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Author(s)	ISHIGAKI, HIROMI
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## H. KAWAKAMI'S VIEW ON BENTHAM

HIROMI ISHIGAKI

### 1. INTRODUCTION

This paper is intended to illuminate the point of view from which H. Kawakami wrote and used J. Bentham's economic thoughts in the development of English economic ideas. Dr. Kawakami, a famed Marxist and scholar, wrote a great deal in his life time mainly about Marx,<sup>1)</sup> but very little about Bentham. Even in his study of English classicists, such as Smith, Ricardo, Malthus, and the two Mills, the argument of Bentham's utilitarian dispositions may not be regarded to form one of its integral parts having much of emphasis and downright seriousness. And yet, it seems to me to be very much significant for the development of economic thought in Japan. This is not merely because it conveys the first attempt of a Japanese economist to introduce one of the main "intellectual spearheads"<sup>2)</sup> in English economic thinkings, but rather because of the fact that, in so far as his interpretations go, there is something specifically different from, exclusively alien to, the main expositors of the classical position. It is true that beyond a vague derivation from the "Wealth of Nations," the Japanese writers have little or no organic relation with the movements over there, but the differences between English and Japanese writers, rather than similarities, must be significant for the comparative history of economic thought, on which subject I wish to make a modest contribution.

Perhaps it would not be so surprising even to the western expositors that Dr. Kawakami conclusively took contemporary criticisms made by Carlyle and Ruskin for a decisive blow against the Benthamite ideas as well as their influences upon social practices of the time. But, he gives his opinion that "the classical economic thinking attained its zenith with Bentham's idea."<sup>3)</sup> So far as we know, no historian of economic thought has ever dared to put forward this kind of interpretation. It is, as we shall discuss later, far from the truth, and it would be a great mistake to regard Bentham as being in every respect a representative of the classical tradition. Yet, if viewed from the fact that this thesis was part of "a history of economic ideas in the modern West written by a Japanese economist,"<sup>4)</sup> it would never fail to arouse

1) *The works of H. Kawakami*, 11 Vols., ed. by H. Ohuchi & others (Chikuma, 1964-1965).

2) L. Robbins, *The Theory of Economic Policy* (London, Macmillan, 1953), p. 19.

3) Kawakami, *The Historical Development of Capitalist Economics*, op. cit., Vol. 3, pp. 375-722.

4) H. Ohuchi, *Hajime Kawakami* (Tokyo, Chikuma, 1966), p. 140.

our interest in examining that interpretation which is inconceivable on the surface. In fact, there seem to be something more to it than Marx himself saw in Bentham, also than the English or Continental writers, who referred to his doctrine in one way or another. On the other hand, there had been a great variety of valuations made on the Bentamite system among these writers until the 1920's, which in turn no doubt exercised a profound influence on Kawakami. Today, however, the main body of contemporary opinion has been led to be greatly modified through the re-examination made by a few outstanding economists<sup>5)</sup>, who have surveyed and analysed Bentham's ideas better than ever before. I shall use the results of these writers, by which criterion Kawakami's view is to be estimated, but I do not want, at this time, to make any appraisal of it in the sense of an inquiry into the ultimate validity of the doctrine. By reviewing the theories which Kawakami held and formulated, I shall explain some essential features of a certain phase in the history of Japan's acceptance of the classical economic thought.

## 2. KAWAKAMI'S CRITERIONS OF CRITICISM

We shall begin with the meritorious side involved in Dr. Kawakami's discussions. There can be no doubt that his whole works "The Historical Development of Capitalist Economics", which was finished in 1923, should be conceived as possessing the quality of absolute uniqueness, as we will soon observe. The draft had been written years earlier, and then went through occasional extentions and improvements. We can see how ardent attachment he himself showed for this work more than anyone else. Perhaps his stay in London from 1914 to 1915 gave him an idea of writing it. "Reflections on our own land"<sup>6)</sup>, which he wrote as contributions to the press during his stay overseas, clearly shows us something very relevant to his deeply seated sentiment, that, whether consciously or not, urged him to take on this work. I shall be referring to the latter work as is necessary.

Prof. Ohkuma, a well-known economist and expert critic, once referred to the former work in a small pamphlet as "one of the greatest classics in Japan for development of the study of Western economic thought."<sup>7)</sup> I myself share this view, but he did not go any further on that subject. He should have added a more substantial argument. Dr. Ohuchi, a sympathizer with

<sup>5)</sup> For examples, L. Robbins, *The Theory of Economic Policy* (London, Macmillan, 1953); D. H. Macgregor, *Economic Thought and Policy* (London, Oxford University Press, 1946); T. W. Hutchison, *Positive Economics and Policy Objectives* (London, George Allen & Unwin Ltd., 1946); R. Lekachman, *A History of Economic Ideas* (Tokyo, John Weatherhill Inc., 1964).

<sup>6)</sup> *The Works of H. Kawakami*, Vol. 9.

<sup>7)</sup> *The Great Philosophers in Japan*, ed. by Asahi Journal (Tokyo, Asahi Press, 1963), p. 140.

Kawakami, gave also unstinted praise to him for this work and most positively asserted that he was among the first in the field of the study of western social philosophy to make a penetrating account regarding the intellectual history of English economic ideas.<sup>8)</sup> But it seems to me that it is a striking feature of this work to give Benthamism a place, adequate and useful, in the evolution of the English liberalist tradition. Indeed today, it would be no exaggeration to say that no one would show much interest in a historical survey that gives no consideration of the Benthamite thinking. This kind of presentation, which was, and still is, very popular in academic circles of this country, would also lead to a marked misunderstanding filled with one-sided and ill-oriented prejudices against the intellectual tradition of the Classical Economists. For, as Robbins suggested, the great individualist movement of the eighteenth and nineteenth is seen to rest not on one but two different points of view.<sup>9)</sup> In this connection, it is specifically characteristic of Kawakami's view that he actually brought to the fore one of the highly sophisticated implications belonged to the Western liberal civilization.

