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Source: *History of Political Thought*, Autumn 1989, Vol. 10, No. 3 (Autumn 1989), pp. 457-480

Published by: Imprint Academic Ltd.

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# JOHN STUART MILL ON GOVERNMENT INTERVENTION<sup>1</sup>

O. Kurer

Did Mill have a consistent theory of government intervention? Is it possible to explain Mill's policy proposals in terms of this theory? The traditional answer to the first question was a decided no, and as a consequence the second question became irrelevant.

Mill had formulated two rules which are candidates for a theory of government intervention. The first rule is based on the distinction between self- and other-regarding actions, where government intervention is restricted to actions of the second kind. The second rule is the principle of *laissez-faire*, according to which non-intervention is the general rule. Traditionally, the Mill interpretation focused on these rules and on Mill's actual policy prescriptions to come to grips with the issue.

This interpretation led to heavy criticism of Mill. He was variably considered to be inconsistent — a facile libertarian, an authoritarian, or both.

It was previously recognized that Mill's rules on government intervention are connected to higher level principles, which in turn justify those rules. Much of the present day search for unity in Mill's thought runs along these lines, connecting the principle of utility to his principles of liberty and justice.<sup>2</sup>

It is proposed here to take a different course. A set of ethical principles is established which underlie and justify the rules of government intervention and ultimately provide a theory of when and how the government should intervene.<sup>3</sup> It is then shown how Mill applies this theory to practical politics. Mill emerges as having held a coherent and sophisticated view of government intervention, and as having consistently proposed policies derived from his ethical stance. The first part of the paper reviews the debate on the issue. In the second part, Mill's major social aims are outlined. Lastly, Mill's policy proposals are interpreted in the light of this 'social good'.

## I

### Review of the Literature

The discussion on Mill's rules of government intervention is usually found to be ambiguous. In particular, he is seen as wavering between libertarianism and authoritarianism. The criticism that Mill's views on government intervention are

<sup>1</sup> The argument summarizes the position taken in a thesis submitted to London University (LSE) in 1985: O. Kurer, *J.S. Mill. Theory and Policy of Social Progress and Economic Development*.

<sup>2</sup> e.g. J. Gray, *Mill on Liberty. A Defense* (London, 1983); F. Berger, *Happiness, Justice, Freedom. The Moral and Political Thought of John Stuart Mill* (Berkeley, 1984).

<sup>3</sup> These are Mill's 'secondary principles' to which he assigns special importance (J.S. Mill, *Bentham* (1838), in *Collected Works of John Stuart Mill* (hereafter cited as *CW*) (29 vols, Toronto, 1963–89), Vol. 10, pp. 110–1).

inconsistent or ambiguous goes back to the time of the publication of *On Liberty*.<sup>4</sup> The best known modern study arguing this point is that of Himmelfarb (1974). She put forward the claim that there are two Mills.<sup>5</sup> There is the Mill of *On Liberty* where his rule of non-interference with other-regarding actions established a simple principle of absolute liberty.<sup>6</sup> This Mill 'was confident and unequivocal' in expressing his faith in liberty<sup>7</sup> expecting that it will foster individuality<sup>8</sup> which in turn will bring about progress and improvement.<sup>9</sup> There is however the other Mill, whose evaluation of liberty is 'questioning and ambivalent'<sup>10</sup> and who 'gave to society a large and positive role in the promotion of morality'.<sup>11</sup> Despite the weakness of her account, such as her highly speculative explanation of the reasons for Mill's ambiguity,<sup>12</sup> the fact remains that Mill's writings do contain libertarian and authoritarian elements.

