, Brown, Green, and Longmans, 1836), *et passim*. Torrens was later to criticize the sufficient price. See Lionel Robbins, *Robert Torrens and the Evolution of Classical Economics* (London: Macmillan and Co., Ltd., 1958), pp. 172, 309.

²⁵ See especially Scrope's questions and evidence in *Sessional Papers . . . Disposal of Lands in the British Colonies*, pp. 586, 683, 687-88; Scrope, "Malthus and Sadler — Population and Emigration," *Quarterly Review*, Vol. XLV, April 1831, pp. 138, 143; [James Spedding], "New Theory of Colonization," *Edinburgh Review*, Vol. LXX, July 1840, pp. 282, 284-85, 293, 295; Senior, *Industrial Efficiency and Social Economy*, note 20 *supra*.

Wakefield had made an outstanding contribution through advocating a price on colonial lands that made provision for the costs of colonization.²⁶

III

For the most part the attraction of Wakefield to the economists of his time was due to this provision for an emigration fund, which was only incidental to the sufficient price. Wakefield offered his plan of Systematic Colonization as an alternative to that of Systematic Emigration authored by Wilmot-Horton, a plan which had received considerable attention in the 1820's. Wilmot-Horton centered his program on the emigration of Britain's agricultural paupers (preferably within the Empire), and for this reason the Wakefieldians referred scornfully to the plan as one for "shoveling out paupers." Wilmot-Horton used a wages-fund approach and argued that the wage rates were low because the supply of labor was greater than the demand (capital). To raise wages a more favorable ratio of labor to capital had to be achieved. This was to be accomplished through the emigration of the destitute who were to be provided passage to Canada. Upon arrival they were to be given 100 acres of land (subject to its being cultivated), farming implements, and provisions for one year. The gains to the mother country were thought to be the relief of her redundant population and the creation of a market for her produce in Canada. However, the plan met strong criticism because of the evident costliness in financing the emigration: these expenses were to be met by a mortgage of the poor rates in the parishes experiencing the emigration. In 1832 the plan was scuttled officially by a Parliamentary committee.²⁷

Thus, the political appeal of Wakefield's plan is evident in his summary of the claimed results that would accrue to the mother country subsequent to adoption of the program:

First, to relieve the country of its excess of people in proportion to territory. Secondly, to create a new, and rapidly increasing, market for the products of British industry. Thirdly, to make the Colony furnish a part, if not the whole, of the cost of its own government. Fourthly, to cause a superior class of persons to settle in the Colony, and to make the social conditions of the Colony something like that of the mother country, by causing some resemblance between the new and the old countries, in respect to the values of land, and the original purchase money of all things! And, lastly, to bind together the Colony and the mother country by a complication of mutual interest, by a moral chain, which never could be broken, whilst the waste land of the Colony should be treated as a gradual addition, though distant to the territory of the mother country!²⁸

²⁶ Merivale, *op. cit.*, Vol. II, pp. 85, 86; Vol. I, pp. 146, 199; also see [Thomas] Tooke and [William] Newmarch, *A History of Prices and the State of the Circulation from 1792 to 1856*, Introduction by T. E. Gregory (6 vols.; New York: Adelphi Co., 1828), Vol. VI, pp. 182-87.

²⁷ Wilmot-Horton's plan is discussed fully in Mills, *op. cit.*, chs. ii-iii; Ghosh, *op. cit.*, pp. 46, 47, discusses succinctly the vacillations of Wilmot-Horton on the issue of financing the emigration. Also see Ghosh, "The Colonization Controversy: R. J. Wilmot-Horton and the Classical Economists," *Economica*, Vol. XXXI, November 1964, pp. 385-400.

²⁸ [Wakefield], *Sketch of a Proposal . . .*, p. 47.

