EPISODE 26

THE UTILITY OF NATIONS

Hi there. Welcome to the end of the world. My name is Michael Folz. And this is Episode number 26 of my podcast Dial It Back Or Die. Now for the past couple of episodes I've been getting into the nitty gritty of the development of Age of Enlightenment thought. And today we're going to continue on.

So… Let me introduce you to Adam Smith. He was best friends with David Hume. A fellow Scotsman, he was about ten years younger. He was also somewhat of what we would today call a spaced out goofball. Cheerful and absentminded, he was known for such behaviors as wandering aimlessly, lost in thought, for fifteen miles while in his bedclothes. For brewing the bread and butter instead of the tea. And for constantly changing any subject in mid-sentence. A rather strange looking fellow, with a large nose, a receding chin, and protruding eyes, his only real relationship with a woman was his lifelong devotion to his mother. Nonetheless a popular university lecturer, he gained international renown when, at the age of 36, he published a best selling book which dealt with (and I bet that you didn't see this one coming) moral behavior.

Called 'The Theory of Moral Sentiments', in it he assumed, like Hume, that humans acted towards each other not because of reason but because of their emotions. Hume, however, had thought that we were motivated only by the benefit which we could gain from others. Smith, on the other hand, was far ahead of his time in discerning that people related to each other because of what in the present day we would call empathy, but which back then he called sympathy. Here's how the process went: When we see others who, for instance, are sad, we unconsciously imagine ourselves to be sad, and we then react with the compassion that we would like people to react with if they saw us being sad.

So far so good. But then he showed that he was nothing more than a product of his times by concluding that this sympathy was actually nature's way of making people be able to live together even though each of their individual natures was in actuality selfish. In his reckoning it was sort of like there

was an Invisible Hand at work making sure that selfishness would magically lead to social harmony.

The year was 1759 and this new Ideology of the Self had pretty much completely taken over intellectual circles. What had started with Martin Luther claiming his right to interpret the Scriptures as he saw fit (although, remember, that right didn't necessarily extend to anyone else) anyway that sense of Self had changed a hundred or so years later to Hobbes' contention that Self-love was our only motivating force and that society was nothing more than a legalistic contract agreed to by previously autonomous individuals. Now by the mid 18th Century the idea was seen as self-evident.

Nor was selfishness any longer seen as just an unfortunate fact of life. By now it was transmogrifying into a positive good.

For instance, in 1714 a philosopher and satirist named Bernard Mandeville had published 'The Fable of the Bees'. In it he attempted to show that private vices were actually wonderful, because they produced public benefits. As an example, a rich person's ostentatious display of wealth might be vulgar, even highly immoral. At the same time, though, it provided gainful employment for all the of merchants and tradesmen involved with said display.

In other words, it was great for the economy.

And although most good citizens at the beginning of the century found such an argument to be rather disgusting, the truth is also that by mid-century even positive deists no longer believed in a personal God or in heaven and hell. So that the promise or the threat of an afterlife was no longer sufficient to motivate or discipline them. And they certainly didn't believe that morality was a function of the Ten Commandments or any other rules written down in some ancient text.

Which is why, again, there was such widespread interest in efforts to determine, in the midst of all this selfishness, if and how Natural Moral Law existed. And which is why Adam Smith's book on moral sentiments was so popular.

But, as has also already been mentioned, there were others, such as Voltaire or Diderot, who no longer saw virtue as any kind of reward. After all, in a world absent a personal God or stand alone Ideals, who was to say what virtue was anyway?

So now, instead of a life of virtue, the new conception was of a life of utility.

This concept arose from a radical rethinking of what the purpose of life was. To a Christian the purpose had always been the salvation of one's soul. Throw away the notion of soul, however, and what did you have? That a human was an animal like all the others, trying to maximize its pleasure and minimize its pain. The word *utility* therefore became sort of a universal bookkeeping device which

added and subtracted otherwise disparate behaviors. For instance, I might derive utility from helping my neighbor. You might derive utility from taking drugs or from reading a book or from taking a walk.

You'll remember, however, that this idea was based on those 'scientism' assumptions that had never in fact been a function of actual observation, let alone experimentation. And these assumptions included: That we are individuals first and foremost. That we are always self-seeking. That in fact there is just a cold, impersonal Material world.

