

EIR The American Patriot

THE LEGACY OF FRIEDRICH LIST

The American System's Battle Against British Free Trade

by Lawrence Freeman and Marsha L. Bowen

This article originally appeared in EIR, Jan. 3, 1992, under the title "The Legacy of List's 'National System of Political Economy.'"

What Is an American Patriot?

This article is part of a series aimed at unearthing the real history of the American patriotic tradition, and causing its revival. The purpose is to create the political and intellectual climate in which a genuine American patriotic candidate can emerge for the 2008 elections—a candidacy which does not yet exist.

Of special relevance in this fight is the period of the early 19th Century, when patriots had to fight in the context of series of poor, or even treasonous Presidents (viz. Jackson, Van Buren, Pierce, Polk, Buchanan). The fact that our greatest President, Abraham Lincoln, was produced from this political environment, testifies to the effectiveness of the network of republican forces from this period, many of whom are totally unknown to the American public today. The LaRouche movement has worked for decades to uncover the original writings and other evidence of this network, materials which will form the basis for many of the articles in this series.

This week's installment counterposes the work of German-American economist Friedrich List, a leading opponent of Adam Smith and the British free-trade school, to the operations by Lord Palmerston, Lord Shelburne, Jeremy Bentham, and the British East India Company to destroy America.

Friedrich List (1789-1846) lived and worked as part of three republican networks that were at political war with the British Empire: the Prussian Reformers movement in Germany, the Ecole Polytechnique of France, and the heirs of the American Revolution. After being imprisoned at the behest of Prince Metternich for his attempts at reforms in Württemberg, the German-born List was invited by the French hero of the American Revolution, General Lafayette, to join him on his triumphal tour of the United States in 1824-25.¹ List lived in Pennsylvania for several years, where he worked with the Careys, Henry Clay, and John Quincy Adams to build the fight for protective tariffs for industry. After 1830, he returned to Germany to implement the American System there. Known as the "Father of the German Railways," he was perhaps the most outspoken opponent of free trade in the world. His book *The National System of Political Economy*, translated into numerous languages, has served since 1841 as a manual on how to fight the evils of the British cosmopolitan "free trade" system of looting to build an empire.

Opposing the physiocratic notion of the landed oligarchy and the British-Swiss-Venetian banking interests, List believed that the creative powers of human mentation were a nation's greatest wealth. When he had returned to Europe, he wrote that the greatest book he had read in America was the book of life: to see the potential of a new republic for growth, if put under proper economic policies.

Refutation of Smith

In his first Letter from Reading to the General Convention at Harrisburg, in 1827, List stated that he would concentrate

1. See William Jones, "Rekindling the Spark of Liberty: Lafayette's Visit to the United States, 1824-1825," *EIR*, Nov. 23, 2007—ed.



The Saugus Iron Works, near Boston, was the first integrated ironworks in North America, 1646-68. List emphasizes, "In her North American colonies, England ... [disallowed] the manufacture in those colonies of even a single horseshoe nail, and still more, that no horseshoe nails made there should be imported into England." This policy was one of the main factors leading to the American Revolution.

on "the refutation of the theory of Adam Smith and Co., the fundamental errors of which have not yet been understood so clearly as they ought to be.

"It is this theory, sir, which furnishes to the opponents of the American System the intellectual means of their opposition.... Boasting of their imaginary superiority in science and knowledge, these disciples of Smith and Say are treating every defender of common sense like an empiric whose mental power and literary acquirements are not strong enough to conceive the sublime doctrine of their masters." List admonished Americans to stand up in print for the theoretical superiority of their doctrine against the authority of Smith and his French counterpart J.B. Say, pointing out that Smith's *Wealth of Nations* never addresses the issue of national economy at all, but instead puts forward the utopian thesis of a universal republic.

According to the British free-traders, any form of protectionism used by a country to foster the growth of its own agro-industrial sectors is in violation of "pure," unfettered competition. The British themselves never practiced this nonsense. List pointed out that "England was unwilling to found settlements in Asia in order to become subservient to Asia in manufacturing industry. She strove for commercial supremacy, and felt that of the two countries maintaining free trade between one another, that one would be supreme which sold manufacturing goods, while that one would be subservient which could only sell agricultural produce. In her North American colonies, England had already acted on those principles in disallowing the manufacture in those colonies of even a single horseshoe nail, and still more, that no horseshoe nails made there should be imported into England."