The first two and last claims were also part of the program of Wilmot-Horton. But what a difference in the remainder, especially numbers three and four. How this impressed Bentham is reflected in the unpublished plan he prepared for the Colonization Society. The title itself is indicative of the focal point of Bentham's interest: *Colonization Society Proposal being a Proposal by the name of Colonization Company on an entirely new principle entitled the Vicinity-maximizing or Dispersion-preventing principle*. In fifty-four pages of markedly varying degrees of legibility Bentham outlines the plan: a joint stock company to raise £500,000, one-fourth to be employed to defray the initial expenses of emigration, one-fourth used as loans to small capitalists in the colony, and the remainder to be 25 percent to be employed to defray the initial expenses of emigration, 25 percent used as loans to small capitalists in the colony, and the remainder to be employed in constructing means of communication to give value to the colonial lands. He set up inducements to settlers with capital (e.g., monetary advances and adequate provisions in the colonies), and for those without capital (e.g., assurance of care during illness, and life provision in case of loss of limb, or in the use of it, "in proportion to the loss of capacity for labor"). Preference was to be given to childless married couples.²⁹

Characteristically, Bentham elaborated in full on Wakefield's colonization technique. In his discussion of the "inducements to Government," under the chapter caption, "Means of effectuation, primary, characteristic, and distinctive — the Vicinity-maximizing or Dispersion-preventing principle," Bentham writes:

Understand by this principle that according to which maximization of vicinity will be made as between the spot granted to and occupied by each Colonist or any settler; relation had to the aggregate of the spots, granted to and occupied by the Colonists which the grant finds already in existence. Rule 1. Choose for the subject matter of each grant after the first, a spot contiguous to some part of the land already granted or as near to the being contiguous as the nature of the case will admit.³⁰

Bentham went on to list 13 disadvantages from dispersion of the colonists — disadvantages that included threats of hostile acts from aborigines and other settlers, difficulty of access to medical supplies and other provisions, impossibility of obtaining loans, and inaccessibility to cooperating industry. And when he gives the "inducement to Government" for colonization he refers to this fundamental chapter, to the section on "Special ends in view" respecting colonization. He wrote two drafts of this final section. Understandably there is no mention of the expansion of the field for the employment of capital as an advantage of colonization to the mother country. Of course, had Bentham been inclined, the capital-surplus argument could have been added to his other pleas for colonization. To some economists this would have made his argument more persuasive. Robert Torrens, who had long been interested in emigration and colonization, even in the days when he adhered to the classical law of markets, added the sufficient price, the provision for the emigration fund, and the excessive-accumu-

²⁹ Bentham Mss., folder no. 8, pp. 149-64.

³⁰ *Ibid.*, pp. 154, 176.

lation theme to his arsenal of colonization arguments. J. S. Mill, maintaining that Wakefield's emphasis on the field for the employment of capital as a factor of production was a corollary of Ricardian economics, pleaded for colonization on these grounds.³¹ But Bentham emphasized only the new technique of colonization. As shown below, he was already converted (again) to the need for colonization shortly before the appearance of Wakefield.

This scope of his interests is reflected in the "special ends in view" he claimed for colonization:

1. Transferring individuals in an unlimited multitude from a state of indigence to a state of affluence.
2. Relieving a great part [of] the remaining portion of the population of the Mother Country from the pressure of a continually increasing state of indigence from which they cannot at present be relieved but by a continually increasing tax imposed upon the people of all degrees above the lowest in the scale of opulence.
4. [Sic] Affording to the relatively opulent in the first instance a relief more or less considerable from the pressure.
5. Affording a security against all future increase of the existing pressure — a security which will not terminate till the Australian Continent contains a population as dense as the European.
6. Giving to the immigrants into Australia not merely the means of existence as above but, through the medium of education the means of *well-being* in all time to come, as well as in respect of the mind as in respect of the body.³²

In his earlier draft of August 5, 1831, Bentham had included profits to the stockholder in the Colonization Society as a special end of colonization. But he also left out of the final draft point 6 of this earlier draft. This read: "Giving, in that Colony, in a correspondent degree, increase to the market for the produce of the Mother Country: thereby in this same Mother Country, over and above prevention of subtraction from, making positive addition to, the existing stock of the *matter of Wealth*." ³³ So far as the ends of colonization were concerned, even the followers of Wilmot-Horton would have no quarrels. The debate was to be on the doctrine of the sufficient price.