Now it is plausible to argue that Adam Smith was attempting to find a middle ground in all of this. And it is perhaps significant in light of the above that the great love he had for his mother greatly influenced his theory of moral sentiments. Whatever the case, though, history does not remember him primarily for his efforts to come up with an explanation of Natural Moral Law. Rather, of course, it is for the book he finished in 1776, 'The Wealth of Nations'.

Now commerce had always been seen as a necessary condition of life. But intellectuals and the upper classes had traditionally looked down their noses at all the merchants who conducted this commerce. In fact, it was widely perceived throughout most societies throughout most of history that there was a constant whiff of something grubby and unseemly about businessmen. After all, they seemed to be always counting their money and calculating profit and loss, not appreciating beauty or engaging in social intercourse. So it was not surprising that even the study of political economy, as the subject was then called, did not seem all that proper or dignified.

For those who did look into it the prevalent theory, what we now call mercantilism, made perfect sense. It held that the best way to determine a country's wealth was to, well, count up the country's wealth. In other words, figure out how much gold and silver was held, how much money was in the bank. Further, mercantilism postulated that the best way to accumulate more wealth was to develop colonies which would then only trade with the mother country. This way natural resources would flow one way, manufactured goods would flow the other, and the final effect would be to keep all the wealth together in one rich, happy family.

Which is why at around this time new governments being formed were called commonwealths. In the ideal vision they saw themselves as an embodiment of all the *wealth* held in *common* for all the people. In this way they were of course continuing with that classical belief that the group—the republic, the realm, the empire—was far more important than the individual. The practical results of this frame of mind were that governments would build high tariff walls to protect their own national

industries, would grant monopolies to high risk, high capital enterprises, and would interfere in many other ways so as to protect their particular nation's commerce and, by inference, their own giant extended clan of citizens.

By the mid-18th Century, though, what with the rise of the belief that the individual was paramount, some people started rethinking their ideas of political economy. The first to do so were a group of French thinkers who called themselves physiocrats. Now today some of their ideas seem quaint at best. For instance, they believed that all economic value arose from land and agricultural production. Instead of some theoretical social contract, they believed in the idea (similar to what Confucius had come up with in China) that 'natural order' was the basis for society. But some of their other thoughts are now seen as economic truth. Such as: It is the cumulative actions of individual buyers and sellers that defined an economy, not the amount of silver and gold in a nation's vaults. And they also introduced the term 'laissez faire', which meant that so far as possible the government should get out of the business of regulating business.

Now Adam Smith had never run a business or had ever in any way even worked in the world of commerce. And most of the notes that he used in writing 'Wealth of Nations' came from listening to other political economists from throughout Europe. So that he was not the initial author of most of the ideas expressed within his book. Moreover, most people today don't realize that he himself had little love or respect for shopkeepers, businessmen, and the other facilitators of trade. In fact, he always referred to them with the most pejorative of terms. Further he had great sympathy for the poor and the downtrodden. In short, he found the idea that people in the marketplace were totally focused on self gain to be morally repugnant. But all the same he sadly recognized reality to be such. And thus the sole purpose of his book was not to advocate for selfishness, but rather to prove the counter-intuitive intellectual notion that when everyone in the marketplace acted selfishly, the result would be that production and prices would become most efficient, and that therefore both buyer and seller would end up in the state with the highest utility.

Again, it was like there was some sort of magical Invisible Hand at work. Although, by the way, just as Rousseau never actually used the term 'Noble Savage', outside of a brief reference in an essay on astronomy, Adam Smith never actually used the term 'Invisible Hand', either.

Anyway, such a theory did make a certain amount of intuitive sense. On the other hand, however, so did the theory behind mercantilism. And always remember that both theories were far more of a series of common sense observations than they were the result of scientific experimentation

or an accumulation of empirical evidence. And that in most of this Adam Smith was more of an editor of thoughts, not the original thinker.

Also, you should keep in mind that it's not like in 1777 everyone snapped to, readily accepted this new theory as to how economies worked, and then the Industrial Revolution happened. Because, first, major technological breakthroughs such as automatic looms and the steam engine, had already been developed. And, second, as happens with most new theories, there was quite a lot of resistance to 'The Wealth of Nations'.