Now, Kawakami conclusively looked upon Bentham as "a writer who brought Classical Economics to a great perfection"<sup>10)</sup>, but this conclusion sounds definitely void of sense. As we will discuss later more in detail, Bentham wrote about the same days of the year in the latter half of the 18th century as Smith did, and yet presented a greatly different argument both in theory and practice from the Smithian doctrine, although a superficial observation often will carelessly overlook this. It can be justly said, that Benthamite thinking, though indeed overshadowed by the predominance of Smith's fame, lost nothing in its vitality even all through the 19th century, but survived in spite of repeated repudiations against it. In fact, it has had a steady but deep influence over human life in the West. "Bentham is not dead yet", said W. Stark, "nor ever will be, and he is great enough to command attention and offer stimulation even in our own generation which, after all, cannot pretend to have yet discovered the philosopher's stone."<sup>11)</sup> We can easily get full evidence of this, when we cast a glance upon the reformists' efforts led by Benthamite ideas and their performances in the political, judicial, and social life of England throughout the middle of 19th century.<sup>12)</sup> Moreover, looking back over the development of the modern marginal analysis and

<sup>8)</sup> H. Ohuchi, op. cit., pp. 137-142.

<sup>9)</sup> L. Robbins, op. cit., p. 46.

<sup>10)</sup> *The Works of Kawakami*, Vol. 3, p. 590.

<sup>11)</sup> *Jeremy Bentham's Economic Writings*, ed. W. Stark, Vol. I (London, George Allen & Unwin Ltd., 1952), "Introduction," p. 11.

<sup>12)</sup> For example see Jacob Viner, "Bentham and J. S. Mill; The Utilitarian Background," *The American Economic Review*, Vol. 39, No. 1-3, 1949, p. 362. For details, see A. D. Dicey, *Law & Public Opinion in England* (London, Macmillan, 1944), pp. 126-240.

welfare economics, we find that these modern economic systems have their roots in the utility theory closely connected with Benthamite Utilitarianism.<sup>13)</sup>

Unfortunately, however, this is not what makes Kawakami regard Bentham as a man who gave completeness to the classical tradition. The contrary was true of him. The fact is, he was led to this conclusion by the basic position which he took in favor of the labor value theory forcibly interpreted through the scope and method of Marxist ideas. In what way the author of "Capital" had been critical against Benthamism, Kawakami was fully aware of. But it was a surprise to learn that he was very careful in his approach and in his interpretation of the Benthamite thought.

In particular it would be quite characteristic of him to say that belief in the Economic Freedom rested on a two-fold basis: belief in the desirability of choice of self-interest and belief in the unqualified denial of rights for existence of those who are poor. In the early stages of Japan's modernization, there were a few writers who made tremendous efforts in introducing and transplanting Benthamite ideas into this country, such as M. Mutsu, A. Ono, and E. Kawai. These three thinkers can be said to form the basis for the study of Benthamism, bringing into focus the individualistic, but reformist, argument which it contains. We can see that Kawakami's assertion makes a drastic contrast with these generally accepted views. For it is clearly from a queer combination of the Marxist approach and Ruskin's social philosophy that Kawakami argues against the Benthamite system. But I should think that the underlying tone of Kawakami's criticism is strongly affected by some kind of basic attitude which is largely one of the complex reactions typical to those Japanese intellectuals when confronted by the enormous superiority of the West.

I shall give further comments on this point. In the first place, it is well-known that the principle of self-choice with its great many variants is a basic presupposition, implicit or expressive, common to all the classical writers. Smith was a champion of that powerful and ubiquitous force of self-interest, the interaction of which eventually brings it to the interests of the different individuals who are harmonized through the impersonal mechanism of the market. D. H. Macgregor pointed out that Smith was sarcastic about those who affected to trade for the public, and quoted J. Steuart's words: "Public spirit is as superfluous in the governed as it ought to be all powerful in the statesman; and were everyone to act for the public, and neglect himself, the statesman would be bewildered".<sup>14)</sup> But it is obvious that L. Robbins, the great modern classicist of our own day, draws more heavily upon Bentham's arguments rather than Smith's, when it comes to illustrate the crucial points

<sup>13)</sup> G. J. Stigler, "The Development of Utility," *Journal of Political Economy*, LVIII: pp. 310-316.

<sup>14)</sup> D. H. Macgregor, *op. cit.*, p. 72.

of the Classical Political Economy. This clearly shows, in one sense or another, that Bentham's system is the foremost extensive expression, radical or straightforward, of the essence of Economic Liberalism among the bulk of classical literature. Macgregor also appraised Bentham for his lucid, penetrating definition of it.<sup>15)</sup> Only in this sense, therefore, Kawakami's view on Bentham's position among all the classicists falls incidentally, if not accidentally, with the modern appraisal. So far as the definition of the liberal system of thought is concerned, we can safely come to the conclusion with Kawakami that Bentham was the most effective representative of them all. But in this case, the coincidence of both conclusions does not necessarily have the sameness of reasoning. As it has come to be known today, Benthamite liberalism differs in essence from the one based upon "the natural course of things" advocated by the Smithian system and it is essentially the 'testable' liberalism in the sense that all must be subject to the test of utility.<sup>16)</sup>

Secondly, what does he actually mean by the belief in the flat denial of rights for existence of the poor people? He steadfastly contended that the 'laissez-faire' doctrine common to all of the classical economists was brought about by such an idea.

