



## CLASSIC ECONOMIC CRITICISM

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# Gulphs in Mankind's Career of Prosperity: A Critique of Adam Smith on Interest Rate Restrictions

JEREMY BENTHAM

### ABSTRACT

#### PREFACE TO THE BENTHAM EXTRACT ON USURY, BY DAN KLEIN

In “Adam Smith and Laissez Faire,” Jacob Viner (1927) concluded: “There is no possible room for doubt, however, that Smith in general believed that there was, to say the least, a strong presumption against government activity beyond its fundamental duties of protection against its foreign foes and maintenance of justice” (219). Smith developed that presumption, however, amidst a medley exemptions and ambiguities. One of the most famous exceptions is Smith’s endorsement of a maximum rate of interest, as was the status quo in his society.

Jeremy Bentham wrote a series of thirteen “Letters” addressed to Smith, published in 1787 as *Defence of Usury* ([link](#)). Here we reproduce a small part of the work. The present extract is less than 10 percent of the entire work, and comes mainly from Letter XIII. I invented the title given above, made a few minor changes in punctuation, and made small alterations to the *Wealth of Nations* quotations so as to conform to the modern standard edition, to which we have inserted page citations.

Bentham’s main argument against the restriction is that “projectors” generate positive externalities. The extract offers economic argumentation involving social embeddedness, asymmetric interpretation, imagination, error and correction, discovery, local knowledge, experimentation and selection, learning by doing, human folly and delusion, critical discussion as a means of testing commercial interpretations and selecting judgments, display of genius and courage as motivation for commercial success, the distinction between voluntary and coercive action, and the moral and cultural merits of liberty.

In a nice essay “From Usury to Interest,” which summarizes Smith and Bentham on usury, Joseph Persky (2007) writes: “Gilbert K. Chesterton (933) for

one, identified Bentham's essay on usury as the very beginning of the 'modern world.' I tend to agree with him" (228).

Bentham's arguments were very influential. "Writers of eminence" moved to abolish the restriction, and repeal was achieved in stages and fully achieved in England in 1854 (Dana 1867, 46).

**Adam Smith's response to Bentham:** There is little evidence as to Smith's reaction. He did not revise the offending passages in *The Wealth of Nations*, but Smith made little or no substantial revisions after the third edition of 1784. The only trail of a reaction is as follows: Smith speaks to W. Adam, who speaks to G. Wilson, who writes to Bentham:

Did we ever tell you what Dr Adam Smith said to Mr William Adam, the Council M.P., last summer in Scotland. The Doctor's expressions were that 'the *Defence of Usury* was the work of a very superior man, and that tho' he had given [Smith] some hard knocks, it was done in so handsome a way that he could not complain,' and seemed to admit that you were right. (George Wilson to Jeremy Bentham, December 4, 1789, quoted in Rae 1895, 423-24)

In the 1790 edition of *Defence of Usury*, Bentham added a preface again addressed to Smith and referred to the report from Wilson: "I have been flattered by the assurance that upon the whole your sentiments with respect to the points of difference are at present the same as mine: but as the information did not come directly from you, nor has the communication of it received the sanction of your authority, I shall not without that sanction give any hint, honorable as it would be to me, and great as the service is which it could not but render to my cause" (quoted in Mossner and I.S. Ross 1977, 402).

It seems that shortly before his death in 1790, Smith made a gift to Bentham of one or both of his own major works (Viner 1965, 19). On the assumption that Smith sent *The Theory of Moral Sentiments*, which seems probable (Persky says he did), Maria Pia Paganelli (2003, 46) speculates that Smith believed in what he had written on usury and sent the *Moral Sentiments* to provide Bentham the larger explanation, having to do with moderation and the maintenance of a moral order. I fancy a somewhat different view, namely, one that sees Smith as being somewhat more libertarian than he let on. I fancy that Smith really favored the liberty maxim 93 percent of the time, if you will, but made it sound like between 83 and 89 percent and fudged quite a lot, because he had achieved a position of cultural royalty within his society, and an air and voice of royalty more generally, and he did not want to upset that position and voice by attacking status-quo Scotland too much. He would let us think that his Scotland gets things mostly right, whether in policy or cultural leadership. If Smith sent the *Moral Sentiments* to Bentham, maybe he did it to remind him of the larger cultural project he was leading—"Well done,