It is possible to come down on either side of the ambiguity. He was in turn both a libertarian and a paternalist. The former course has been taken traditionally, largely sustained by Mill's argument on the rule of non-interference in *On Liberty*, where Mill had stated that

the sole end for which mankind are warranted, individually or collectively, in interfering with the liberty of action of any of their number, is self-protection. That the only purpose for which power can be rightfully exercised over any member of a civilized Community, against his will, is to prevent harm to others.<sup>13</sup>

It has been thought that this statement left little room for government intervention, and that Mill was an unyielding defender of individual liberty against the encroachment of the state. This has indeed been the 'old' view of Mill who, as Collini has put it, is still widely assumed to be the 'epitome of liberalism and the arch-exponent of the "negative liberty"', was a pronounced "Individualist"', 'and that the story of the

<sup>4</sup> See J. Rees, *Mill and His Early Critics* (Leicester, 1956), partly reprinted in J. Rees, *John Stuart Mill's 'On Liberty'* (Oxford, 1985), pp. 89–95.

<sup>5</sup> G. Himmelfarb, *On Liberty and Liberalism: The Case of John Stuart Mill* (New York, 1974), p. xix.

<sup>6</sup> *Ibid.*, p. 4.

<sup>7</sup> *Ibid.*, p. 42.

<sup>8</sup> *Ibid.*, p. 59.

<sup>9</sup> *Ibid.*, p. 71.

<sup>10</sup> *Ibid.*, p. 42.

<sup>11</sup> *Ibid.*, p. 106.

<sup>12</sup> Himmelfarb's account has been heavily criticized by S. Collini, 'Liberalism and the Legacy of Mill', *Historical Journal*, 20 (1977), pp. 237–54; J. Rees, 'The Thesis of the two Mills', *Political Studies*, 25 (1977), also Rees, *John Stuart Mill's 'On Liberty'*, pp. 111–15; C.L. Ten, *Mill on Liberty* (Oxford, 1980), pp. 151–73.

<sup>13</sup> J.S. Mill, *On Liberty* (1859), *CW*, Vol. 18, p. 223.

development of “positive” liberalism and of “Collectivism” in the later nineteenth century is the story of the escape from the shadow of Mill.<sup>14</sup>

McDonagh reached a similar conclusion (on classical economists in general, including Mill), taking as his starting point Mill’s statement that ‘laissez-faire should be the general rule’.<sup>15</sup> McDonagh concludes that: ‘Thus the type of society which, to speak in general terms, both the new manufacturing and commercial classes and the political economists aimed was in many ways the antithesis of our present aspiration. A Free economy was, literally its object.’<sup>16</sup> However, how can the numerous exceptions to the *laissez-faire* principle be explained? ‘Philosophical radicals succeeded in . . . keeping the truth of one sphere quite separate from the truths of another.’<sup>17</sup> In McDonagh’s view Mill is simply a confused libertarian.

The latter course, that of turning Mill into an authoritarian thinker, was pursued by McCloskey. He argued that qualifications of the limitations of the sphere of government were purely *ad hoc*. Mill had shown vague awareness about the role of the state, but he failed to develop a ‘coherent, internally consistent, defensible liberal theory of the state’,<sup>18</sup> by which he means a philosophy ‘in terms of general principles about liberty and the role of the state’ and not simply a ‘collection of conclusions of limited generality and scope, accepted on all sorts of grounds and subject to various conditions and qualifications which spring from an unclear acceptance of other basic principles which may collide head-on with the principle they are said to qualify’.<sup>19</sup> In fact, Mill’s reasoning ‘would probably result in substantially more moral legislation than prevails in Great Britain and vastly more than most liberals would regard as permissible or desirable’.<sup>20</sup> Mill emerges as a confused authoritarian. It is however Cowling who travelled furthest in this direction. In fact, Cowling finds in Mill’s writings ‘more than a touch of something resembling moral totalitarianism’.<sup>21</sup> Mill’s ‘object was not to free men, but to convert them . . . to a peculiarly exclusive, peculiarly insinuating moral doctrine.’<sup>22</sup> Liberty for Mill was simply a means to achieve the victory of this doctrine. ‘Mill assumes that, given as wide a freedom as possible to exercise rational choice . . . the end will be achieved, not of diversity of opinion pure and simple, but of diversity of opinion within the limits of a rationally homogeneous, agreed, social consensus about the method of judging and the right

<sup>14</sup> Collini, ‘Liberalism and the Legacy of Mill’, pp. 237–8.