"In the society based upon individualism, each member of society is given freedom for his own economic activity, but at the price of freedom which he has all to himself, nobody can, and therefore ought not to, fairly claim to have the rights for existence against the community, as he is to be responsible for his own economic fate. This is clearly shown in the modern state, where those who are unable to find their own support need not be in a position to call upon the guarantee of public relief, nor be regarded as a fully qualified member of community."<sup>17)</sup>

Kawakami gave much attention to this thesis and actually derived it from the passages produced by R. Malthus of his book: "An Essay on the Principle of Population" (2nd edition, 1803). Even today, the popular belief in Japan may well be that this is one of the most explicit, unavoidable and inexorable results which the system of Economic Freedom brings about in the natural course of things, on which grounds the Classical Economists have been alleged to be the apologists of a dominant class. But, in fact, it is based on a misapprehension. The picture is indeed true of some of their writings, particularly of the second edition of the "Essay"<sup>18)</sup>. But it is far from true of all other

<sup>15)</sup> *ibid.*, p. 82.

<sup>16)</sup> L. Robbins, *op. cit.*, p. 178. Cf. also A. D. Dicey, *op. cit.*, p. 127.

<sup>17)</sup> Kawakami, *The Historical Development of Capitalist Economics*, p. 387 and pp. 551-553.

<sup>18)</sup> It is well-known that Malthus remedied the pessimistic tone of the first essay (1798) by his description of a new population check, moral restraint. But Kawakami was opposed

writings, and it is a complete misapprehension of the general views of the Classical Economics. It is no part of my business here to linger on the details of this matter. On this point I refer you to the admirable accounts by L. Robbins and D. H. Macgregor. At this point, however, I must not refrain from Kawakami's general attitude towards the western things, whereby I think he was, in a last resort, led to that seemingly unaccountable conclusion.

For a comprehensive view of his general position we have to go further afield and take into account his "Reflexions on our own land", and various obita dicta scattered up and down elsewhere.<sup>19)</sup> In this article and some others, he remarked that the western society, comparing it with his own country, as one motivated by free competition under the principle of "the survival the fittest", which is the necessary result of the System of Economic Freedom. As his words go, in the West there is "a community of material" which is the product of rugged individualism, whereas in the East we have "a community of mind." No wonder that as a fervent Marxist he was a great assailant upon capitalism, but it is also clear that he appeared here as an Oriental moralist, who made an attempt, in the face of his experience of western society and attitudes, to compare the two world with an unbiased eye, but this latter attitude sometimes went quite so far as to make him an almost fanatic nationalist. It may well be that these attitudes combined to induce him to frame such a hasty conclusion. But, broadly speaking, these varying attitudes he took upon himself are understandable. For, as M. B. Jansen suggested, the complex of attitudes are quite a natural response common to all those Japanese intellectuals who first made contact with the West.<sup>20)</sup> Yet, since he was a man of disposition whose thought and act must be one and the same at all times, no one may be equal to him in boldness and simplicity to express oneself as to one's own experiences overseas. The "throughgoingness", which he in his later years identified as perhaps the most characteric trait<sup>21)</sup>, led him in this case to renounce everything that belonged to the West. In a way, therefore, it is quite certain that all through his stay in the western countries he lost nothing, thus gained nothing, but returned home only with a belief in the superiority of his own flesh and blood. This will also explain what was there about Kawakami that made him take a position against the social, political, and cultural institutions of the West.

to this general view, by quoting a passage that was added only in the second edition and omitted in the following editions. R. Malthus, *An Essay on Population*, 2nd ed., 1803. pp. 531-532.

<sup>19)</sup> See H. Kawakami *The West and Japan*, ed. Matsukata (Asahi Press, 1951), and also *The Works of H. Kawakami*, Vol. 9, pp. 363-407.

<sup>20)</sup> M. B. Jansen, *Changing Japanese Attitudes Toward Modernization*, (Princeton University Press), p. 65.

<sup>21)</sup> H. Kawakami, "Autobiography," *The Works*, Vol. 6, p. 70.

On the other hand, if we deal with his "Reflexions" without partial sentiment, we must admit that his observations often go into the depth of the intrinsic difference between the East and the West so as to make it well deserve reading even today. We are also bound to be kept under the impression that he was, when he first made contact with the west, extremely amazed to find there a community, in which both freedom and equality, progress and welfare, combine to create its goal to attain; "socialism", as he uses the word, has the right to exist as a natural result of individualism; thus finally these ideas extend into the idea of "the great society of mankind." It is also clear that he was greatly impressed by the western society with its high mobility and dynamics, its preference for change rather than stability and order. Finding himself compelled to see that, in Japan, as elsewhere in the East, there were no such ideals, attitude and values, as he observed in the West, nevertheless he could never see beyond this difference to question the true value of its implications. Eventually, his clear recognition of such differences as they exist took no form in his thinking of a question, something to be asked for a solution, still less provided any basis for a strategic objective for a backward society to achieve. He went, thus, out of his way to adopt a direction of reconciliation, such as "selective assimilation" or "the fusion of East and West"<sup>22)</sup>, while putting more stress upon the heterogeneous quality of the community in both worlds. Having started from the outset to search continuously for "a community of selflessness" and thus "the economics of altruism", he was naturally inclined to reject flatly the ideas of "a community of self-interest" and of "the economics of selfishness", which label he gave to essentials of the Classical Political Economy.<sup>23)</sup> Here we can see another reason why he did so energetically countercharge and guard against the classical teachings. Psychologically explained, it should be a kind of compensation response<sup>24)</sup>, and this is clearly demonstrated in Kawakami's writings. It seems to me that this fundamental psyche has been manifested in all aspects of Japanese attitude toward the West, which out of many examples this is one.