Bentham, but people will less take to the liberty maxim if I give them 95 percent straight up.” Further, and closer to Paganelli, I’d speculate that Smith was telling Bentham that we do not want to unbridle ambition and proud genius, because of the frightful hazards of unleashing them in the governmental realm.

### BENTHAM’S *DEFENCE OF USURY*

**ON<sup>1</sup> THIS OCCASION, WERE IT ANY INDIVIDUAL ANTAGONIST I HAD TO DEAL** with, my part would be a smooth and easy one. “You, who fetter contracts; you, who lay restraints on the liberty of man, it is for you” (I should say) “to assign a reason for your doing so.” That contracts in general ought to be observed, is a rule, the propriety of which, no man was ever yet found wrong-headed enough to deny: if this case is one of the exceptions (for some doubtless there are) which the safety and welfare of every society require should be taken out of that general rule, in this case, as in all those others, it lies upon him, who alledges the necessity of the exception, to produce a reason for it.

[...] Should<sup>2</sup> it be my fortune to gain any advantage over you, it must be with weapons which you have taught me to wield, and with which you yourself have furnished me: for, as all the great standards of truth, which can be appealed to in this line, owe, as far as I can understand, their establishment to you, I can see scarce any other way of convicting you of any error or oversight, than by judging you out of your own mouth.

[...] [I]f I presume to contend with you, it is only in defence of what I look upon as, not only an innocent, but a most meritorious race of men, who are so unfortunate as to have fallen under the rod of your displeasure. I mean *projectors*: under which invidious name I understand you to comprehend, in particular, all such persons as, in the pursuit of wealth, strike out into any new channel, and more especially into any channel of invention.

It is with the professed view of checking, or rather of crushing, these adventurous spirits, whom you rank with “prodigals”, that you approve of the laws which limit the rate of interest, grounding yourself on the tendency, they appear to you to have, to keep the capital of the country out of two such different sets of hands.

The passage, I am speaking of, is in the fourth chapter of your second book, volume the second of the 8vo. edition of 1784. “The legal rate” (you say [p. 357 of the Glasgow/Oxford University Press/Liberty Fund edition of *WN*]) “it is to be observed, though it ought to be somewhat above, ought not to be much above the lowest market rate. If the legal rate of interest in Great Britain, for example, was fixed so high as eight or ten per cent., the greater part of the money which

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1 [This is paragraph 5 of Letter I.]

2 [This is Letter XIII.]

was to be lent, would be lent to prodigals and projectors, who alone would be willing to give this high interest. Sober people, who will give for the use of money no more than a part of what they are likely to make by the use of it, would not venture into the competition. A great part of the capital of the country would thus be kept out of the hands which were most likely to make a profitable and advantageous use of it, and thrown into those which were most likely to waste and destroy it. Where the legal interest, on the contrary, is fixed but a very little above the lowest market rate, sober people are universally preferred, as borrowers, to prodigals and projectors. The person who lends money gets nearly as much interest from the former as he dares to take from the latter, and his money is much safer in the hands of the one set of people, than in those of the other. A great part of the capital of the country is thus thrown into the hands in which it is most likely to be employed with advantage.”