But England insisted on free trade for its colonies. List

continued: "Accordingly, England prohibited the import of goods dealt in her own factories, the Indian cotton and silk fabrics.... Not so much as a thread of them would England permit to be used. She would have none of the beautiful and cheap fabrics, but preferred to consume her own inferior and costly stuffs....

"She was, however, quite willing to supply the continental nations with the far finer fabrics of India at lower prices, and willingly yielded to them all the benefit of that cheapness; she herself would have none of it."

In short, free trade was merely a tool to enforce economic backwardness. This practice went to nearly comical lengths, as List reported:

"So late as the year 1750 a hat manufactory in the State of Massachusetts created so great a sensation and jealousy in Parliament, that it declared all kinds of manufactories to be 'common nuisances,' not excepting iron works, notwithstanding that the country possessed in the greatest abundance all the requisite material for the manufacture of iron." Ultimately, he continued, "The monopoly of all manufacturing industry by the mother country was one of the chief causes for the American Revolution; the tea duty merely afforded an opportunity for its outbreak."

The Nation-State

List insisted that the sovereign nation-state must be recognized as essential for a healthy economy:

"Between each individual and the entire humanity, however stands *the nation*, with its special language and literature, with its peculiar origin and history, with its special manners and customs, laws and institutions, with the claims of all these

for existence, independence, perfection, and continuance for the future, and with its separate territory; a society which, united by a thousand ties of mind and interests, combines itself into one independent whole. . . . As the individual chiefly obtains by means of the nation and in the nation mental culture, the power of production, security, and prosperity so is the civilization of the human race only conceivable and possible by means of the civilization and development of the individual nations. . . . A nation in its normal state possesses one common language and literature, a territory endowed with manifold natural resources, extensive and with convenient frontiers and a numerous population.”

Protectionism is the battleground where the unity of national sovereignty and economic development becomes most clear. U.S. tariffs were simply necessary to allow the growth of essential industry, like iron production, shipbuilding, etc. If England could use its economic and military muscle to flood the world with cheap products, then how was any nation to develop its own means of production except by protecting and nurturing manufacturing industries? Developing indigenous industry, List argued, provides jobs, stable prices, an expanding home market for goods, protection from foreign manipulation, and the basis for realizing new technologies, which would also lead to increased productivity in the agricultural sector.

What Is Wealth?

Adam Smith claimed to believe that each individual, in pursuing his own interest, automatically promotes the interests of all, and therefore, any sovereign effort by the state to ensure the prosperity of its people is wrongful interference. List quoted Smith’s dictum that: “Restrictions on trade imposed on behalf of the internal industry of a country, are mere folly; every nation like every individual, ought to buy articles where they can be procured the cheapest; in order to attain to the highest degree of national prosperity, we have simply to follow the maxim of letting things alone (*laisser faire et laisser aller*).”

With the insistence that the *exchange value* of a commodity is its true wealth, the British Liberals return man to a talking animal simply instinctively pursuing pleasure and avoiding pain. List counterposed to this economically empty notion, his superior theory of *productive power*:

“*The causes of wealth* are something totally different from *wealth itself*. A person may possess wealth, i.e., exchangeable value; if, however, he does not possess the power of producing objects of more value than he consumes, he will become poorer. A person may be poor; if he, however, possess the power of producing a larger amount of valuable articles than he consumes, he becomes rich. *The power of producing wealth* is therefore infinitely more important than *wealth itself*; it insures not only the possession and the increase of what has been gained, but also the replacement of what has been lost. This is still more the case with entire nations (who cannot live out of mere rentals) than with private individuals.”

List elaborated three principal components to his theory of the productive power: a) the capital of nature, b) the capital of productive matter, and c) the capital of mind. He placed the greatest importance on the third. The relationship between man’s powers of reason, acting on the physical universe through the force of productive manufacturing, is not explainable from the standpoint of simple exchange value.

Adam Smith was a materialist, List explained: “If he had followed up the idea ‘*productive power*,’ without allowing his mind to be dominated by the idea of ‘value,’ ‘exchangeable value,’ he would have been led to perceive that an independent *theory of the ‘productive power’* must be considered by the side of a ‘*theory of values*’ in order to explain the economical phenomena. But he thus fell into the mistake of explaining mental forces from material circumstances and conditions, and thereby laid the foundations for all the absurdities and contradictions from which his school suffers up to the present day.”

