

The Economics of John Stuart Mill

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Source: *Journal of Political Economy*, Nov., 1911, Vol. 19, No. 9 (Nov., 1911), pp. 717-725

Published by: The University of Chicago Press

Stable URL: <http://www.jstor.com/stable/1820347>

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THE JOURNAL OF POLITICAL ECONOMY

VOLUME 19

NOVEMBER—1911

NUMBER 9

THE ECONOMICS OF JOHN STUART MILL¹

Mr. Elliot's collection of *Letters* and Professor Ashley's edition of the *Political Economy* are likely to revive interest in the life and works of Mill. The *Letters* give much new material. The Ashley edition of the *Political Economy* puts together what could only have been got elsewhere at the expense of great labor from which the editor has saved others by undergoing it himself. A reproduction of the latest edition revised by the author, with the readings of the earlier editions collated and variations recorded, was a want now well supplied.

If John Stuart Mill's eminence is not supreme, it is great enough to make almost every utterance of his worth considering. His was rarely a hasty judgment; and what he says of his fellow-enthusiasts of the year 1825 might be applied to himself on most occasions: he never left a subject he had taken up until he had (to the best of his ability) untied every knot in it.² Recent books by Professor MacCunn, Professor Pringle Pattison, and Leslie Stephen have vividly described for us the attitude of the philosophical

¹ *The Letters of John Stuart Mill*. Edited with an Introduction by H. S. R. Elliot, with a Note on Mill's private life by Mary Taylor. 2 vols., with portraits. London: Longmans, Green & Co., 1910.

Principles of Political Economy with Some of Their Applications to Social Philosophy, by John Stuart Mill. Edited with an Introduction by W. J. Ashley. London: Longmans, Green & Co., 1909.

Lettres inédites de John Stuart Mill à Auguste Comte, publiées avec les réponses de Comte et une introduction par L. Lévy-Bruhl. Paris: Alcan, 1899.

² *Autobiography*, 120.

radicals of whom Mill is to most of us the greatest. The present *Letters* show us how characteristic all through life were his logical tenacity and his faithfulness in all his fields of intellectual labor. They also reveal fully the qualities of feeling and imagination traceable, but less clearly traceable, in the books by which he was best known in his lifetime. There will always be some economic students who will be glad to know not only the historical changes in leading doctrines, but the changes from crudeness to maturity in the minds of the leaders; and in Mill's case these changes are amply shown in the books before us.

Measured by intellectual activity, Mill's was a long life, the activity beginning (according to the *Autobiography*) almost before the cradle had ceased to rock, and going on with the faculties unimpaired till the sixty-fifth year was almost come (May 20, 1808, to May 8, 1873). He learned the school logic and began political economy in his eleventh or twelfth year.³ He was then taught, and apparently able to follow, the general drift of his father's *Elements of Political Economy*. His economic studies were never wholly dropped, and he used his pen on economic subjects at a very early age, both for private meetings and for magazine articles. He had thought, in 1831, of putting such productions into a book, with his friend Graham as joint author.⁴ But he was then thinking of a work on logic also, and it was his *Logic* (1844) that made his fame in authorship. His correspondence with Comte begins in 1842, when he was completing this book, and when he had projected, more or less vaguely, various other writings, such as the *Liberty and Subjection of Women*. The *Logic* had been a great effort and after it he thought of writing nothing for a while on any great scale unless it were "something on history."⁵

But the success of the *Logic* drew him back into political economy by making the publishers willing (perhaps anxious) to print what they had refused before, namely, the *Essays on Some Unsettled Questions in Political Economy*, Mill's part of the work projected in 1831.⁶ The book duly appeared at the end of 1844, with a pref-

³ *Autobiography*, 17, 27.

⁴ *Letters*, I, 9; *Autobiography*, 121; cf. Nichol, *Fortnightly Review*, May, 1897, p. 667.

⁵ *Letters to Comte*, 168.