³¹ Torrens, notes 12 and 24 *supra*; Torrens, "A Paper on the Means of Reducing the Poors [sic] Rates, and of Affording Effectual and Permanent Relief to the Labouring Classes, Presented to the Chairman of the Committee on the Poor Laws," *Pamphleteer*, Vol. X, September 1817, pp. 509-28; Torrens, "Mr. Owen's Plans for Relieving the National Distress," *Edinburgh Review*, Vol. XXXII, October 1819, pp. 453-57; *Substance of a Speech Delivered by Colonel Torrens, in the House of Commons; 15 February 1827, on the Motion of the Right Hon. Robert Wilmot-Horton for the Re-Appointment of a Select Committee on Emigration from the United Kingdom* (London: Longmans, Rees, Orme, Brown, and Green, 1827), pp. 1-86; *idem*, *An Essay on the Production of Wealth; with an Appendix, in Which the Principles of Political Economy are Applied to the Actual Circumstances of this Country* (London: Longmans, Hurst, Rees, Orme, and Brown, 1821), pp. 222-48. John Stuart Mill, *op. cit.*; Frank Whitson Fetter, "Robert Torrens: Colonel of Marines and Political Economist," *Economica*, Vol. XXIX, May 1962, pp. 152-65, correctly says that Torrens always "found in economics an outlet for his concern with the imperial greatness of Britain."

³² *Ibid.*, p. 152. In his *Constitutional Code, Works*, Vol. LX, p. 443, Bentham spoke of the relief of surplus population through colonization. This was written between 1818 and 1830. He had written the same thing earlier. See Stark, *op. cit.*, Vol. III, pp. 301, 305.

³³ *Ibid.*, p. 151. The remainder of the Mss. is devoted to suggestions for the form of government in the colonies.

IV

On the basis of this evidence one should have strong misgivings about associating changes in the substantive content of Bentham's economic theory and his changing views on colonization. However, there is yet even more decisive evidence that Bentham's conversion to Wakefield's plan was solely because of the latter's *technique* of colonization.

In April 1829, an article on the Swan River colony in Australia appeared in the *Quarterly Review*. In this essay a favorable description of the climate, soil, harbors, minerals, fish, etc., in the colony is given. The colony was considered to be of great value since it was situated astride a great East-West trade route and it afforded a strategic military outpost essential to the control of the Indian Ocean and thus protection of the Indian Empire. The article embodied the spirit of Wakefield and Wilmot-Horton when it pleaded for extensive colonization on the grounds that the expenses so incurred were less than the benefits in the form of markets for Britain's produce and a source of raw materials — a benefit that was thought to be long lasting, irrespective of a future colonial tie because of the cultural similarities of the two trading bodies.³⁴

One feature of the article's proposals was more like that of Wilmot-Horton for it advocated primarily the emigration of agricultural laborers due to the problem of obtaining subsistence in the colony in its early stages.³⁵ The advocacy of a limit on the amount of the grants of colonial land for any one person seemed to foreshadow Wakefield, but what was given by the one hand was taken away by the other, since land was to be given free to discoverers of land (as an inducement to geographical research).³⁶ The plan of financing the colonization "at the expense of wealthy and enterprising men"³⁷ would be foreign to both the plan of Wakefield and Wilmot-Horton. And when the writer claims that one of the advantages of colonies that speak the language of Old England is that "their surplus capital will always centre in the mother-country"³⁸ he has departed sharply from the Wakefield of *England and America* (and incidentally illustrates the unimportance in general of the capital-drain thesis to the question of colonization at this time).

Even at the height of his critique of colonization, Bentham had allowed that colonization might be useful for the relief of population pressure.³⁹ Little wonder he was impressed with the *Quarterly Review* article. So on June 24, 1829, he inserted a postscript to his essay *Emancipate Your Colonies!* written in 1793. He explicitly records the changes in his opinions respecting colonization from those recorded in the text; apropos British India and vicinity with its hundreds of millions of people, and the millions in the Empire of China "his opinions and

³⁴ [Sir John Barrow], "New Colony on Swan River," *Quarterly Review*, Vol. XXXIX, April 1829, pp. 318-36, 340-41.