<sup>15</sup> J.S. Mill, *Principles of Political Economy* (1871), *CW*, Vols. 2–3, p. 944.

<sup>16</sup> O. MacDonagh, *Early Victorian Government* (London, 1977), p. 16.

<sup>17</sup> *Ibid.*, p. 38.

<sup>18</sup> H.J. McCloskey, ‘Mill’s Liberalism, A Rejoinder to Mr. Ryan’, *Philosophical Quarterly*, 16 (1966), p. 19.

<sup>19</sup> H.J. McCloskey, ‘Mill’s Liberalism’, *Philosophical Quarterly*, 13 (1963), p. 144.

<sup>20</sup> *Ibid.*, p. 156.

<sup>21</sup> M. Cowling, *Mill and Liberalism* (Cambridge, 1963), p. xii.

<sup>22</sup> *Ibid.*, p. xiii.

end to be approached.<sup>23</sup> Now Mill certainly was an exponent of a particular social doctrine, and liberty was a means of achieving its dominance, but the belief that unity would be achieved by free rational debate does not turn Mill into a totalitarian; and in addition liberty, in Mill's system, is also an important end in itself, something Cowling fails to acknowledge. Cowling's argument for Mill's alleged totalitarianism must then lie in substantive authoritarian proposals. Cowling focuses on education and the dominant role of the clergy or the élite.<sup>24</sup>

There are, however, more sympathetic accounts. Here, the focus is on the interpretation of the harm-principle. What constitutes harm to others, justifying government intervention?<sup>25</sup> In 1960 Rees argued that by actions harming others Mill had in fact meant actions harming the interest of others.<sup>26</sup> Interests, in turn, 'depend for their existence on social recognition and are closely connected with prevailing standards about the sort of behaviour a man can legitimately expect from others.' This interpretation has obvious flaws. For example, harmful actions will be different in different societies, and lead to conservatism insofar as existing practices determine the rule.<sup>27</sup> In his posthumously published work, Rees has equated harmful actions with violations of rules of justice, thereby closing the system.<sup>28</sup>

In 1980, Ten embarked on a defence of Mill as a champion of liberty. Mill is depicted 'as a consistent liberal, deeply committed to the cause of individual freedom for everyone'.<sup>29</sup> Ten's interpretation of the harm principle is heavily dependent on Rees. However, it differs in an important respect. Ten introduced the idea of the social domain. The rules in question do not just protect individuals directly (as Rees's interpretation would suggest), but also via protection of society.<sup>30</sup> We can say that 'harmful conduct consists in the infringement of those rules, and the impairment of those institutions, necessary for the viability of society.'<sup>31</sup> However, when it comes to specifying what is meant by these rules and institutions which demand protection Ten has not much to offer, except that 'Mill's answer here is utilitarian: the ideal rules are those which best conform to the utilitarian standard'.<sup>32</sup>

<sup>23</sup> *Ibid.*, p. 44, also p. 103.

<sup>24</sup> *Ibid.*, pp. 15–25, 114–18.

<sup>25</sup> Mill was probably himself doubtful about the universal applicability of his rules. He said: 'the functions of government embrace a much wider field than can easily be included within the ring-fence of any restrictive definition' and that the only common ground for justifying interference is 'general expediency'. (Mill, *Principles*, p. 804).

<sup>26</sup> J. Rees, 'A Re-Reading of Mill on Liberty', *Political Studies*, 8 (1960), p. 143; reprinted in Rees, *John Stuart Mill's 'On Liberty'*, Ch. 5.

<sup>27</sup> R. Wollheim, 'John Stuart Mill and the Limits of State Action', *Social Research*, 40 (1973), p. 6.