The mere quantity of labor, or labor time as Marx put it, which corresponds to the notion of exchange value, cannot account for the great historical evolution of mankind, because these constructs are rooted in materialism. List recognized that the creative activity of man is fundamental to the growth of nations:

“If we consider mere bodily labor as the cause of wealth, how can we then explain why modern nations are incomparably richer, more populous, more powerful, and prosperous than the nations of ancient times? The ancient nations employed (in proportion to the whole population) infinitely more hands, the work was much harder, each individual possessed much more land, and yet the masses were much worse fed and clothed than is the case in modern nations. In order to explain these phenomena, we must refer to the progress which has been made in the course of the last thousand years in sciences and arts, domestic, and public regulations, cultivation of the mind and capabilities of production. The present state of the nations is the result of the accumulation of all discoveries, inventions, improvements, perfections, and exertions of all generations which have lived before us; they form the *mental capital of the present human race*, and every separate nation is productive only in proportion in which it has known how to appropriate these attainments of former generations and to increase them by its own requirements.”

List’s lifelong dedication to constructing railroads flowed from these principles. First of all, “only by means of thoroughly good transport can every district or province convey the surplus of its peculiar products to all other provinces, even to the most distant ones, and procure in return supplies of the peculiar products of the latter.” If there were no roads, canals, and trains, there would be no markets, and without industry, farmers would still be peasants. But railroads and infrastructure also bring the power of science and manufacturing to all parts of the country, breaking up and transforming pastoral modes of existence with the more cultured and educated activities of city life.

Manufacturing Powers of the Nation

From List's The National System of Political Economy:

Manufactures are at once the offspring, and at the same time the supporters and nurses, of science and the arts. We may observe how little the condition of raw agriculture puts sciences and arts into requisition, how little of either is necessary to prepare the rude implements which it employs. It is true that agriculture at first had, by yielding rents of land, made it possible for men to devote themselves to science and art; but without manufactures they have always remained private treasures, and have only extended their beneficial effects in a very slight degree to the masses. In the manufacturing state the industry of the masses is enlightened by science, and the sciences and arts are supported by the industry of the masses.

There scarcely exists a manufacturing business which has no relations to physics, mechanics, chemistry, mathematics, or to the art of design, etc. No progress, no new discoveries and inventions, can be made in these sciences by which a hundred industries and processes could not be improved or altered. In the manufacturing state, therefore, sciences and arts must necessarily become popular. The necessity for education and instruction, through writings and lectures by a number of persons who have to bring into practice the results of scientific investigations, induces men of special talents to devote themselves to instruction and authorship. The competition of such talents, owing to the large demand for their efforts, creates both a division and cooperation of scientific activity, which has a most beneficial influence not merely on the further progress of science itself, but also on the further perfection of the arts and industrials. The effects of these improvements are soon afterwards extended even to agriculture. Nowhere can more perfect agricultural machines and implements be found, nowhere is agriculture carried on with so much intelligence, as in countries where industry flourishes. Under the influence of manufactures, agriculture itself is raised to a skilled industry, an art, a science.

The sciences and industry in combination have produced that great material power which in the new state of society has replaced with tenfold benefits the slave labor of ancient times, and which is destined to exercise on the condition of the masses, on the civilization of barbarous countries, on the peopling of uninhabited lands, and on the power of the nations of primitive culture, such an immeasurable influence—namely, *the power of machinery*.

A manufacturing nation has a hundred times more opportunities of applying the power of machinery than an agricultural nation. A cripple can accomplish more by directing a steam engine than the strongest man can with his mere hand.

The power of machinery combined with the perfection of

transport facilities in modern times, affords to the manufacturing state an immense superiority over the mere agricultural state. It is evident that canals, railways, and steam navigation are called into existence only by means of *the manufacturing power*, and can only by means of it be extended over the whole surface of the country. In the mere agricultural state, where everybody produces for himself the greater part of what he requires, and consumes himself the great part of what he produces, where the individuals among themselves can only carry on a small amount of goods and passenger traffic, it is impossible that a sufficiently large traffic in either goods or passengers can take place to defray the costs of the erection and maintenance of the machinery of transport.