[...] Antecedently<sup>3</sup> to custom growing from convention, there can be no such thing as usury: for what rate of interest is there that can naturally be more proper than another? what natural fixed price can there be for the use of money more than for the use of any other thing? Were it not then for custom, usury, considered in a moral view, would not then so much as admit of a definition: so far from having existence, it would not so much as be conceivable: nor therefore could the law, in the definition it took upon itself to give of such offence, have so much as a guide to steer by. Custom therefore is the sole basis, which, either the moralist in his rules and precepts, or the legislator in his injunctions, can have to build upon. But what basis can be more weak or unwarrantable, as a ground for coercive measures, than custom resulting from free choice? My neighbours, being at liberty, have happened to concur among themselves in dealing at a certain rate of interest. I, who have money to lend, and Titius, who wants to borrow it of me, would be glad, the one of us to accept, the other to give, an interest somewhat higher than theirs: why is the liberty they exercise to be made a pretence for depriving me and Titius of ours?

[...] [W]hat<sup>4</sup> your definition is of projectors, and what descriptions of persons you meant to include under the censure conveyed by that name, might be material for the purpose of judging of the propriety of that censure, but makes no difference in judging of the propriety of the law, which that censure is employed to justify. Whether you yourself, were the several classes of persons made to pass before you in review, would be disposed to pick out this or that class, or this and that individual, in order to exempt them from such censure, is what for that purpose we have no need to enquire. The law, it is certain, makes no such distinctions: it falls with equal weight, and with all its weight, upon all those persons, without distinction to whom the term *projectors*, in the most impartial and

3 [Here inserted is paragraph 4 of Letter II.]

4 [This resumes Letter XIII. All remaining text reproduced here is from Letter XIII, in order but with omissions, which are always indicated.]

extensive signification of which it is capable, can be applied. It falls at any rate (to repeat some of the words of my former definition), upon all such persons, as, in the pursuit of wealth, or even of any other object, endeavour, by the assistance of wealth, to strike into any channel of invention. It falls upon all such persons, as, in the cultivation of any of those arts which have been by way of eminence termed *useful*, direct their endeavours to any of those departments in which their utility shines most conspicuous and indubitable; upon all such persons as, in the line of any of their pursuits, aim at any thing that can be called *improvement*; whether it consist in the production of any new article adapted to man's use, or in the meliorating the quality, or diminishing the expence, of any of those which are already known to us. It falls, in short, upon every application of the human powers, in which ingenuity stands in need of wealth for its assistant.

High and extraordinary rates of interest, how little soever adapted to the situation of the prodigal, are certainly, as you very justly observe, particularly adapted to the situation of the projector: not however to that of the imprudent projector only, nor even to his case more than another's, but to that of the prudent and well grounded projector, if the existence of such a being were to be supposed. Whatever be the prudence or other qualities of the project, in whatever circumstance the novelty of it may lie, it has this circumstance against it, viz. that it is new. But the rates of interest, the highest rates allowed, are, as you expressly say they are, and as you would have them to be, adjusted to the situation which the sort of trader is in, whose trade runs in the old channels, and to the best security which such channels can afford. But in the nature of things, no new trade, no trade carried on in any new channel, can afford a security equal to that which may be afforded by a trade carried on in any of the old ones: in whatever light the matter might appear to perfect intelligence, in the eye of every prudent person, exerting the best powers of judging which the fallible condition of the human faculties affords, the novelty of any commercial adventure will oppose a chance of ill success, superadded to every one which could attend the same, or any other, adventure, already tried, and proved to be profitable by experience.

The limitation of the profit that is to be made, by lending money to persons embarked in trade, will render the monied man more anxious, you may say, about the goodness of his security, and accordingly more anxious to satisfy himself respecting the prudence of a project in the carrying on of which the money is to be employed, than he would be otherwise: and in this way it may be thought that these laws *have* a tendency to pick out the good projects from the bad, and favour the former at the expence of the latter. The first of these positions I admit: but I can never admit the consequence to follow. A prudent man, (I mean nothing more than a man of ordinary prudence) a prudent man acting under the sole governance of prudential motives, I still say will not, in these circumstances, pick out the good projects from the bad, for he will not meddle with projects at all. He will pick out old-established trades from all sorts of projects, good and bad; for with a