<sup>28</sup> Rees, *John Stuart Mill's 'On Liberty'*, p. 168.

<sup>29</sup> Ten, *Mill on Liberty*, p. 9.

<sup>30</sup> *Ibid.*, p. 55.

<sup>31</sup> *Ibid.*, p. 57.

<sup>32</sup> *Ibid.*, p. 60.

It is argued here that harm to others is done where actions conflict with Mill's subjective ethical and social ends. These 'secondary ends'<sup>33</sup> of society ultimately justify government intervention and the rules of government intervention themselves.<sup>34</sup> These rules of government intervention, the harm principle and *laissez-faire*, are therefore akin to those of a rule-utilitarian: providing a rough guidance for policy making, but at the same time being amenable to exceptions.<sup>35</sup> Judging Mill's policies in their light will necessarily lead to inconsistencies, as Mill himself is liable to deviate from them in particular cases. The procedure chosen here is to distil a set of secondary principles from Mill's writings and interpret his policies directly in their light.

The set of secondary principles are Mill's theories of justice and of the improvement of man, together with their implications. Improvement in justice and of man himself constitutes 'progress' in its widest sense. These principles provide us with a theory of government intervention. If, on balance, intervention results in 'progress', then it is justified. If, on balance, negative effects preponderate, intervention should not proceed. They also provide us with the explanation for the often criticized contradictions in his writings, and the existence of libertarian and authoritarian elements side by side. These problems are a direct consequence of applying these principles to practice.

The procedure has the advantage of sidetracking the issue of the rules of government intervention completely, without interfering with Mill's logic. Furthermore, we can proceed by taking his principles as given, without judging their compatibility with the principle of utility. Finally, it allows us to fill Ten's empty social domain with substantive propositions: the propositions implied by the theory of progress.

The importance of a set of secondary principles in Mill's writings for the understanding of the role of government is acknowledged by Hollander.<sup>36</sup> His interpretation takes as its starting point the principle of utility, and the fact that the principle of utility provides 'no detailed blueprint of ends', but requires 'outside sources which define the utilitarian's value judgement'.<sup>37</sup> Hollander mentions a series of secondary principles, such as liberty, security, equality, individuality, human character formation and social progress.<sup>38</sup> However, he is not interested in deriving these ends systematically nor in exploring their interconnections. This leaves them incomplete, without justification and without coherence. Hollander does not provide us with the basis for Mill's theory of government intervention.

<sup>33</sup> Mill, *Bentham*, p. 110.

<sup>34</sup> Ultimately, the justification must be in terms of the primary end, the principle of utility.

<sup>35</sup> 'The rules of art do not attempt to compromise more conditions than require to be attended to in the ordinary cases; and are therefore always imperfect.' (J.S. Mill, *A System of Logic. Ratiocinative and Inductive* (1843), *CW*, Vol. 8, p. 617.)

<sup>36</sup> S. Hollander, *The Economics of John Stuart Mill* (Oxford, 1985).

<sup>37</sup> *Ibid.*, p. 660.

<sup>38</sup> *Ibid.*, pp. 648, 650, 661, 663.

An attempt to provide such a foundation deriving a set of secondary principles from Mill's theory of progress is made in the following section.

## II Theory of Progress

### *The Improvement of Man*

That the concept of the improvement of man is a central unifying concept in Mill's system of thought has long been recognized. It was extensively discussed by Morley,<sup>39</sup> and resurrected by Harris<sup>40</sup> and Robson.<sup>41</sup> The core elements of the concept are shortly discussed here, and its implications are explored.

By the improvement of man, Mill essentially meant the advance of his intellectual and moral faculties.<sup>42</sup> The advance of civilization is nothing but the continued evolution of these faculties, or what Mill sometimes calls the 'national character',<sup>43</sup> towards more intellectual power and a higher standard of ethics.