³⁵ *Ibid.*, pp. 337-38.

³⁶ *Ibid.*, pp. 328-39.

³⁷ *Ibid.*, p. 338.

³⁸ *Ibid.*, p. 340; cf. *England and America* . . . , pp. 248-55.

³⁹ See note 32 *supra*.

consequent wishes are the *reverse*.”⁴⁰ The Radicals had always considered these colonies, acquired through conquest, areas for experiments in Radical Reform, e.g., in administrative organization, in legal institutions, and for testing programs for the taxation of economic rents; Bentham even had hopes of trying his panopticon in Calcutta.⁴¹ But now Bentham indicates interest in colonies acquired through emigration. His postscript concludes that he reverses also his opinion that colonization in Australia is useless “if the account given of the intended settlement on the Swan River in the *Quarterly Review* for April, 1829, be correct.”⁴²

This was written three weeks before he received the anonymous pamphlet from Wakefield on July 13, 1829⁴³ — an essay which, as we have seen, was solely concerned with the new method of colonization. It is clear that Bentham reconverted to colonization through emigration very shortly before he became aware of Wakefield. There is no indication of a parallel change in the substantive content of his theory from a self-regulating market economy capable of achieving full employment of the nation’s resources. Instead, the train of Bentham’s thought indicates that, like so many others, he simply believed that Wakefield’s new method of colonization assured the success of the colony as an economic investment as well as that it permitted a plan of costless colonization from the standpoint of the mother country.

* *Works*, Vol. IV, p. 418. Mills, *op. cit.*, p. 152, briefly notes that Bentham was favorably disposed toward this article. Hutchison, “Bentham as an Economist,” *loc. cit.*, does note that Bentham’s “views on colonies seem very wide and erratic.” These are exacerbated if one claims Bentham’s views on colonization should, on principle, be correlated with his views on the possibility of excessive accumulation of capital.

“See, e.g. [James Mill], “Affairs of India,” *Edinburgh Review*, Vol. XVI, April 1810, pp. 156–57, where he claims that conditions in India could permit the “superior wisdom of Europeans” to establish there “a perfect code of laws.” Even in his *Emancipate Your Colonies!* (p. 418), Bentham doubted if emancipation was desirable where the subject people are of a different race. Also see Stark, *op. cit.*, Vol. III, p. 298. On the panopticon in India see *Works*, Vol. X, p. 577.

J. S. Mill’s views are stated in his *Representative Government*, in *On Liberty, Representative Government, The Subjection of Women*, Introduction by Millicent Garrett Fawcett (London: Oxford University Press, 1954), ch. xviii; see also J. R. McCulloch, *A Dictionary, Practical, Theoretical, and Historical, of Commerce, and Commercial Navigation* (2 vols.; Philadelphia: Thomas Wordle, 1840), Vol. I, pp. 630–33. These issues are discussed at length in Duncan Forbes, “James Mill and India,” *Cambridge Journal*, Vol. V, October 1951, pp. 15–33; S. G. Vesey-Fitzgerald, “Bentham and the Indian Codes,” *Jeremy Bentham and the Law: A Symposium*, George W. Keeton and Georg Swarzenberger, eds. (London: Stevens and Sons, Ltd., 1948), pp. 222–23 *et passim*; Eric Stokes, *The English Utilitarians and India* (London: Oxford University Press, 1959), chs. ii–iv; George D. Bearce, *British Attitudes Toward India, 1784–1858* (London: Oxford University Press, 1961), ch. x.

⁴⁰ *Works*, Vol. IV, p. 418; Mills, *op. cit.*, pp. 152–53, notes that Bentham’s recognition of this article reflects his change of opinion on the value of the colonies. However, he does not seem to realize the significance of this, apropos Wakefield’s account of Bentham’s “conversion” to Wakefield.

⁴¹ See note 21 *supra*.