new project, be it ever so promising, he never will have any thing to do. By every man that has money, five per cent. or whatever be the highest legal rate, is at all times, and always will be, to be had upon the very best security, that the best and most prosperous old-established trade can afford. Traders in general, I believe, it is commonly understood, are well enough inclined to enlarge their capital, as far as all the money they can borrow at the highest legal rate, while that rate is so low as 5 per cent., will enlarge it. How it is possible therefore for a project, be it ever so promising, to afford, to a lender at any such rate of interest, terms equally advantageous, upon the whole, with those he might be sure of obtaining from an old-established business, is more than I can conceive.

[...] [U]nless the stock of well-grounded projects is already spent, and the whole stock of ill-grounded projects that ever were possible, are to be looked for exclusively in the time to come, the censure you have passed on projectors, measuring still the extent of it by that of the operation of the laws in the defence of which it is employed, looks as far backward as forward: it condemns as rash and ill-grounded, all those projects: by which our species have been successively advanced from that state in which acorns were their food, and raw hides their clothing, to the state in which it stands at present: for think, Sir, let me beg of you, whether whatever is now the *routine* of trade was not, at its commencement, *project*? whether whatever is now *establishment*, was not, at one time, innovation?

How it is that the tribe of well-grounded projects, and of prudent projectors (if by this time I may have your leave for applying this epithet to some at least among the projectors of time past), have managed to struggle through the obstacles which the laws in question have been holding in their way, it is neither easy to know, nor necessary to enquire. Manifest enough, I think, it must be by this time, that difficulties, and those not inconsiderable ones, those laws must have been holding up, in the way of projects of all sorts, of improvement (if I may say so) in every line, so long as they have had existence: reasonable therefore it must be to conclude, that, had it not been for these discouragements, projects of all sorts, well-grounded and successful ones, as well as others, would have been more numerous than they have been: and that accordingly, on the other hand, as soon, if ever, as these discouragements shall be removed, projects of all sorts, and among the rest, well-grounded and successful ones, will be more numerous than they would otherwise have been: in short, that, as, without these discouragements, the progress of mankind in the career of prosperity, would have been greater than it has been under them in time past, so, were they to be removed, it would be at least proportionably greater in time future.

That I have done you no injustice, in assigning to your idea of projectors so great a latitude, and that the unfavourable opinion you have professed to entertain of them is not confined to the above passage, might be made, I think, pretty apparent, if it be material, by another passage in the tenth chapter of your first book. “The establishment of any new manufacture, of any new branch of commerce, or

of any new practice in agriculture,” all these you comprehend by name under the list of “*projects*”: of every one of them you observe, that “[it] is always a speculation, from which the *projector* promises himself extraordinary profits. These profits (you add) sometimes are *very great*, and sometimes, *more frequently, perhaps*, they are *quite otherwise*; but in general they bear no regular proportion to those of other old trades in the neighbourhood. If the project succeeds, they are commonly at first very high. When the trade or practice becomes thoroughly established and well known, the competition reduces them to the level of other trades” [131-32]. But on this head I forbear to insist: nor should I have taken this liberty of giving you back your own words, but in the hope of seeing some alteration made in them in your next edition, should I be fortunate enough to find my sentiments confirmed by your’s. In other respects, what is essential to the publick, is, what the error is in the sentiments entertained, not who it is that entertains them.

I know not whether the observations which I have been troubling you with, will be thought to need, or whether they will be thought to receive, any additional support from those comfortable positions, of which you have made such good and such frequent use, concerning the constant tendency of mankind to get forward in the career of prosperity, the prevalence of prudence over imprudence, in the sum of private conduct at least, and the superior fitness of individuals for managing their own pecuniary concerns, of which they know the particulars and the circumstances, in comparison of the legislator, who can have no such knowledge. I will make the experiment: for, so long as I have the mortification to see you on the opposite side, I can never think the ground I have taken strong enough, while any thing remains that appears capable of rendering it still stronger.