⁶ *Letters to Comte*, 308.

ace attributing its appearance to the public interest excited by the *Budget* of Colonel Torrens. The first of the five *Essays* (on international trade) and the last (on definition and method) still retain the respect of economists. This is hardly true of the other three (on the influence of consumption upon production, on the words "productive" and "unproductive," and on profits and interest). In a letter written in 1834 to Professor John Nichol⁷ he admits that the fourth essay, about which he had already expressed misgivings in a previous letter, may be "elaborate trifling," and the third, on "productive" and "unproductive" needs reconsideration *ab initio*, adding, "I think I shall, some time or other, write a treatise on the whole Science."⁸

Over the publication of the *Essays*, the old idea of a treatise revived in him. He wrote to Comte⁹ that it might serve to occupy his time for a few months till he should be able to write on something better; namely, ethology, a study of the laws of the formation of character.¹⁰ He seems then to have aspired to tread in Comte's footsteps and emerge in sociology. The *Ethology* was never achieved. Mill drifted away from Comte. The easier *Political Economy* was duly set on foot in 1844. It was to be built on the lines of the *Wealth of Nations*, and would therefore be less unpalatable to his correspondent than the conventional economic textbook.

I know what you think of the present political economy. I have a better opinion of it than you; but, if I wrote something about these things, I should never forget the purely provisional character of all its concrete conclusions and I should devote myself more especially to separating the general laws of production, necessarily common to all industrial societies, from the principles of distribution and exchange, which assume a particular state of society. Such a treatise could have a great provisional utility, especially in England.¹¹

It might appear to you essentially anti-scientific; and it would be so as a matter of fact, if I were not taking great pains to establish the purely provisional character of every doctrine (about industrial phenomena) which made abstraction from the general movement of humanity. I think that if this plan is at all adequately executed it would give a scientific education (*éducation positive*) to many who are now studying social questions more or less seriously; and in taking as my general model the great and brilliant work of Adam Smith

⁷ Printed in the *Fortnightly Review*, May, 1807.

⁸ *Op. cit.*, 667-68.

¹⁰ See *Logic* VI, v.

⁹ *Op. cit.*, 308.

¹¹ April, 1844, *op. cit.*, 309.

I should find good opportunities for spreading directly one or two principles of the new [positive] philosophy, as Adam Smith found them for spreading most often those of negative metaphysics in his social applications, yet without awakening dark misgivings by waving any flag.¹²

He adds (what he says afterward in his Preface) that the existing treatises are obsolete, and if the public get nothing better they will fall into mere empiricism and denial of all general truths in sociology. Englishmen (he writes to D'Eichthal, February 9, 1830¹³) "distrust the most obvious truths if the person who advances them is suspected of having any general views."

Yet the *Political Economy* (1848) with plenty of general views was at once successful and passed through seven editions in Mill's lifetime. In England at least, it superseded the earlier textbooks. It became a new point of departure; and this alone might show that its author was not (as Bagehot alleges) a mere formulator. If he is now in his turn superseded, there is small wonder after sixty years. That his fame is less in later generations is partly from a reaction against the overestimates of his contemporaries. But in any event more has been left of John Stuart Mill the economist than of John Stuart Mill the philosopher.

Certain broad features were impressed by him on political economy with every chance of permanence. He not only taught the necessity of abstractions, but the necessity of our continually remembering that they are abstractions, that they are not the whole of the concrete world, and that even the economic man wears the clothes of a particular society. He keeps the promise made in the Preface of the *Political Economy*, of giving "applications to social philosophy." We miss in the larger book the valuable discussion of definition and method, given in the last of the *Essays*. He deals with method in the *Logic* (VI, ix, §3) and his reasons for omitting both of these topics in the *Political Economy* were probably those he gave to Professor Nichol for refusing to put them into the *Westminster Review*. The part on definition was too technical, and the part on method needed illustration. Illustration from the errors of other writers would have caused offence, and besides he had no

¹² June, 1844, *op. cit.*, 322.

¹³ *Cosmopolis*, (May, 1897), 353.

“vocation” for illustration.¹⁴ The definition, widened as he would have widened it in 1848, would at least have reinforced the emphasis on the social character of the study. But he lays ample stress on this in any case. Association, including partnership in all its forms, co-operation and organization in all their forms were never honored with so large a place in an English economic textbook before; and they have a large place in our textbooks still. In close conjunction with them, he treated such schemes as socialism with a respect new in an economist then but quite usual now. The French Revolution, of February, 1848, had “broken the fetters of all Europe” with no greater suffering than was caused, say, by “the monetary crisis in London last October”;¹⁵ and was everywhere introducing new ideas of reform, with which he sympathized. The Socialists “are the greatest element of improvement in the present state of mankind.”¹⁶ “Socialism has now become irrevocably one of the leading elements in European politics.”¹⁷

For good or for mischief he has widened the range of economic study among English-speaking folk. He has served economics too by his style and temper. This does not (though it easily might) refer to his careful English, but to his manner of handling discussions, even of burning questions. He seldom speaks (except in the *Autobiography*) in the tone of a superior being; he recognizes that he is but a man; he acknowledges his debts to great and small writers; he states his opponent’s case at its best, which often means better than the opponent can state it; he is the model of a fair controversialist.