### 3. BENTHAM AND SMITH

As we have seen earlier, Kawakami's conclusion is that the optimism in

<sup>22)</sup> H. Kawakami, *The Works*, Vol. 9, p. 29. Cf. also M. Furuta, *H. Kawakami*, (Tokyo University Press, 1959), p. 103.

<sup>23)</sup> *The Works*, Vol. 9, p. 20.

<sup>24)</sup> On this point it is worthwhile to see Eiichiro Ishida's short essays on the Japanese attitude to the West. See "A Culture of Love and Hate": *Japan Quarterly*, Vol. X, No. 1, 1963, and also "Japan Rediscovered": *ibid.* Vol. XI, No. 3, 1964. More generally see Erik H. Erikson, *Childhood and Society* (New York, W. W. Norton & Co., 1950), p. 103.



the idea of distribution problem reached its maturity with Jeremy Bentham and thus economic individualism was brought to its perfection both in the theory of production and distribution, with which the classicists were all concerned. But, in the light of today's accepted view on Bentham, which has been made largely by Anglo-Saxon economists, we come to notice some glaring mistakes made by Kawakami through his work. For, it seems that Kawakami was strongly influenced by the study of Bentham and his appraisals that contemporary historians had so far achieved in the 1920's mainly in England and France.<sup>25)</sup> Kawakami's treatment of Bentham should become most untenable, when it is related to Benthamite economic theory and his policy makings.

But, even when we look at his argument in comparison with those prevailing views in the 1920's, we can not but notice that his position was one of a quite different nature. Certainly, it is not to be denied that his way of looking at Bentham was very much unique in that it focussed upon his theories of economic policy measures as an economist, whereas A. D. Dicey and L. Stephen were mostly engaged in analysing his ideas on laws and political institutions, as a social reformer. Moreover, it should be quite admissible for Kawakami to find Bentham to be the most radical liberalist of all the Classicists, since the reformer of those days was bound to be an extreme advocate of economic liberalism.<sup>26)</sup> And yet, there is something that is difficult to understand in Kawakami's argument. No one will deny that he heavily depended upon J. Bonar's work. Nevertheless, he neglected, or carelessly overlooked, the distinction between the Political Economy that finds its foundation on Smithian optimism and the Utilitarian Principle of philosophy which is so heretic in essence, which Bonar emphasized. In his most prominent book, Bonar said (1) Political Economy is not so much embodied with Utilitarian Theory as Carlye speaks of the Monster Utilitarianism and the dismal science in the same breath, as symptoms of one and the same disease. (2) Whereas Utilitarianism has a postulate to reduce the substance of the unit in society to its component individual, with the pronouncement that the State and other groups of men are more "artificial" and "fictitious" than individual. Political Economy would not consider them as such, but deal only with them in their relation to "tangible goods" in the first instance. (3) Bentham's utilitarian idea must assume that men calculate means to ends, but there is no need for Political Economy to assume that men do deliberately in every case

<sup>25)</sup> For example, in England J. Bonar, *Philosophy and Political Economy* (1893), L. Stephen, *The English Utilitarians* (1900), A. Dicey, *Law & Public Opinion in England* (1905), Sidgwick, "Bentham and Benthamism" (Fortnightly Review, 1877), etc., and in France E. Halevy, *The Growth of Philosophic Radicalism* (1928).

<sup>26)</sup> L. Robbins, op. cit., pp. 11-19.

being conscious both of their ends and of their means, for man's action is generally conducted rather more under the way of "trial and error." (4) For the existence of Political Economy, there is also no need to assume that, because the desires of human beings are unlimited, their desires for tangible goods must be so. (5) The calculus of pleasures and pains is not a necessary foundation, even for abstract economics. The notion of means and ends, and personal advantage in the gaining of the latter, will enable us to work out the theory of value without placing ourselves, even provisionally, at Bentham's point of view. (6) Finally, it is not necessary to assume as with the older Utilitarians and the many economists who follow them, that the individual is the only judge of his own interests, and therefore infallible in pursuit of these.<sup>27)</sup>

For this comment, however, all of us today can not necessarily give in every respect full credit that it should be a perfect presentation of criticism against the Benthamite school. But, it is at least quite right for him to have made clear the basic difference in social philosophy between the Smithian view and Benthamism. In some respect Bonar's position, therefore, can be said to be followed, strongly supported, and even greatly developed, by Robbins' new interpretations. Thus we can clearly see that as early as the 1920s there was a tendency to regard the Benthamite system as something as being heretic against the orthodoxy. Hence, it must have been a very superficial observation by Kawakami not to have made any distinction between two major streams of economic philosophy in 19th century England.

Now we shall turn to the problem of the manner in which Kawakami treated Bentham's economic theory. A most commonly held view has been lately presented by R. Lekachman, when he wrote that Bentham owed everything, as a technical economist, to Adam Smith.<sup>28)</sup> T. W. Hutchison, however, has already made an assessment upon Bentham's prominent contributions to the development of economic analysis, almost parallel with those of Cournot and Gossen, particularly with regards to the theories of money, saving, employment, and utilities.<sup>29)</sup> It must be noted that indeed the time has come, as is suggested by Hutchison, for us to reappraise, rediscover, and set a value upon, Bentham's economic theory. Bentham himself had a good word for Smith, but thought very little of David Ricardo.<sup>30)</sup> Apparently this may be a contradiction in terms. The fact is that Bentham could not realize and

<sup>27)</sup> J. Bonar, op. cit., pp. 218-219.