“With regard to misconduct, the number of prudent and successful undertakings” (you observe) “is every where much greater than that of injudicious and unsuccessful ones. After all our complaints of the frequency of bankruptcies, the unhappy men who fall into this misfortune make but a very small part of the whole number engaged in trade, and all other sorts of business; not much more perhaps than one in a thousand” [342].

[...] Of the two causes, and only two causes, which you mention, as contributing to retard the accumulation of national wealth, as far as the conduct of individuals is concerned, projecting, as I observed before, is the one, and prodigality is the other: but the detriment, which society can receive even from the concurrent efficacy of both these causes, you represent, on several occasions, as inconsiderable; and, if I do not misapprehend you, too inconsiderable, either to need, or to warrant, the interposition of government to oppose it. Be this as it may with regard to projecting and prodigality taken together, with regard to prodigality at least, I am certain I do not misapprehend you. On this subject you ride triumphant, and chastise the “impertinence and presumption of kings and ministers,” with a tone of authority, which it required a courage like yours to venture upon, and a genius like yours to warrant a man to assume. After drawing the paral-

lel between private thrift and public profusion, “It is” (you conclude) “the highest impertinence and presumption, therefore, in kings and ministers, *to pretend to watch over the oeconomy of private people*, and to restrain their expence either by sumptuary laws, or by prohibiting the importation of foreign luxuries. They are themselves always, and without exception, the greatest spendthrifts in the society. Let them look well after their own expence, and they may safely trust private people with theirs. If their own extravagance does not ruin the state, that of their subjects never will” [346].

[...] [T]o *err* in the way of projecting is the lot only of the privileged few. Prodigality, though not so common as to make any very material drain from the general mass of wealth, is however too common to be regarded as a mark of distinction or as a singularity. But the stepping aside from any of the beaten paths of traffic, is regarded as a singularity, as serving to distinguish a man from other men. Even where it requires no genius, no peculiarity of talent, as where it consists in nothing more than the finding out a new market to buy or sell in, it requires however at least a degree of courage, which is not to be found in the common herd of men. What shall we say of it, where, in addition to the vulgar quality of courage, it requires the rare endowment of genius, as in the instance of all those successive enterprizes by which arts and manufactures have been brought from their original nothing to their present splendor?

[...] If it be still a question, whether it be worth while for government, by its *reason*, to attempt to control the conduct of men visibly and undeniably under the dominion of *passion*, and acting, under that dominion, contrary to the dictates of their own reason; in short, to effect what is acknowledged to be their better judgment, against what every body, even themselves, would acknowledge to be their worse; is it endurable that the legislator should by violence substitute his own pretended reason, the result of a momentary and scornful glance, the offspring of wantonness and arrogance, much rather than of social anxiety and study, in the place of the humble reason of individuals, binding itself down with all its force to that very object which he pretends to have in view?—Nor let it be forgotten, that, on the side of the individual in this strange competition, there is the most perfect and minute knowledge and information, which interest, the whole interest of a man’s reputation and fortune, can ensure: on the side of the legislator, the most perfect ignorance. All that he knows, all that he can know, is, that the enterprize is a *project*, which, merely because it is susceptible of that obnoxious name, he looks upon as a sort of cock, for him, in childish wantonness, to shie at.—Shall the blind lead the blind? is a question that has been put of old to indicate the height of folly: but what then shall we say of him who, being necessarily blind, insists on leading, in paths he never trod in, those who can see?

It must be by some distinction too fine for my conception, if you clear yourself from the having taken, on another occasion, but on the very point in question, the side, on which it would be my ambition to see you fix.



“What is the species of domestic industry which his capital can employ, and of which the produce is likely to be of the greatest value, every individual” (you say), “it is evident, can, in his local situation, judge much better than any statesman or lawgiver can do for him. The statesman, who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted, not only to no single person, but to no council or senate whatever, and which would no where be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.”