But like all “epoch-making” books his *Political Economy* is hardly in all respects a safe model for writers of a later epoch. From his announced resolution of being nothing if not practical, the topics of the day and the topics suggested by his own personal experience fill too much of his space. We should not now give so much attention to Wakefield on colonization, or to tithes, cottiers in Ireland, French peasant proprietors, or early French

¹⁴ To Nichol, as above (669), date 1834.

¹⁵ *Letters*, I, 135, to Mrs. Austin, about March, 1848.

¹⁶ *Letters*, I, *op. cit.*, 139, to John Jay, of New York, 1848.

¹⁷ Ashley, 704: a passage inserted in 1849 and dropped afterward.

experiments in productive co-operation. The long illustrations quoted verbatim from other books seem to us a little tedious now. In some cases our experience has widened. We have the phases of socialism over two generations to occupy us. Mill had before him what there was of it in 1848, and his posthumous papers on the subject¹⁸ show his difficulty in grasping the "scientific" sort. Something of the same kind must be said of his treatment of the money market, currency, taxation, and even foreign trade, though some of his views on taxation (especially of the unearned increment) have been embodied in quite recent English legislation, and on foreign trade he has said nearly all that could be said from the Ricardian point of view. On free trade too, he leaves little unsaid from the point of view that may still, in spite of English defections, be called the orthodox one, including emphatically its cosmopolitan side.¹⁹ His reservation in regard to what have been called "infant industries" of a young nation²⁰ was so misused that he repented of it.²¹ He acquiesced in Lowe's repeal in 1869 of the shilling duty on imported corn "as getting rid of the last remaining shred of Protectionism" in England.²² Here too there are new forms of attack that might need new lines of defence. In spite of revised editions we have in the *Political Economy* the England of the Reformed Parliament of 1832, as in the *Wealth of Nations* we have the England of the American Revolution. Our vision is often troubled by the dust of political and social controversies that are not our own.

There are many details of economic doctrine in respect of which Mill has probably few followers now. Occasionally his positions, instead of being solemnly refuted, are quietly dropped as purely Ricardian. Many of the pages devoted to wages and profits are so treated. His particular form of Malthusianism has gone out of doors into the hands of an energetic sect of reformers. Without adopting the sweepingly adverse verdict of Jevons, we may admit that there is at once too much and too little in Mill's *Political Economy* for most of us now. We should not confine wealth to

¹⁸ *Fortnightly Review*, March, 1879.

¹⁹ E.g., Ashley, 582, 937, 970.

²⁰ Ashley, 922-23.

²¹ *Letters*, II, 27, 57, 116, 149, 154.

²² *Ibid.*, 198.

exchange value, or believe that nothing remained to be added to the theory of value. We should not say that without competition there is no economics. We should not say so broadly that industry is limited by capital. We should not make so much of the distinction between productive and unproductive labor or try to prove that a demand for goods can never in any sound sense be a demand for labor. We cannot be induced to rank land, labor, and capital as co-ordinate factors in production, or to adopt Senior's view that abstinence is rewarded in interest. We should probe further into the cause of interest. We might ratify the general principle of Malthus without making all progress turn on the practical recognition of it. We should be more chary than Mill in the use of the word "laws." We should not, all of us, admit that the "laws" of production were purely physical and the "laws" of distribution "of human institution solely." Mill was probably aware that the abandonment by him in 1869 of the wages fund²³ carried consequences reaching into the heart of his arguments on profits and wages reducing them largely to useless dialectic. When he says,²⁴ "The results are not ripe for incorporation in a general treatise," he probably means that he is disinclined at his age to recast his own treatise.²⁵

It is remarkable that a man, otherwise so little academic, should adopt so conspicuously a plan of exposition better suited for a lecturer than for a writer of books, the initial exaggeration of a doctrine followed by qualifications of it. In his case the qualifications often come near to destroying its generality altogether. The most frequent examples are perhaps in the discussions on money, though there is no lack of others.²⁶ But we need to remember that, unlike Comte, Mill had no mind to make a system.

If we go to these new books, as some of us will, less for the light they throw on the subjects than for the light they throw on the

²³ Ashley, 991 f.; cf. Preface to 7th ed. *ibid.*, xxxi.