<sup>28)</sup> R. Lekachman, *A History of Economic Ideas*, (Tokyo, John Weatherhill, 1964), p. 105, and indeed Bentham himself admitted this. See *Works*, Vol. 2, p. 213, and *Economic Writings*, Vol. 1, p. 223, Vol. 3, p. 236, 321.

<sup>29)</sup> T. W. Hutchison, "Bentham as an Economist," *The Economic Journal*, Vol. LXVI, N. 261-264, 1956, pp. 302-305.

<sup>30)</sup> *The Works of Jeremy Bentham*, ed. Hohn Bowring (New York, Russel & Russell, 1962) Vol. 10, p. 498.

forsee how important and fundamental the differences between his ideas on utility and those of other classicists. But on the two fundamental questions of economic theory, that of the determination of relative values and that of the determination of the main economic aggregates, his approach differed widely from Smith and his followers.<sup>31)</sup> On the one hand, Bentham's economic ideas followed some lines of Mercantilist writers<sup>32)</sup> and, on the other, pointed forward to Marshallian and Keynesian economic theories. So far as economic theory is concerned, therefore, there can be no more a misleading claim than Kawakami's, to the effect that Bentham made the greatest contribution to the traditional view of classical writers on the determination of relative values in any sense whatsoever.

How, then, did Kawakami treat of Bentham's theory of economic policy? Bentham is often referred to as the first economist who made an attempt to show distinction between "art" and "science" in the field of Political Economy. Starting from the basic idea that "science must serve art, the ultimate end of life", he devoted his whole life as a scholar to the analytical study of what we call now applied science.<sup>33)</sup> To examine how far his methodological approach differs from that of Adam Smith may seem to be an attractive subject to pursue, but here we do not intend to take up this question. A mere comparison of Bentham with Smith in their policy makings for the public good will never fail to show us how "he is better than Smith" in recommending liberalist-spirited measures for each field of economic activity, whereby the society as a whole is activated. For example, (1) he repudiated in vigor the Smithian thesis which defended the policy for controlling publicly the rate of interest; (2) he was also against Smith's position asserting that interference in foreign trade such as the Navigation Act is justifiable by national reasons; (3) according to Bentham's belief, the proper function of a government lies not in its exclusive activity of intervention for the purpose of promoting national wealth, but in what he calls "quietism", and this simply demands that government should keep out of economic life, for such legislative measures as subsidies, bounties, and other means of interventions are generally speaking pain-producing and bad<sup>34)</sup>; (4) Bentham was bright champion of economic individualism, but equally an assiduous devotee for the "international" prosperity of the world, the term of which was his own creation.<sup>35)</sup> Furthermore, as Macgregor pointed out, he was the first English

<sup>31)</sup> T. W. Hutchison, *op. cit.*, p. 306.

<sup>32)</sup> T. W. Hutchison, *Positive Economics and Policy Objectives* (London, George Allen & Unwin, 1964), p. 132.

<sup>33)</sup> *Economic Writings*, Vol. 3, p. 318.

<sup>34)</sup> *Economic Writings*, Vol. 3, pp. 334-341.

<sup>35)</sup> C. K. Ogden, *Jeremy Bentham* (London, Kegan Paul, 1932), p. 31.

economic writer in whose works the word "laissez-faire" ever appeared in Britain.<sup>36)</sup> In fact, the logical argumentation formed the backbone of his train of thought, so much that some of the most obvious inconsistencies involved in Adam Smith's system were modified by his "more-Smithian-than-Smith" point of view. Thus, it may be rightly inferred that Kawakami exaggerated grossly Bentham's outlook of policy along this direction, but at the price of such partial treatment he was eventually forged to overlook the more important side of Benthamite whole system, about which something will be said presently.

#### 4. BENTHAMITE ECONOMIC FREEDOM

J. Bentham wrote, "there is no true interest but individual interest"; "there is no one who knows what is best for your interest so well, as yourself." On the contrary, however, we have known of the most celebrated thesis of all Bentham pronounced, that the greatest happiness of the greatest number is the foundation of morals and legislation. There has been a great deal of arguments around this dichotomy which seems to be deeply imbedded in his whole system.<sup>37)</sup> Broadly speaking, the first proposition is the full approbation of the extreme, radical egotism that makes each person a pleasure-seeking machine, whereas the second is exclusively directed to the emphasis of what W. Stark has called "societism", an eulogy on public pleasure.<sup>38)</sup> Around the problem of whether this dichotomy should be considered to be inconsistent or harmonious, arguments can be divided into two directions. In an attempt to get over the difficulty, when Bentham was introduced into Japan, Kawakami took for only the first view, describing the second thesis as hopeless confusion, and inconsistency in logic, and E. Kawai, the most influential liberalist in prewar Japan, was apparently for the second proposition, putting forward views as to the possibility of reconciliation between the two.<sup>39)</sup> It seems to me that the essential property of Benthamite thinking lies, so far as the theory of economic policy is concerned, in the combination of individualism and socialism, and that of liberty and equality. Yet, if we try to bring together the scattered bits and pieces of what Bentham said about equality, then we would find three aspects of it.

Firstly, under the social system based upon the approbation of private property and free competition, Bentham argues that individuals are automatically led to create the state of "true equilibrium"<sup>40)</sup>, where there is no serious

<sup>36)</sup> D. H. Macgregor, op. cit., p. 67.