New inventions and improvements in the mere agricultural state are of but little value. Those who occupy themselves with such things in such a state fall themselves, as a rule, a sacrifice to their investigations and endeavors, while in the manufacturing state there is no patch which leads more rapidly to wealth and position than that of invention and discovery. Thus, in the manufacturing state genius is valued and rewarded more highly than skill, and skill more highly than mere physical force. In the agricultural state, however, excepting in the public service, the reverse is almost the rule.

If You Thought Adam Smith Was The Founding Father of America's Economic Strength—

Think Again.

READ

*Friedrich List: Outlines of
American Political Economy*

"I confine my exertions solely to the refutation of the theory of Adam Smith and Co. the fundamental errors of which have not yet been understood so clearly as they ought to be. It is this theory, sir, which furnishes to the opponents of the American System the intellectual means of their opposition."

—Friedrich List

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The British East India Company's War Against the United States

by Jeffrey Steinberg

This article first appeared in EIR, April 11, 1994, as part of a dramatic presentation entitled "Lord Palmerston's Multicultural Human Zoo," performed at a Feb. 19-20, 1994 conference of the Schiller Institute and the International Caucus of Labor Committees in Washington, D.C.

In October 1776, a 28-year-old English barrister named Jeremy Bentham wrote contemptuously of the American Declaration of Independence, which had been signed as an Act of the Continental Congress on July 4th of that year: "This," he spewed, "they 'hold to be' a 'truth self-evident.' At the same time, to secure these rights they are satisfied that government should be instituted. They see not ... that nothing that was ever called government ever was or ever could be exercised but at the expense of one or another of those rights, that ... some one or other of those pretended unalienable rights is alienated. ... In these tenets they have outdone the extravagance of all former fanatics."

Shortly after penning this venom, Bentham made his philosophical breach with the American republicans all the more clear in a lengthy tract titled *An Introduction to the Principles of Morals and Legislation* (1780). That manuscript would not only prescribe the founding principles of British philosophical radicalism; it would propel Bentham into the very center of a then-emerging new British Foreign Office and British Foreign Intelligence Service, consolidated under the guiding hand of William Petty, Lord Shelburne, a man who at the time was the *de facto*, if not *de jure* doge of Britain.

Bentham categorically rejected any distinction between man and the lower beasts, defining man instead as a creature driven purely by hedonistic impulses. To wit: "Nature has placed mankind under the governance of two sovereign masters, pain and pleasure. It is for them alone to point out what we ought to do, as well as to determine what we shall do. ... Every effort we make to throw off our subjection, will serve but to demonstrate and confirm it. The principle of utility—the greatest happiness or greatest felicity principle—recognizes this subjection, and assumes it for the foundation. ... Systems which attempt to question it deal ... in caprice instead of reason, in darkness instead of light."

Lord Shelburne was so taken with Bentham that he in-

stalled the writer, who fancied himself alternately as the reincarnation of Sir Francis Bacon and as the "Sir Isaac Newton of the moral sciences," in an apartment at his Bowood estate. Shelburne assigned to Bentham an English and Swiss editor in order to ensure the widest dissemination of Bentham's works in both the English- and French-speaking worlds. Later, Bentham's works would be even more widely circulated throughout Latin America during his years of intimate collaboration with the American traitor Aaron Burr, and with revolutionists Gen. Francisco de Miranda—a Venezuelan by birth who played a leading role as a paid agent of the British East India Company in the Jacobin Terror in France—and Simón Bolívar. Burr, fleeing the United States, took up residence at the home of Bentham, and the two men conspired to establish an empire, first in Mexico, and later in Venezuela.

Shelburne's Political Intrigues

At the very moment of his taking up with Bentham, Lord Shelburne was in the process of launching his most daring political intrigues.

In June 1780, weary of the failed prosecution of the war in North America, and convinced that the ministry of Lord George North would bring eternal ruin to his dreams of permanent empire, Lord Shelburne, through the East India Company and its allied Baring Bank, bankrolled a Jacobin mob to descend upon London, ostensibly in protest over the granting of Irish reforms. The so-called Irish reforms amounted to little more than forced conscription of Irishmen into the British Army to fight in North America—a move Shelburne hoped would also defeat the pro-American republican movement inside Ireland that had nearly launched its own revolt against Britain in 1779.