“To give the monopoly of the home-market to the produce of domestick industry, in any particular art or manufacture, is in some measure to direct private people in what manner they ought to employ their capitals, and must, in almost all cases, be either a useless or a hurtful regulation” [456]—Thus far you: and I add, to limit the legal interest to a rate at which the carriers on of the oldest and best established and least hazardous trades are always glad to borrow, is to give the monopoly of the money-market to those traders, as against the projectors of new-imagined trades, not one of which but, were it only from the circumstance of its novelty, must, as I have already observed, appear more hazardous than the old.

These, in comparison, are but inconclusive topics. I touched upon them merely as affording, what appeared to me the only shadow of a plea, that could be brought, in defence of the policy I am contending against. I come back therefore to my first ground, and beg you once more to consider, whether, of all that host of manufactures, which we both exult in as the causes and ingredients of national prosperity, there be a single one, that could have existed at first but in the shape of a project. But, if a regulation, the tendency and effect of which is merely to check projects, in as far as they are projects, without any sort of tendency, as I have shewn, to weed out the bad ones, is defensible in its present state of imperfect efficacy, it should not only have been defensible, but much more worthy of our approbation, could the efficacy of it have been so far strengthened and compleated as to have opposed, from the beginning, an unsurmountable bar to all sorts of projects whatsoever: that is to say, if, stretching forth its hand over the first rudiments of society, it had confined us, from the beginning, to mud for our habitations, to skins for our cloathing, and to acorns for our food.

I hope you may by this time be disposed to allow me, that we have not been ill served by the projects of time past. I have already intimated, that I could not see any reason why we should apprehend our being worse served by the projects of time future. I will now venture to add, that I think I do see reason, why we should expect to be still better and better served by these projects, than by those. I mean better upon the whole, in virtue of the reduction which experience, if experience be worth any thing, should make in the proportion of the number of the ill-grounded and unsuccessful, to that of the well-grounded and successful ones.

The career of art, the great road which receives the footsteps of projectors, may be considered as a vast, and perhaps unbounded, plain, bestrewed with gulphs, such as Curtius was swallowed up in. [*Ed. note:* Marcus Curtius was a Roman hero. When one day a gap suddenly appeared on the Forum in Rome, an oracle said that it could only be closed by the most precious thing Rome possessed. The wellbeing of the town depended on it. Curtius sacrificed himself by jumping fully armed and mounted on the finest horse into the gap, which then closed itself.] Each requires an human victim to fall into it ere it can close, but when it once closes, it closes to open no more, and so much of the path is safe to those who follow. If the want of perfect information of former miscarriages renders the reality of human life less happy than this picture, still the similitude must be acknowledged...

[...] But to return to the laws against usury, and their restraining influence on projectors. I have made it, I hope, pretty apparent, that these restraints have no power or tendency to pick out bad projects from the good. Is it worth while to add, which I think I may do with some truth, that the tendency of them is rather to pick the good out from the bad? Thus much at least may be said, and it comes to the same thing, that there is one case in which, be the project what it may, they may have the effect of checking it, and another in which they can have no such effect, and that the first has for its accompaniment, and that a necessary one, a circumstance which has a strong tendency to separate and discard every project of the injudicious stamp, but which is wanting in the other case. I mean, in a word, the *benefit of discussion*.