<sup>37)</sup> For instance, see E. Halevy, op. cit., p. 489.

<sup>38)</sup> W. Stark, "Liberty and Equality or: Jeremy Bentham as an Economist," *The Economic Journal*, Vol. 51, 1941, p. 68.

<sup>39)</sup> E. Kawai, "Jeremy Bentham and his Economis," (*Economic Study*, Economics Department, Tokyo University, Vol. 1, No. p. 152 and 162).

<sup>40)</sup> *The Works of J. Bentham*, Vol. 8, p. 395.

discrepancy between "their pursuit of happiness for their own" and "the maximizing of public utility". If you are well prepared to consider particularly his earlier writings, you must be under an impression that this is by and large true of his argument, but there are clearly some presuppositions in it, which are of a very much abstract nature. In other words, each member of a society possesses the same qualifications to compete in carrying out his own activity seeking self-gain, and he is also no more or less than anyone else in his ability of seeking pleasure and of tasting it. Only when these two conditions are satisfied, Bentham's true equilibrium will be obtained, where there is no move toward any other level of equilibrium, since everyone is supposed to be fully secure in his happiness. Naturally, such ideal state of society, as he imagined, must have been a reflexion of certain historical conditions at his time. The idea of a society that is split into estates or classes was absolutely foreign to him. The society in which Bentham lived did not by any means offer the picture of an atomistic whole of homogeneous parts, but it was so constituted that an egalitarian order could be conceived as its ideal type. The concept of equality as argued on such a level of abstraction seems to be nothing but a sort of utopia, in which all the individuals act in the same way so as to make their unhampered egotism come up with a harmonious state, leaving nothing behind that is inconsistent. Upon this footing, freedom will be the same as equality, and it is no wonder that Marx mocked Bentham by making a remark, which has become well-known "Freedom, equality, property, and Bentham."<sup>41</sup>

Secondly, there is another concept of equality in Bentham's writings, which ought to be discussed at this stage. We shall name it tentatively the "practicable" concept of equality, in contrast with the first idealistic approach of which Smith was representative. Although we find nearly the same position as Smith's in his early writings, we are bound to see quite another story when we read his later works. For at this later stage emphasis was definitely laid upon the desirability of harnessing the ideal state of society to the powerful and ubiquitous force of the real world, the idea of which he was the founder. If we consider this change in the process of Bentham's thinking, then it seems to me that the superficial contradiction will be lost to view.

Once we are prepared to look at the down-to-earth reality instead of being engaged in speculating in Smithian Deistic Philosophy, we find that men differ greatly from each other in many ways, e.g. not merely in their endowment, environment, and ability, but also in their sensations, perceptivity, and reasoning, etc.. An equal sum of goods or money, is of unequal importance to different men. It is, *ceteris paribus*, of a higher importance to the poor

<sup>41</sup> K. Marx, *Capital*, tr. by S. Moore & E. Aveling (Chicago, Charles H. Kerr, 1924) p. 195.

and of a smaller importance to the rich. Starting from this observation of empirical fact, Bentham deduced quite logically his celebrated thesis which at first glance appears cogent.<sup>42)</sup>

(1) "Each portion of wealth is connected with a corresponding portion of happiness. (2) Of two individuals, possessed of unequal fortunes, who possesses the greatest wealth will possess the greatest happiness. (3) The excess of happiness on the part of the most wealthy will not be so great as the excess of his wealth. (4) For the same reason, the greater the disproportion between the two masses of wealth, the less the probability that there will exist an equally great disproportion between the masses of happiness. (5) The more nearly the actual proportion approaches to equality, the greater will be the total mass of happiness."<sup>43)</sup>

This argument has been long since regarded as the origin of "the pseudo-law of declining social marginal utility" or "the indifference principle" based upon mathematical calculations.<sup>44)</sup> But, as L. Robbins has clearly showed, Bentham himself was cognizant far more precisely than anyone else of the highly hypothetical nature of this postulate.<sup>45)</sup> It should be worth emphasizing, in this case particularly, that the true implication of Benthamite felicific calculus lies not so much in its validity of logical consistency as in its practical value, which is nothing more than a working rule of legislation. We may call it the concept of a highly operational nature in the field of economic policy. Certainly indeed, "pain and pleasure calculus" is a word that would reject largely the scientific treatment, and the term may readily suggest such theoretical difficulties as the measurability of utility, and the comparability of

<sup>42)</sup> J. Bentham, "Principles of the Civil Code": *The Works*, Vol. 1, p. 305.

<sup>43)</sup> We can usefully summarize Bentham's postulate of "felicific calculus" as follows:  $A$  and  $B$  are the total utility of the rich and the poor respectively, and  $g_1$ ,  $g_2$  and  $c_1$ ,  $c_2$  are the quantity of money and the utility coefficient of the two classes of people, then we get

$$\begin{array}{ll} A > B & \dots\dots\dots (1) \\ g_1 > g_2 & \dots\dots\dots (2) \\ c_1 < c_2 & \dots\dots\dots (3) \\ A+B = c_1g_1+c_2g_2 & \dots\dots\dots (4) \end{array}$$

All these four conditions are assumed implicitly in his postulates.

With the equality in distribution,

$$A+B = \frac{1}{2} g(c_1+c_2) \dots\dots\dots (5)$$

$$(5)-(4) > 0$$

Therefore

This is all Bentham intended to show and is also the quintessence of this "felicific calculus", by which the legislator, judge, and moralist ought to proceed in guiding conduct. Of course it is also meant to show how men do proceed in guiding conduct. But the psychological notions were regarded by Bentham as being less important than the ethical system. See J. Bronowski and B. Mazlish, *The Western Intellectual Tradition* (Pelican, 1960), p. 488.