And, finally, you should know that our modern understanding of Adam Smith as some sort of libertarian economist firebrand is simply not true. For example, he clearly understood that there was still a substantial role for government to do those things from which it was difficult or immoral to make a profit, such as in building roads or maintaining hospitals. And he was much more horrified of a rule-free anarchy in the marketplace than he was of government interference. Most importantly, he limited his scope to a theoretical, anonymous market, and did not apply these ideas to the rest of life.

In other words, he didn't expect his mother to charge him tuppence for his breakfast of porridge. He wouldn't have thought of charging a friend for helping them out with a project. He did not dwell on the fact that there was what economists today call an 'opportunity cost' in spending an evening in conversation with others. After all, he was in no way denying his previous theory of moral sentiments. All he was doing was commenting on that anonymous market.

But here's a difficulty with these two ultimately conflicting ideas. Because markets by and large aren't anonymous. They're real. And what if a good friend's widowed mother was selling potatoes at that market? Surely Adam Smith's sympathy/empathy for her would lead him to buy from her even if her prices were a little higher. Or make the question a little murkier: What if the seller was his good friend's third cousin twice removed? So where in fact does one exactly draw the line between sympathy and efficiency? Most especially if one is a Christian, or indeed any sort of humanist, who believes that all men are brothers?

And these weren't just hypothetical concerns. Because in the real world there are many instances in which we deal economically with people with whom we also have a personal relationship. And in the real world it is the rare businessman who does not also have varying levels of personal relationships with both his customers and his suppliers. And who also does not at least sometimes make deals out of sympathy/empathy for them.

Unfortunately, Adam Smith, for all of his sympathy/empathy, really didn't have a satisfying

answer for any of that.

But if we can't blame well meaning Adam Smith for the heartless, every man for himself free market Capitalism of today, then who can we blame?

Well, remember Jeremy Bentham?

As you may recall from way back in Episode 5, Jeremy was born in 1748, and so he was a lot younger than the other men who I have been briefly profiling. And until the early 19th Century he was relatively anonymous, sitting by himself in that barn writing away his hundreds and hundreds of thousands of words. So unlike Adam Smith, who knew David Hume, who knew Benjamin Franklin, who knew Rousseau, who knew Diderot, who knew Voltaire, who knew Adam Smith, Bentham was to a large extent out of the 18th Century intellectual loop.

Further, he was not the first person to use the term utility. He was not the first person to define 'happiness' solely in terms of pleasure and pain. He was definitely not the first to come up with the formulation that social good was defined as the greatest happiness for the greatest number of people.

Most importantly, as opposed to David Hume and Adam Smith, there was no place for emotions of any kind to enter into his theory. No, to him all behavior consisted of rational calculations of pleasure versus pain, profit versus loss.

Thus he was the first to equate every single human interaction with those of the marketplace. He was one of the first to seriously declare that no qualities (such as truth or beauty) existed, but only quantities of pleasure and pain. In a very real way, therefore, he was the originator of that hypothetical creature we now refer to as 'economic man'. And indeed the strange reality is that the entire field of economics is nothing more nor less than a direct outcome of the thoughts of Jeremy Bentham.

Take the idea of the 'Rational Actor'. Now if you ever study Economics you'll find that just about its most foundational assumptions are that, not only is every person in the world essentially and totally selfish in nature, but that each one rationally assesses every decision in life to make sure that the benefits of any action outweighs the cost. Foundational assumptions which are exactly the same as those of Utilitarianism.

And strangely, in practice, so long as someone wants to buy whatever it is you're selling, then that constitutes morality.

Or take the modern day understanding of 'Equality'. Now every world religion, whether it be Christianity, Islam, Hinduism or Buddhism, each clearly states that no matter what our worldly

situation is, all souls are equal before God. But if there is no such thing as God or souls, no such thing as Quality, then what does Equality now signify? Well, in Economics 'equality' means that each consumption unit, that is to say each individual consumer, must be treated as equal. And each item consumed, whether it be a good or service, must be treated as morally equivalent to any other. In other words, everything, all of life, is just a function of the marketplace. And, once again, this is exactly the foundational assumption of Utilitarianism.

