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Paolo Sarpi

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# The Venetian Roots of 'Behavioral Economics'

by Jeffrey Steinberg

April 10—While *Time* magazine's (April 13, 2009) exposé of the “behavioral economists” surrounding President Barack Obama has put an important spotlight on a dangerous disease, infecting the economic decision-making at the Oval Office, the author of the exposé only scratched the surface of the actual evil underlying this hedonistic madness.

The bestial notion of man as an irrational creature, driven by overwhelming impulses to seek pleasure and avoid pain, which is at the heart of the so-called “behavioral economics” dogma, came directly from Venice,

**EIR** April 17, 2009

the wellspring of all modern financier oligarchism. The author of this schema, which ruthlessly rejects actual human creativity, was Paolo Sarpi (1552-1623).

A Servite monk who rose to be the leading theological and juridical authority for the Venetian doge, Sarpi waged a war against the Catholic Church, and, despite his nominal status as a leading theologian, argued against the existence of God. In correspondence with Francis Bacon, mediated through the English ambassador to Venice, Henry Wotton, Sarpi argued that man can only know the world through his senses. Thus, Sarpi was the author of the radical, anti-cognitive empiricist doctrine, later codified by successive generations of English utilitarians, from John Locke, to Bernard de Mandeville, to Adam Smith, to Jeremy Bentham.

Sarpi took a leading role in the Venetian faction known as the *Giovani* (Youth), who argued that Venice could not retain its financial and political power over Europe through its base in the Venetian lagoon. Sarpi and the *Giovani* not only promoted the Protestant break with Rome, they redeployed Venetian power into northern Europe, through the successive takeover of the Netherlands and England, via the creation of Venetian-controlled trading companies, including the Venice, Turkey, Levant, and, eventually, the Dutch and British East India companies. It was this financier-oligarchy, that took over England and, at the same time, promoted the radical empiricist dogma that has been the key to oligarchical power ever since.

It is from Sarpi's descendants, particularly the radical hedonist Jeremy Bentham (1748-1832), that all of the essentials of behavioral economics derive. Indeed, a 2004 paper, published by the British Fabian Society's London School of Economics, titled "Utility Theory from Jeremy Bentham to Daniel Kahneman," makes the case explicitly.

Essentially plagiarizing Sarpi, Bentham, in his infa-



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mous *An Introduction to the Principles of Morals and Legislation* (1780) wrote, "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."

Bentham was not only the chief philosopher for the British East India Company, during the tenure of its Secret Committee chairman, Lord Shelburne. During Shelburne's brief tenures as Foreign Secretary and Prime Minister, Bentham founded modern British intelligence.

Bentham first caught the attention of the Venetian-minded Shelburne for his diatribe against the American Declaration of Independence. In October 1776, Bentham wrote: "This, 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."

Bentham's hatred of the American Revolution and the principles of republican government were totally consistent with his Sarpian belief that man is a beast, pure and simple. That Sarpi and Bentham are the intellectual architects of the perverse doctrine of hedonistic behavioral economics ought to wake up some patriotic stirrings among some in and around the Obama White House.