How does this improved character manifest itself? It results in advanced 'human faculties of perception, judgement, discriminative feeling, mental activity, and even moral preference'.<sup>44</sup> By advanced moral preference Mill had in mind behaviour according to his ethics: 'As between his own happiness and that of others, utilitarianism requires him to be as strictly impartial as a disinterested and benevolent spectator.'<sup>45</sup>

More advanced men will hold a particular set of preferences: they will pursue the famous 'higher pleasures'. They will cultivate those activities related to their greater intellectual powers and their high moral standards. They will pursue pleasures of the 'intellect, of the feelings and imagination, and of the moral sentiments',<sup>46</sup> such as 'a fellow feeling with the collective interest of mankind'.<sup>47</sup> The improved character also manifests itself in the level of individual activity. Mill distinguishes between two types of character, that 'which struggles against evils, or which endures them; that

<sup>39</sup> J. Morley, *Fortnightly Review*, 13 (1873), pp. 665–76; 14 (1873), pp. 234–56; 16 (1874), pp. 734–51.

<sup>40</sup> A.L. Harris, 'John Stuart Mill's Theory of Progress', *Ethics*, 66 (1956), pp. 157–75, and Harris, *Economics and Social Reform* (New York, 1958).

<sup>41</sup> J.M. Robson, *The Improvement of Mankind. The Social and Political Thought of John Stuart Mill* (London, 1968).

<sup>42</sup> J.S. Mill, *Utilitarianism* (1861), *CW*, Vol. 10, p. 211; J.S. Mill, *Considerations on Representative Government* (1861), *CW*, Vol. 19, pp. 400, 404, 407, 436.

<sup>43</sup> Mill, *Bentham*, p. 99.

<sup>44</sup> Mill, *On Liberty*, p. 262.

<sup>45</sup> Mill, *Utilitarianism*, p. 218.

<sup>46</sup> *Ibid.*, p. 211.

<sup>47</sup> Mill's proposition of 'higher pleasures' sparked an endless controversy as to the different 'quality' of the higher pleasures and the problem as to how they fit into Mill's utilitarianism. What is important for us here is the intricate connection between the higher pleasures and the improvement of man's intellectual and moral qualities.

which bends to circumstances, or that which endeavours to make circumstances bend to itself'.<sup>48</sup> Not surprisingly, the active character is superior in accomplishing intellectual and practical achievements.<sup>49</sup> But an active character is even likely to be morally superior, more likely to use his own strength to improve his situation and therefore less likely to be dominated by envy.<sup>50</sup> Also, it is to the active character one has to look for creating the social conditions of improvement.<sup>51</sup> The improved man therefore is likely to be active, but a high level of activity is also a condition for the improvement of man.

Apart from a highly active populace, what are the conditions for intellectual and moral improvement? Central among them is variety. Diversity of opinion 'by bringing intellects into stimulating collision, and by presenting innumerable notions that he could not have conceived of himself, are the mainspring of mental and moral progression'.<sup>52</sup> In addition, variety is necessary to allow for the testing of ideas. The existence of a variety of 'uncustomary things' provide the necessary social experimentation 'in order that it may in time appear which of these are fit to be converted into customs'.<sup>53</sup> Variety of opinions also ensures that truth is not suppressed, and that it is never held as a mere dogma but remains a living truth.<sup>54</sup>

Moreover, variety is also a necessary condition for a high level of activity or energy among the populace: variety is highly conducive to forming an active and energetic character. The link between variety and activity is choice. 'The human faculties of perception, judgement, discriminative feeling, mental activity, and even moral preference, are exercised only in making a choice.'<sup>55</sup> Without people having to make choices, their 'mental and moral powers' rust, their 'feelings and character' becomes 'inert and torpid, instead of active and energetic'.<sup>56</sup> Because choice presupposes variety, it constitutes 'the chief ingredient of individual and social progress'.<sup>57</sup>

The concern for variety underlies much of Mill's discussion of liberty. Variety presupposes liberty. One of the central purposes of Mill's writings on liberty is to allow for diversity in intellectual and social life which in turn guarantees intellectual and social advance, as opposed to 'the despotism of custom [which] is everywhere the standing hindrance to human advancement'.<sup>58</sup>

Much of what Mill wrote must be seen as a warning of a dangerous tendency in the history of Europe: the tendency of decreasing variety of character and culture. Europe 'begins to possess this benefit [of variety] in a considerable less degree' and

<sup>48</sup> Mill, *Representative Government*, p. 407.