Led by Lord George Gordon, the Protestant rabble stormed Westminster, sending parliamentarians and lords alike down flights of stairs, out of windows, and to the hospitals. For eight days, London was ransacked, culminating in the storming of the Newgate Prison and the freeing of all the prisoners, who joined in the assault on the Parliament building.

Lord Shelburne, as head of the interior committee of the House of Lords, personally ensured the maximum terror by delaying the reading of the Riot Act (which would have called out the Home Guard) until violence had spread to ev-



Jeremy Bentham's "auto-icon," his stuffed corpse, with the mummified head removed (and placed between his feet), and a mask affixed in its place. Still on display at London University.

ery corner of the city. When the flames subsided, the ministry of Lord North was in ashes as well. North resigned as prime minister, and within months, Shelburne was himself in the new Rockingham cabinet as foreign secretary for the Northern District, subsuming the North American colonies. From that post, he would be the principal negotiator in Paris across the table from Benjamin Franklin.

By this time also, King George III had declared himself wholly subservient to the Shelburne-led East India Company faction—the Venetian Party.

As the result of these events, the shadow government formally took charge of the official state apparatus. The intelligence operations formerly housed at the East India Company were henceforth run out of the Foreign Ministry and the British Secret Intelligence Services (SIS).

A postscript on Lord Gordon, Shelburne's agent provocateur: After a brief stay in the Tower of London, foreshortened by Shelburne's personal intervention with the crown, Lord Gordon made off to friendlier ground in the Netherlands, where, to the astonishment of his Scottish Presbyterian cronies, he became a convert to Jewish cabbalism, taking the

name Israel Bar Abraham. He shortly thereafter surfaced in Paris as an occult advisor to Marie Antoinette, and from that position participated in Shelburne's intrigues against the French Bourbons.

The Jacobin insurrection in Paris during 1791-93 was a replay on grander scale of the earlier Shelburne-instigated Gordon Riots, down to the storming of the Bastille prison and the unleashing of the criminals.

Smith Assigned To Scribble Against America

Lord Shelburne, as foreign minister, took the position that the former colonies in North America must be once again brought under the British yoke, but not through the deployment of military might or through claims of property title. For Shelburne, the battle cry of the New Venice/New Rome was "free trade."

As early as 1763, in a famous carriage ride from Edinburgh to London, Shelburne had commissioned two works from one of his East India Company scribblers, Adam Smith. First, he had commissioned Smith to prepare the research outlines for the study that would be later completed by another India House propagandist, Edward Gibbon, on the decline and fall of the Roman Empire—a study critical to Shelburne's commitment to establish a third Roman Empire headquartered in London. In addition, he ordered the preparation of an apologia for free trade, which Smith completed in 1776 under the title *The Wealth of Nations*.

In 1787, Shelburne's leading intelligence agent, Jeremy Bentham, went one better than Smith by publishing a series of letters from Russia that were assembled in a pamphlet titled *In Defense of Usury*. The final letter, addressed to Smith, chastized the India House economist for not going far enough in his embrace of unbridled monetary dictatorship. Bentham demanded an end to all restrictions on usurious interest rates, employing the liberal argument that suppression of usury stifles invention. Smith immediately wrote of Bentham's *In Defense of Usury*, "The work is one of a superior man."

Shelburne's own most eloquent plea for unbridled free trade and usury came during his brief tenure as prime minister from 1782 to 1783. Although he had formerly preferred to steer British politics from behind the scenes in his capacity as chairman of the three-man "Secret Committee" of the East India Company, Shelburne felt compelled to briefly take the formal reins of government in order to ensure the launching of his new British imperium.

'Destroy America With Free Trade'

On Jan. 27, 1783, Shelburne stood before the House of Lords to argue for ratification of the Treaty of Paris, formally bringing to an end the American Revolution and the conflict with France and Spain. "You have given America, with whom every call under the heaven urges you to stand on the footing



The burning of Newgate Prison in June 1780 was sparked by Lord George Gordon, Shelburne's agent provocateur. All the prisoners were freed, and joined in an assault on the Parliament building. A dress rehearsal for the storming of the Bastille in France nine years later?

of brethren, a share in a trade, the monopoly of which you sordidly preserved to yourselves. . . . Monopolies, some way or other, are very justly punished. They forbid rivalry, and rivalry is of the very essence of well-being of trade. . . . I avow that monopoly is always unwise; but if there is any nation under heaven which ought to be the first to reject monopoly, it is the English. Situated as we are between the old world and the new, and between southern and northern Europe, all we ought to covet on Earth is free trade. . . . With more industry, with more capital, with more enterprise than any trading nation on Earth, it ought to be our constant cry: Let every market be open."