Anyway, though, back to Jeremy. Because, looking at his biography from afar, as I previously pointed out, a modern psychologist could make a strong case that he was somewhere on the autism spectrum. And probably pretty far out on it at that. One could even argue—given his almost utter lack of understanding of human warmth or emotion—that he was sociopathic. And it is almost certain, as I suggested back in Episode 5, that if his prized disciple John Stuart Mill hadn't more or less invented liberal democracy in the mid-19th Century, he would be remembered today (if at all) as some sort of bizarre nut case.

After all, remember those auto-icons of his. Dressed up skeletons being perched on public park benches.

And just to remind you of some of the other basics: He had a strong paranoia his whole life that secret evil groups of government ministers were keeping his amazingly logical ideas from being put into practice. He also thought that in his ideal state of the future, where everyone would be absolutely free to pleasure themselves as they saw fit, they would also be constantly watched, 1984 style, by their leaders. For much of his life he fanatically pursued his desire to build the perfect prison where, again, every prisoner would be monitored 24/7. As far as can be known, he never had any sexual experience, or even inclination, his entire life. Yet he wrote over five hundred pages solely on the topic of legalizing homosexuality, a practice that at the same time he claimed to find utterly abhorrent.

There was a method to his madness, however. And this is that his monomaniacal mind had adopted the foundational assumption that the most simplistic understanding of utility—total pleasure minus total pain—was the be all and end all of human existence. And that thus a quickie in a public bath house had the exact same utility as a husband and wife in their marriage bed.

His theory demanded it. Indeed, that is why it was called *utilitarianism*.

And of course he had to be quantitative when outlining and describing his system in which every human action and thought was also quantitative. After all, it was the only way that *his* mind worked.

So there he was busily working away on developing what he called his 'hedonic calculus'. It started with units of measurement which he labeled 'hedons' and 'dolors'. (Later these would be changed to 'posends' and 'negends'.) Then he defined seven variables: Intensity, Duration, Certainty, Propinquity, Fecundity, Purity, and Extent. Finally, for every proposed act you would add up each distinguishable pleasure, subtract from that every pain that might result, multiply that by the value of each pleasure, then multiply that number by the quantity of people affected.

Of course, that's the extremely short version of the process. But, here, let's let Jeremy expound upon this last step. And I quote,

“Take an account of the number of persons whose interests appear to be concerned; and repeat the above process with respect to each. Sum up the numbers expressive of the degrees of good tendency, which the act has, with respect to each individual, in regard to whom the tendency of it is good upon the whole. Do this again with respect to each individual, in regard to whom the tendency of it is bad upon the whole. Take the balance which if on the side of pleasure, will give the general good tendency of the act, with respect to the total number or community of individuals concerned; if on the side of pain, the general evil tendency, with respect to the same community.”

End quote. Got it? If not, here's a so-called 'memoriter verse' which Bentham came up with to help out:

“Intense, long, certain, speedy, fruitful, pure--
Such marks in pleasures and in pains endure.
Such pleasures seek if private be thy end:
If it be public, wide let them extend
Such pains avoid, whichever be they view:
If pains must come, let them extend to few.”

To him this elegantly described, and, again I quote: “the whole fabric of morals and legislation”.

Now I trust that everything sounds perfectly clear. Except that you might recall from Episode 5 that according to Jeremy Bentham we each got to decide for ourselves what gave us pleasure or pain. His motto, remember, was, 'push pin was as good as poetry'. So that *by definition* no pleasure, such as enjoying a beautiful piece of music, was qualitatively superior to any other, such as masturbating or playing solitaire on your computer. Everything would be precisely, quantitatively measured. And social good would be defined as total (subjectively defined) individual hedons minus total individual dolors.

Simple, really.

Critics readily came up with examples to show how preposterous all of this was. For instance: If the sum total of the population of Athens would be happier by ordering one person, Socrates, to become momentarily unhappy by drinking that poison, then according to Bentham they should do it. If the Marquis de Sade obtains great pleasure from being a sadist, and his friend derives great pleasure from being a masochist, even enjoys being put to death by the Marquis, then where's the harm?

To these objections Bentham responded that, although the idea of natural moral law was so much poppycock, nonetheless it was self-evidently obvious that people did not like to be physically hurt. Therefore in his liberal world of the future everyone would quite rationally agree not to be violent. And as for the numbers of hedons/dolors, well, that depended on also including all of the social ramifications of whatever pleasure that you were seeking.