It is evident enough, that upon all such projects, whatever be their nature, as find funds sufficient to carry them on, in the hands of him whose invention gave them birth, these laws are perfectly, and if by this time you will allow me to say so, very happily, without power. But for these there has not necessarily been any other judge, prior to experience, than the inventor's own partial affection. It is not only not necessary that they should have had, but it is natural enough that they should not have had, any such judge: since in most cases the advantage to be expected from the project depends upon the exclusive property in it, and consequently upon the concealment of the principle. Think, on the other hand, how different is the lot of that enterprize which depends upon the good opinion of another man, that other, a man possessed of the wealth which the projector wants, and before whom necessity forces him to appear in the character of a suppliant at least: happy if, in the imagination of his judge, he adds not to that degrading character, that of a visionary enthusiast or an impostor! At any rate, there are, in this case, two wits, set to sift into the merits of the project, for one, which was employed upon that same task in the other case: and of these two there is one, whose prejudices are certainly not most likely to be on the favourable side. True it is, that in the jumble of occurrences, an over-sanguine projector may stumble upon a patron as over-sanguine as himself; and the wishes may bribe the judgment

of the one, as they did of the other. The opposite case, however, you will allow, I think, to be by much the more natural. Whatever a man's wishes may be for the success of an enterprize not yet his own, his fears are likely to be still stronger. That same pretty generally implanted principle of vanity and self-conceit, which disposes most of us to over-value each of us his own conceptions, disposes us, in a proportionable degree, to undervalue those of other men.

Is it worth adding, though it be undeniably true, that could it even be proved, by ever so uncontrovertible evidence, that, from the beginning of time to the present day, there never was a project that did not terminate in the ruin of its author, not even from such a fact as this could the legislator derive any sufficient warrant, so much as for wishing to see the spirit of projects in any degree repressed? The discouraging motto, *Sic vos non vobis* [Thus do ye, but not for yourselves], may be matter of serious consideration to the individual, but what is it to the legislator? What general, let him attack with ever so superior an army, but knows that hundreds, or perhaps thousands, must perish at the first onset? Shall he, for that consideration alone, lie inactive in his lines? "Every man for himself—but God," adds the proverb (and it might have added the general, and the legislator, and all other public servants), "for us all." Those sacrifices of individual to general welfare, which, on so many occasions, are made by third persons against men's wills, shall the parties themselves be restrained from making, when they do it of their own choice? To tie men neck and heels, and throw them into the gulphs I have been speaking of, is altogether out of the question: but if at every gulph a Curtius stands mounted and caparisoned, ready to take the leap, is it for the legislator, in a fit of old-womanish tenderness, to pull him away? laying even public interest out of the question, and considering nothing but the feelings of the individuals immediately concerned, a legislator would scarcely do so, who knew the value of hope, "the most precious gift of heaven."

Consider, Sir, that it is not with the invention-lottery ..., as with the mine-lottery, the privateering-lottery, and so many other lotteries, which you speak of, and in no instance, I think, very much to their advantage. In these lines, success does not, as in this, arise out of the embers of ill success, and thence propagate itself, by a happy contagion, perhaps to all eternity. Let Titius have found a mine, it is not the more easy, but by so much the less easy, for Sempronius to find one too: let Titius have made a capture, it is not the more easy, but by so much the less easy, for Sempronius to do the like. But let Titius have found out a new dye, more brilliant or more durable than those in use, let him have invented a new and more convenient machine, or a new and more profitable mode of husbandry, a thousand dyers, ten thousand mechanics, a hundred thousand husbandmen, may repeat and multiply his success: and then, what is it to the public, though the fortune of Titius, or of his usurer, should have sunk under the experiment?

[...]

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## ABOUT THE AUTHOR



*The Internet Encyclopedia of Philosophy* (accessed December 2007, [link](#)) writes: Jeremy Bentham (1748-1832) “was an English philosopher and political radical. Although he never practiced law, he spent most of his life critiquing the existing law and strongly advocating legal reform. Bentham is primarily known today for his moral philosophy, especially his principle of utilitarianism which evaluates actions based upon their consequences, in particular the overall happiness created for everyone affected by the action. He maintained that putting this principle into consistent practice would provide justification for social, political, and legal institutions. Although Bentham’s influence was minor during his life, his impact was greater in later years as his ideas were carried on by followers such as John Stuart Mill, John Austin, and other consequentialists.”

[Go to January 2008 Table of Contents with links to articles](#)