<sup>49</sup> *Ibid.*

<sup>50</sup> *Ibid.*, p. 408.

<sup>51</sup> *Ibid.*, p. 409.

<sup>52</sup> Mill, *Principles*, p. 204.

<sup>53</sup> Mill, *On Liberty*, p. 269.

<sup>54</sup> *Ibid.*, p. 258.

<sup>55</sup> *Ibid.*, p. 262.

<sup>56</sup> *Ibid.*

<sup>57</sup> *Ibid.*, p. 261.

<sup>58</sup> *Ibid.*, p. 272.

'is decidedly advancing towards the Chinese ideal of making all people alike'.<sup>59</sup> Similarly, Mill feared that activity was an endangered trait of behaviour; the increased security of life and property had undermined individual heroism, vigour and energy, the only remaining outlets for energy were the 'money-getting pursuits'.<sup>60</sup> To this he opposed the feudal world which was 'greatly superior in individual strength of will, and decision of character'.<sup>61</sup> The existence of pain and the insecurity of life and property had been a source of great virtue.<sup>62</sup> In a modern society, therefore, the problem is not an excess but the deficiency of personal impulses and preferences.<sup>63</sup>

Equality is another important ingredient fostering improvement. Mill argues that privileges corrupt the character of the privileged as well as of those who are disadvantaged. On the other hand, social intercourse among equals is a 'school for morality'. Equality becomes a means for the improvement of man.

These arguments are contained mainly in the *Subjection of Women*. There he states that the legal subordination of one sex to the other is not only a wrong in itself, but also 'one of the chief hindrances to human improvement'.<sup>64</sup> The 'corrupting effects of power', if not checked, lead to such character traits as self-worship, wilfulness, overbearingness, unbounded self-indulgence and doubly-dyed and idealized selfishness.<sup>65</sup> Such is the effect on the character of man, but the character of women suffers similarly: 'what is now called the nature of women is an eminently artificial thing the result of forced repression in some directions, unnatural stimulation in others.'<sup>66</sup> Women have always hitherto been kept, as far as regards spontaneous development, in an unnatural state.<sup>67</sup> This unnatural state resulted in a restriction of their views and interests,<sup>68</sup> hence intellectual retardation and moral degeneration, for example by 'the exaggerated self-abnegation which is the present artificial idea of feminine character'.<sup>69</sup> The equality of married persons, on the other hand, was to transform the daily life of mankind into a school of moral cultivation.<sup>70</sup> It is only among equals that a true community of interests can develop, based on 'sympathetic association'.

<sup>59</sup> *Ibid.*, p. 274.

<sup>60</sup> *Ibid.*, p. 264; J.S. Mill, *Civilisation* (1836), *CW*, Vol. 18, p. 129.

<sup>61</sup> J.S. Mill, *Guizot's Essays and Lectures on History* (1845), *CW*, Vol. 20, p. 286.

<sup>62</sup> Mill, *Civilisation*, pp. 131–2.

<sup>63</sup> Mill, *On Liberty*, p. 264.

<sup>64</sup> J.S. Mill, *The Subjection of Women* (1869), *CW*, Vol. 21, p. 261.

<sup>65</sup> *Ibid.*, pp. 289, 293.

<sup>66</sup> *Ibid.*, p. 276.

<sup>67</sup> *Ibid.*, p. 305.

<sup>68</sup> *Ibid.*, p. 290.