Shelburne's policy of unbridled free trade between Britain and the United States nearly destroyed the American republic in its cradle. Some of the American Founding Fathers clearly understood the danger in Shelburne's free trade ruse. They launched a crucial debate over the need for a strong Federal constitution. But for the *Federalist* debate and the resulting United States Constitution of 1787, Shelburne's scheme for rapidly bankrupting and re-absorbing North America into the British imperial domain, would have probably succeeded.

Alexander Hamilton was blunt in his *Federalist Paper* No. 11, published in November 1787: "The adventurous spirit . . . of America has already excited uneasy sensations in several of the maritime powers of Europe. . . . If we continue united, we may counteract a policy so unfriendly to our prosperity in a variety of ways. . . . Suppose for instance, we had a government in America, capable of excluding Great Britain from all our ports; what would be the probable operation of this step upon her politics? Would it not enable us to negoti-

ate, with the fairest prospect of success, for commercial privileges of the most valuable and extensive kind in the dominion of that kingdom?"

Shelburne Unleashes Jacobins Against France

Even with matters still unresolved in North America, Shelburne and Bentham turned their attention to another critical front across the English Channel in France. The Seven Years' War of 1756-63 had stripped France of its once formidable maritime capacity. Shelburne now sought to destroy France as an economic and military rival on the continent. From the outset, the Jacobin Terror was a British East India Company-, British Foreign

Office-orchestrated affair. The bloody massacre of France's scientific elite was systematically carried out by French hands, manning French guillotines, but guided by British strings.

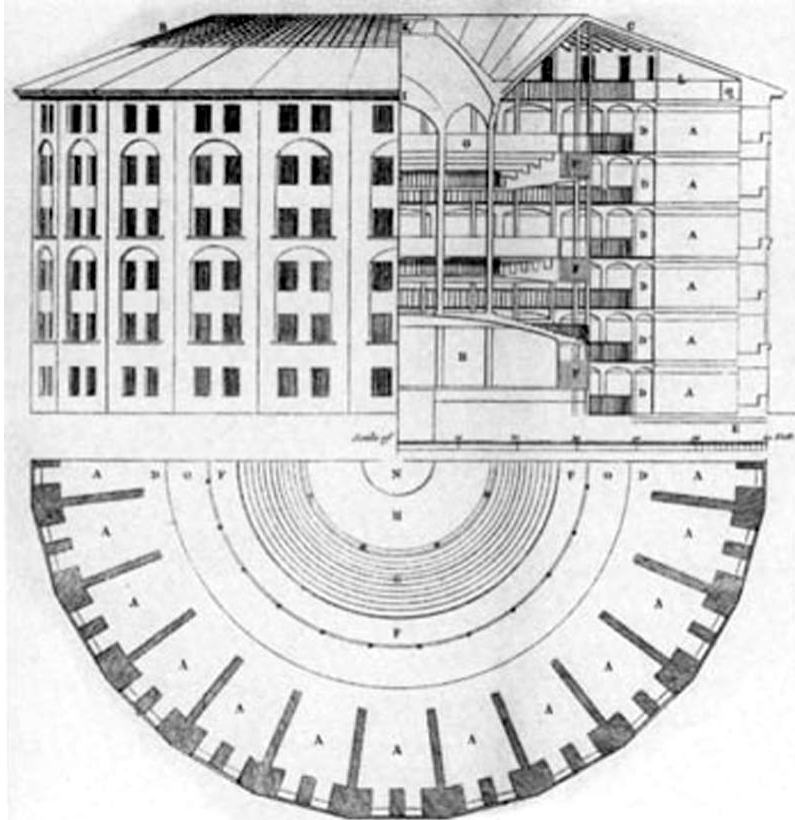
Jacques Necker, a Geneva-born, Protestant, slavishly pro-British banker, had been installed through the efforts of Shelburne's leading ally in France, Philippe Duke of Orléans, as finance minister. Necker's daughter, the infamous Madame de Staël, would later run one of Shelburne's most important Parisian salons.

Although Necker had failed to block France from allying with the Americans during the American Revolution, he did succeed in presiding over the depletion of the French treasury and the collapse of its credit system.