²⁴ *Loc. cit.*

²⁵ The 7th ed. is dated on the back of the title-page of Professor Ashley's edition as of 1870. Professor Ashley informs me that October, 1870, was the date of the printing of the book but the publication took place in September, 1871. The explanation is useful in view of the references on pp. xxv, xxxi, and elsewhere, to "the 7th edition, 1871." The book had left the author's hands in 1870.

²⁶ See Ashley, 492-98; cf. 539, on the quantity theory of money; 736-37, on foreign investments.

man who deals with them, we shall find much of living interest. We become better acquainted with the "esoteric" John Stuart Mill, that peers out occasionally even in the *Political Economy*.²⁷ The passages on the stationary state and on the probable future of the laboring classes made a deep impression on thoughtful men in England, like Kingsley, who cared more for social reform than for economic exactness. Such men welcomed Mill's recognition that the customary hired service for wages had no stamp of eternity on it. They shared in Mill's joy that, if material progress slackens, there is all the more hope of moral and intellectual advancement. Mill thinks that a little more of the solitude in which, intellectually, he had lived all his life, would be a good thing for the rest of the world. Yet, contrariwise, he thinks that association, especially in the (most difficult) form of productive co-operation, is the desirable and also the probable future of the laboring classes. He does not quite realize how slowly ripened is the capacity of large masses of men for such associated labor. But he rightly judges that in this material world the most lofty ideas often depend for realization on mere perfection of mechanism, such as the right form of legal partnerships, and the right working out of dry, mundane details of business. The distributive co-operation, which fires the imagination very little, is well praised by him for recovering to the workman from the middleman an even larger share in the product of his labor than he could under socialism recover from the capitalist.²⁸ Yet the great Co-operative Union, which now effects this purpose for thousands of British workmen, began in 1844 in the very way which Mill had condemned in the famous dictum: "Small means produce not simply small effects but no effects at all!"²⁹

Carlyle, in 1831, had seen in Mill "a new mystic."³⁰ The *Letters* show that the term was not applicable to both the men in the same sense. But Mill was a proof in his own person that the power of thinking abstractly in economics could be conjoined with a soul above economics. In his ideals, the spiritual element

²⁷ E.g., Ashley, 105, from 4th ed., 210, 324, 581, 943.

²⁸ Ashley, 789.

²⁹ *Op. cit.*, 383.

³⁰ *Autobiography*, 174.

played a larger part than the material. Comte is reproved by him for making production the end of society.³¹

The united forces of society never were, never can be, directed to one single end, nor is there any reason for desiring that they should. Men do not come into the world to fulfil one single end, and there is no single end which if fulfilled even in the most complete manner would make them happy. If M. Comte were a native of England where this idol production has been set up and worshiped with incessant devotion for a century back, and if he had seen how the disproportionate importance attached to it lies at the root of all our worst national vices, corrupts the measures of our statesmen, the doctrines of our philosophers, and hardens the minds of our people so as to make it almost hopeless to inspire them with any devotion either of intellect or soul, he would have seen that a philosophy which makes production expressly the one end of the social union would render the great social evils of which there is great danger in the present state of civilization irremediable.

Twenty-five years later he writes in the diary given in the Appendix to the *Letters*:³²

There is no doctrine really worth laboring at, either to construct or to inculcate, except the philosophy of life. . . . Let it be generally known what life is and might be and how to make it what it might be, and there will be as much enthusiasm and as much energy as there has ever been.

There is the same sentiment at work here as in the letter to D'Eichthal, with more hopefulness; and the hopefulness remained, in alternation with the depression,³³ as happens with most mortals.

There has been no time in our history when mental progress has depended so little on governments and so much on the general disposition of the people, none in which the spirit of improvement has extended to so many branches of human affairs at once, nor in which all kinds of suggestions tending to the public good in every department, from the humblest physical to the highest moral or intellectual were heard with so little prejudice and had so good a chance of becoming known and being fairly considered.

This was his dictum in 1865.³⁴ Whether it is obsolete now will be a matter of controversy, into which (to use one of his favorite expressions) more considerations will enter than those of political economy.

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³¹ Letters to D'Eichthal, 1829, *Cosmopolis* (April, 1897), p. 30.

³² *Op. cit.*, ii, 362, 1854.

³³ E.g., Ashley, 340, 751, 746.

³⁴ *Ibid.*, 384; cf. 699.