<sup>69</sup> *Ibid.*, p. 293.

<sup>70</sup> *Ibid.*

Such a school for moral cultivation not only affects adults but also a child who, 'for the first time in man's existence on earth, [will] be trained in the way he should go'.<sup>71</sup>

Lastly, the involvement of women in all spheres of society would bring a great addition to the amount of individual talent available for the conduct of human affairs.<sup>72</sup> Where there is now, Mill tells us, 'one person qualified to benefit mankind and promote the general improvement, as a public teacher, or an administrator of some branch of public or social affairs, there would then be a chance of two'.<sup>73</sup>

Mill's remarks can be easily generalized: equality tends to increase the standard of ethics.<sup>74</sup> In a relationship among equals none has the power to enforce his will, everybody is therefore forced to make compromises, to consult the welfare of others. This necessity of taking into account the interests of others would, according to Mill, lead to an improvement of the ethical standards.

Another condition for the improvement of man is the eradication of poverty. Mill had no sympathy with the concept of an ever-increasing level of consumption of luxury goods, chiefly serving ostentation.<sup>75</sup> Mill's idea of economic achievement is a 'comfortable subsistence' for everybody.<sup>76</sup> This 'comfortable subsistence' is in turn linked to improvement. Mill thought that someone growing up in poverty would hardly take to intellectually and morally improving activities. It is only when a person escapes 'the positive evils of life, the great sources of physical and mental suffering — such as indigence, disease' that he will develop a taste for the 'higher pleasures'.<sup>77</sup> The eradication of poverty is therefore a central element in the programme of improvement.

### *Justice*

The second core element in the idea of progress is justice. Justice, according to Mill, is 'the appropriate name for certain social utilities which are vastly more important, and therefore more absolute and imperative, than any others are as a class'.<sup>78</sup> These 'social utilities' or 'social goods' give rise to individual rights. It is the task of society to uphold these rights in each individual's case.<sup>79</sup> The rationale for doing so is that aggregate happiness would increase.<sup>80</sup>

<sup>71</sup> *Ibid.*, p. 326.

<sup>72</sup> *Ibid.*, p. 327.

<sup>73</sup> *Ibid.*, p. 326.

<sup>74</sup> Mill, *Utilitarianism*, p. 231.

<sup>75</sup> Mill, *Principles*, p. 755.

<sup>76</sup> *Ibid.*, p. 754; J.S. Mill, *The Examiner* (1831), p. 68.

<sup>77</sup> Mill, *Utilitarianism*, p. 216.

<sup>78</sup> *Ibid.*, p. 259.

<sup>79</sup> *Ibid.*, pp. 250, 254.

<sup>80</sup> For an extensive treatment see Berger, *Happiness, Justice, Freedom*, Ch. 4; Rees, *John Stuart Mill's 'On Liberty'*, pp. 158–63.

What are these social goods which warrant special protection? We will be interested in three of them: equality, liberty and security.

Mill's utterances on equality are extremely vague.<sup>81</sup> There is no doubt that he preferred more to less equality, that he perceived equality as a right<sup>82</sup> and wanted to 'make the scale turn in favour of equality'.<sup>83</sup> He rejects a universally applicable principle; the kind of equality that is most appropriate depends on the circumstances and the other social aims that have to be considered in a particular case, on 'expediency'.<sup>84</sup> The kinds of equality Mill discusses are equality of opportunity, equality of outcome, the apportionment of entitlements according to need and, lastly, an apportionment according to the contribution of an individual to society.

Applying these concepts to distributive justice we find that the produce of the labour of the community could be distributed according to 'the principle of exact equality'; or 'that those should receive most whose needs are greatest' or 'those who work harder, or who produce more, or whose services are more valuable to the community'.<sup>85</sup> In the case of those who receive more who produce more or whose services are more valuable to the community, Mill insists on equality of opportunity, a constant theme in his writings.