<sup>44)</sup> I. M. D. Little, *A Critique of Welfare Economics* (Oxford, 1958), p. 21.

<sup>45)</sup> L. Robbins, op. cit., pp. 180-181. Cf. also G. Stigler, op. cit., p. 316.

interpersonal utility. However, Bentham's main aim is to give the legislator the most effective, powerful guide for his judgement, when he is fully equipped with a body of relevant knowledge and statistics.<sup>46)</sup> No one could deny the fact that Bentham did quite a job in recommending revolutionary programs not merely in economics but equally in the legislature, and social institutions, in an attempt to show the application of this principle. Besides, it may well be noted that the ideological content behind the postulate is far more humane than that of his contemporary writers.<sup>47)</sup>

Thirdly, there is something more to Bentham's idea of equality. It is related to the problem of the state of perfect equality, which was somewhat a vogue among the intellectual circles in his day. What we have seen so far may lead us to expect to see in Bentham an ardent leveller like R. Owen or W. Godwin. But the fact is that Bentham rejected communism as he saw it in the light of his utilitarian principle. He labelled Owenian communist requirements to be one irrationally claiming for "bad equality." What Bentham had in mind is this; if an "equality-maximizing principle" can not be upheld, an "inequality-minimizing principle" must at least be proclaimed; and this should be the fundamental postulate on which the Political Economy as an "art" must rest.<sup>48)</sup> And here lies the essence of his realistic approach to the problem of economic freedom, whereby he established a body of utilitarian thinking and also made criticism against the Smithian policy measures.

Now Kawakami was well aware of these lines of arguments which Bentham developed. But, having already been indoctrinated by the Marxist view on the Classical Economists, he was firmly persuaded into the prejudice that they were the spokesman of business, and consciously or unconsciously, the apologists of a dominant class. The result was that, feeling hostile in emotion, he tended to believe himself to be too hostile in intellectual outlook, to attack the alleged class interest and to magnify the importance for him of opposing the classical school of thought. By assuming such an unreasoning attitude, he was eventually led to neglect the general attitude towards the problem of equality involved in Bentham's argument. If he had investigated a little further what Bentham actually said about the distribution of property and income, he would have understood more thoroughly the spirit of the Benthamite utilitarian outlook. Thus, for instance, Kawakami attacked Bentham's view to the effect that liberty takes precedence over equality. Certainly, it would be wrong simply to sacrifice the lower idea for the higher one, and the

<sup>46)</sup> W. C. Mitchell, "Bentham's Felicific Calculus"; *Utility Theory*, ed. by A. N. Page (New York, John Wiley, 1968), p. 47.

<sup>47)</sup> For example, see J. Robinson, *Economic Philosophy*, (London, C. A. Watts, 1962), p. 51.

<sup>48)</sup> Bentham, "The Philosophy of Economic Science": *Economic Writings*, Vol. 1, pp. 92-93, and also see "The Psychology of Economic Man": *op. cit.*, p. 443.

problem is how to unite them. We have known of how Bentham worked his idea out in theories put forward with respect to inheritance and taxations, by which he actually proposed drastic innovations for promoting the equalization of fortunes and incomes.<sup>49)</sup> Kawakami was too rash to see all these implications behind that idea. Today, we have learned much more scientifically about the true picture of Bentham. In his early writings, even Marx referred to Benthamism as "the system of welfare interests" and "one stepping stone in preparing for R. Owen's communism."<sup>50)</sup> In this sense, Bentham stands, as W. Stark remarked, "half-way between capitalism and communism"<sup>51)</sup>. There is clearly not so much distance between Bentham's "greatest happiness of the greatest number" and "economic happiness of the greatest number", of which Owen was the speaker. The difference lies in whether a state of equality can be attained so as to be one hundred percent or fairly perfect. R. Owen requires it in a perfect degree, but Bentham does not and what he actually presented is only to the extent that equality is one of many social goals that should be attained. Just as "perfect liberty" is non-existence, there is no such thing as "the utmost conceivable equality", but by equality Bentham meant "the practicable equality".<sup>52)</sup>

All in all, Bentham's position is, in character, to advocate "a measure of equalization" that tends to make poorer less poorer, the richer less richer, and in doing so to achieve a great reconciliation between liberty and equality that is an eternal rival. He is a believer, not of "natural harmony", but of what E. Halevy called "artificial harmony". Hence, he advanced a list of reformist programmes that were comprehensive, radical, and progressive without being visionary, all of which were based upon the principle of "equality-minimizing", or the principle of maximizing social welfare through maximizing "the interest of the group consisting of wage-earners". Therefore, in observing his four economic goals of subsistence, security, abundance, and equality, of which Bentham was the inventor, it would be wrong if we take "security" and "progress", for an absolute opposition to "equality" and "welfare". As L. Robbins clearly interpreted, in the utilitarian view, no institutions, no system of rights, were sacrosanct, and all were subject to the test of utility. Utilitarianism should be regarded, so far as its application to the Political Economy is concerned, as "the science and art" that provides us with hypothetical principles in character.<sup>53)</sup>

<sup>49)</sup> Bentham, "Principles of the Civil Code": op. cit., pp. 303-311.

<sup>50)</sup> Karl Marx, Friedrich Engels: *Historische Kritische Gesamtausgabe*, Erste Abteilung, Band 3, 1932, S. 308.