Economic crisis across France was the precondition for political chaos and insurrection, and Shelburne readied the projected destabilization by creating a "radical writers' shop" at Bowood staffed by Bentham, the Genevan Etienne Dumont, and the Englishman Samuel Romilly. Speeches were prepared by Bentham and translated and transported by diplomatic pouch and other means to Paris, where leaders of the Jacobin Terror, Jean-Paul Marat, Georges Jacques Danton, and Maximilien de Robespierre delivered the fiery oratories. Records of East India Company payments to these leading Jacobins are still on file at the British Museum.

Bentham's Slave Labor Scheme

Bentham was so taken up with the events in France, that on Nov. 25, 1791, he wrote to National Assemblyman J.P. Garran offering to move to Paris to take charge of the penal system. Enclosing a draft of his *Panopticon* proposal, Ben-



Bentham's "Panopticon," a design for a slave labor prison for criminals, the indigent, the mentally retarded—and their children. The children's play would provide the energy to drive a factory.

tham wrote: "Allow me to construct a prison on this model—I will be the jailer. You will see by the memoire, this jailer will have no salary—will cost nothing to the nation. The more I reflect, the more it appears to me that the execution of the project should be in the hands of the inventor."

At the same time, Bentham was proposing to assume the post of chief jailer of the Jacobin Terror, which sent many of France's greatest scientists and pro-American republicans to the guillotine or to prison. Bentham made no bones about his loyalties: In accepting the honorary title of Citizen of France, Bentham wrote to the Jacobin interior minister in October 1792: "I should think myself a weak reasoner and a bad citizen, were I not, though a royalist in London, a republican in Paris."

Bentham's *Panopticon* scheme was a slave labor camp first designed by him in Russia in 1787 while he was visiting his brother, a Shelburne spy. Asked by Prince Potemkin, the prime minister of Catherine the Great, to help procure a steam engine to build up Russian industry, Bentham argued that human labor—not steam power—ought to be sufficient.

His design, complete with elaborate architectural drawings, called for criminals, the indigent, and the retarded—along with their children—to be placed in jail cells equipped

with primitive machinery run by a central power source, which in turn would be fueled by swings, merry-go-rounds, and see-saws in the children's cellblock. The energy expended by the children playing with the toys would drive the factory. A central guardroom equipped with two-way mirrors would permit one guard to oversee the slave labor of hundreds. Above the main door of the *Panopticon* was to be a sign, reading: "Had they been industrious when free, they need not have drudged here like slaves."

During his tour of Russia and the Ottoman Empire, when he devised his *Panopticon* scheme and wrote *In Defense of Usury*, Bentham wrote in his diary: "It is an old maxim of mine that interest, as love, should be free."

'In Defense of Pederasty'

It is therefore of little shock that we find Bentham also writing in 1785 an essay on the subject of pederasty. He dismissed the harsh penalties then in force against pederasty as the result of irrational religious fears born of the Old Testament destruction of Sodom and perpetuated by society's "irrational antipathy" to pleasure in general and to sexual pleasure in particular. Judeo-Christian morality, like every other expression of natural law, had no place in Bentham's world of pleasure and pain.

In the wake of the initial success in forcing France to its knees with the Jacobin Terror, Bentham sponsored several generations of philosophical radicals, ranging from his closest protégés, James Mill and John Bowring, to Mill's son John Stuart Mill, Thomas Carlyle, and David Urquhart. Carlyle, under the watchful eye of J.S. Mill, penned the official British history of the French Revolution, needless to say, burying the role of the Shelburne-Bentham cabal in that blood-soaked tragedy. Bowring, Bentham's long-suffering personal secretary, would later supervise the publication of Bentham's collected works in an 11-volume series; would serve as Lord Palmerston's agent-handler of the notorious Giuseppe Mazzini; and would instigate the Second Opium War against China from his post as emissary in Canton. Urquhart, one of the youngest of the Benthamites, would later become the agent-handler for Karl Marx.

Upon his death in 1832, Bentham's body was dissected and stuffed; his head was cast in bronze and placed at his feet, with a mask affixed in its place. For years, the mummified Bentham, seated in his favorite chair inside a glass case, was an ever-present participant in meetings of his radical circle. In the 1990s, the mummy would still enjoy a place of prominence at London University.