Not that this actually answered the Marquis de Sade question. Nor, really, the Socrates one, since the Athenians were not being physically violent to him. And if they as a group were taking away his liberty, wasn't taking away someone's liberty what Bentham was promoting with his Panopticon prison?

More in general, though, who in the world does or would want to go through some extensive positive/negative calculation before each and every action that they took all day? And didn't the need to compute the secondary, social effects of each and every pleasure we ever experienced in the end deny someone the complete independence and personal liberty that this theory was supposed to be in support of?

One doesn't need to go on. Because I strongly suspect that most of you would say that you would never personally believe any of this. That in fact it all sounds like the sort of nonsense that some mindless, off the wall cult would come up with. And that Bentham's paranoia and his preoccupation with prisons and the need to watch everyone all the time shows not a prophet of personal liberty, but rather the disturbing signs of a thoroughly totalitarian personality.

Which is why at the outset I said that a good way to understand the intrinsic weirdness of the world of today is to imagine an analogy wherein you were transported two hundred years into the future and found out that everyone everywhere so believed that the principles of Scientology were correct that no one even called it Scientology any more.

Because it is true that virtually no one in the modern world actively believes in utilitarianism per se. But we do believe in Economics. In fact, we think that it is an actual science. We give out

Nobel prizes for it. And what is Economics but the adding and subtracting of products and services which we specifically refer to as 'goods'? As in, 'that which is good. That is what makes us happy'. Further, our Political Science takes it as unquestionable truth that the only proper way to choose a leader is by adding up the popular vote, irrespective of the education or intelligence or even interest of the participating population. Finally, our post-modern sense of ethics holds that, so long as there is no violence involved, no one has the right, let alone the duty, to question another person's moral behavior.

What else is any of this but a direct outgrowth of the thoughts and visions of this one Jeremy Bentham?

For, once again, the plain fact is that the founding father of Liberal Democracy and of, by the way, Secular Humanism was John Stuart Mill. And John Stuart Mill had lived exclusively surrounded by this cult from the tender age of three. The plain fact is that he had been explicitly groomed to preach the doctrines of utilitarianism to the world. And although he did indeed make tweaks to the theory, until the end of his life he was proud to be called a utilitarian.

In fact, again, one of his major works was called 'Utilitarianism'.

But his particular story should properly wait for our tour through the 19th Century. After all, we are still dealing with the 18th Century here. For really, bizarre as they may have been, Jeremy Bentham's thoughts were nothing more nor less than just the thoughts and behaviors of the Age of Enlightenment taken to their logical extreme.

Start with the atheism and Materialism of Thomas Hobbes, plus his belief that man was not an inherently social animal, but rather essentially an individual who made legalistic deals with other individuals solely for their mutual individual benefits. Mix that with the pseudo-every man is his own theologian fantasy of the Reformation and its rejection of traditional higher authority.

Then throw in the existentialism of John Locke that declared that it was impossible to truly *know* anything. Which morphed into the universal doubt and utter skepticism of David Hume. All of which was surrounded by a social mentality which no longer cared about abstract philosophical debates, but rather with wealth and material progress in the here and now.

A mentality which of course was a reflection of an actual world of increased wealth, increased frivolity, decreased learning, and rapidly decreasing moral structures, both sexual and otherwise.

Finally add in the pretense of a 'scientific' approach. Of superficially quantitative analysis. Of a simplistic hedonism which understands all of the human experience to be summed up as Pleasure =

Good, Pain = Bad. Then funnel it through the mind of someone with a genius IQ but with the emotional development of a five year old.

Voila.

The Age of Reason had come to its presumably logical climax.

And, once again, I don't think that many of you, when presented with this outline of the real foundations of modern thought, would find it all that agreeable. Or even believable. But I assure you that what I have been presenting over the last few episodes is indeed what our present world view is based upon.

And now we're starting to get close to beginning our Science section. Wherein we'll look at all the ways that present day science directly refutes virtually all of the assumptions, not only of Jeremy Bentham and John Stuart Mill, but also of most of the other Enlightenment thinkers.

Although for the very next time I'll be going over some of the blatant paradoxes and contradictions in logic that do not require any knowledge of modern day science to understand.

Of course, once again that is for next time. And, once again, this time I'd like to thank you so much for so far having listened.