<sup>51)</sup> W. Stark, op. cit., p. 79.

<sup>52)</sup> Bentham, "The Psychology of Economic Man": *Economic Writings*, Vol. 3, pp. 441-445, and also "The philosophy of Economic Science": op. cit., Vol. 1, pp. 113-117.

<sup>53)</sup> D. Baumgardt, *Bentham and the Ethics of Today* (Princeton University Press, 1952),



## 5. CONCLUSION

Kawakami said that "Economics of egoism", as he saw it, was initiated by B. Mandeville's "Fable of the Bees", matured with Smith, and reached the zenith of its liberalist tradition by way of Bentham's Utilitarianism, but thereafter it was superseded by "Economics of altruism", as again he named it, of Carlyle and Ruskin who both proclaimed the age of socialism to be in sight. And this view on the evolution of the English Classical School is surely very unique in its approach as well as in the boldness and simplicity of its descriptive construction, so much so that Prof. Ohkuma appraised it as the most consequent, well written history of English economics he thought ever written in Japanese. But, there can be no doubt, though such criticisms against Benthamism have had extensive currency and the support of famous names in those days, they did not have the support of the classical economists.<sup>54)</sup> To the contrary, Bentham's economics and his utilitarian social philosophy have had not only a great effect on the birth of Neo-Classical Economics, but equally provided the modern welfare economists with much of its intellectual resources. In the light of this development of the Political Economy, Kawakami should have put Benthamism, instead of those critics, in contrast with the writers of "Economics of egoism".

In the same year of the nineteen twenties as Kawakami wrote his work, J.M. Keynes already was describing Bentham as one of the socialist-minded economists like W. Paley.<sup>55)</sup>

In a way, nevertheless, Kawakami's argument had a surprisingly modern flavor in that he deliberately made great effort to insert Benthamism into his description of the development of the English economic thought.<sup>56)</sup> Although, as has been observed, he made a glaring mistake when he pictured Bentham as being a top figure of the Classical School, we shall never be able to deny that there is something of this element in Bentham's idea. And yet, I think it was from time-honored Buddhist ethics that Kawakami found in Bentham's system the negative attitude to the right for existence of the low people. In this sense, therefore, his view on Bentham is likely to have a certain connection with such sentimental reactions as most of the Japanese intellectuals readily get into, which sometimes goes to the extreme and affects gravely our scientific approach. Generally speaking, in Japan Bentham has given

pp. 529-531.

<sup>54)</sup> See J. Bonar, "Bentham": *Palgrave's Dictionary of Political Economy*, 1925, Vol. 1, pp. 132-133.

<sup>55)</sup> J. M. Keynes, *The End of Laissez-Faire*, (London, Hogarth Press, 1926), p. 9.

<sup>56)</sup> In his later years, Kawakami referred to this book as being wholly based upon his own idea. See "Autobiography": *The Works of Kawakami*, Vol. 6, pp. 122-123.

an impression as being an obtruse, stubborn moralist, who played on the childish machine of "felicific calculus" with mere cheap reasoning. What is responsible for this overall undervaluation of Bentham, is that the alleged bias of the Benthamite system created by J. S. Mill and other Oxford philosophers had gained extensive popularity in Japan, before it was actually introduced into this country.<sup>57)</sup> Hence, the childlike simplicity, the cheap radicalism, the lack of educational value and the utopian ratioanlism of his ethical teaching have been taken for granted to such an extent that no need was felt any careful re-examination of these pretended deficiencies. Kawakami seemed to turn to the study of Bentham with the prejudice of this sort from the very beginning, but in the process of his study he was likely to be lost at sea in broadness and depth of Bentham's system. And the resulting product is the inadequate amplification of one-sided line of Bentham's ideas, and he would not go any further to study.

On the other hand, it is also quite doubtful how much Kawakami appreciated the arguments of those critics, such as Carlyle and Ruskin, upon which his assertion rested. However powerful a condemnation by some critic against the individualist idea comes out at certain stage of the time, it does not necessarily follow that it should result in the explicit demonstration for the coming of socialism, as is often inclined to be so hastily expected by the Japanese. Kawakami seemed to come to understand this almost instinctively, when he wrote "Reflections on our own land." The work indicated how forcibly he was struck by East-and-West differences. Here, he showed his top-rate skill and brilliant talent by pointing out the substantial gap of social philosophy between the western ideas that beautifully combines in one and the same framework the various principles of individualism, socialism, and cosmopolitanism, and the Japanese ideas exclusively centered on the traditional family system. But, as in most cases of Japanese intellectuals, he returned to the traditional position as expressed by "Confucian Humanitarianism" or "the Japanese soul equipped with the western technology", and went so far as to refuse all these understandings. This attitude of Kawakami offers a great contrast with the non-hedonistic approach taken by F. Nietzsche, who remarked "it is not man who seeks pleasure, it's only the Englishman"<sup>58)</sup>, and also with Marx's powerful rebuttal on Bentham that is based on the penetrating rational reasoning. It also shows us that Japan has adopted, assimilated, and climatized the western things only in its peculiar way

<sup>57)</sup> J. S. Mill's, *On Liberty* was translated into Japanese by K. Nakamura in 1872 and J. Bentham's *Intorduction to the Principles of Morals and Legislation* was partly put into Japanese by M. Mutsu in 1884. See E. Sumitani, *The Development of Economic ideas in Japan* (Tokyo, Nihon hyoron-sha, 1948), pp. 11-39.

<sup>58)</sup> D. Baumgardt, op. cit., p. 537.

of selective acceptance, even in the process of introducing the western social sciences into this country.