In the case of political equality we find that equal and universal suffrage might not be appropriate. Mill argues that justice demands that everybody has the opportunity of some voting power,<sup>86</sup> but may be excluded if he does not merit it, or contributes nothing to the maintenance of the state (such as the illiterate,<sup>87</sup> those who pay no taxes<sup>88</sup> and those on poor relief).<sup>89</sup> Everybody 'has an admitted claim to a voice' but that 'every one should have an equal voice is a totally different proposition':<sup>90</sup> 'the opinion, the judgement of the higher moral and intellectual being, is worth more than that of the inferior'<sup>91</sup> who has a greater capacity for the management of the joint interest.

Halliday has argued that Mill's commitment to equality was vague and insubstantial.<sup>92</sup> However, in Mill's system of thought no commitment to a single aim can be

<sup>81</sup> See for example in *Utilitarianism*, pp. 257–8.

<sup>82</sup> *Ibid.*, p. 243.

<sup>83</sup> J.S. Mill, *The French Revolution and its Assailants* (1849), *CW*, Vol. 20, p. 354.

<sup>84</sup> Mill, *Utilitarianism*, p. 258.

<sup>85</sup> *Ibid.*, pp. 244, 253–4.

<sup>86</sup> *Ibid.*, pp. 469–70.

<sup>87</sup> *Ibid.*, p. 470.

<sup>88</sup> *Ibid.*, p. 471.

<sup>89</sup> *Ibid.*, p. 472.

<sup>90</sup> *Ibid.*, p. 473.

<sup>91</sup> *Ibid.*

<sup>92</sup> See E. Halliday, *John Stuart Mill* (London, 1976), p. 137.

absolute and, in addition, Mill's views on equality are something vastly more complex what Halliday has in mind.

Liberty is the next core element in Mill's theory of justice. Mill believed that liberty was not only a means for the improvement of man but also 'one of the principal ingredients of human happiness'.<sup>93</sup> Mill thought that people had distinct natures, 'individual needs, desires and capacities'.<sup>94</sup> He believed furthermore that the development of a character to its potential would contribute to happiness. In order to allow a character to develop his individual potential he must be free to frame his own individual plan of life to suit his own character. Liberty, therefore, is a condition for the achievement of happiness, given Mill's ideal of 'self-development'. It has been pointed out repeatedly that this kind of liberty is not a 'negative liberty', but has a 'vital positive function'.<sup>95</sup> Its function is to provide the condition for individuals to develop to their potential.<sup>96</sup>

The last core element of justice is security: 'to every one's feelings the most vital of all interests'; 'on it we depend for all our immunity from evil, and for the whole value of all and every good, beyond the passing moment'.<sup>97</sup> The concept of security centres around the idea that reasonable expectations based on promises, contracts and property should not be disappointed.<sup>98</sup>

### III

#### The Government and the Social Good

##### *The Role of the Government*

The role of the government is to foster the social good. Given this aim, there can be no a priori limit to government interference independent of this social good. In Mill's own words: 'The ends of the government are as comprehensive as those of the social union. They consist of all the good, and all the immunity from evil, which the existence of government can be made either directly or indirectly to bestow.'<sup>99</sup>

The social good we have defined here as progress, the improvement of man and of justice. There is no doubt that Mill assigned paramount importance to the government in fostering the improvement of man. The 'one indispensable merit of a government, in favour of which it may be forgiven almost any amount of other

<sup>93</sup> Mill, *On Liberty*, p. 261.

<sup>94</sup> Berger, *Happiness, Justice, Freedom*, p. 234.

<sup>95</sup> Rees, *John Stuart Mill's 'On Liberty'*, p. 249; B. Semmel, *John Stuart Mill and the Pursuit of Virtue* (New Haven, 1984), p. 166.

<sup>96</sup> The relationship between liberty and self-development is explored by Berger, *Happiness, Justice, Freedom*, Ch. 5; Semmel, *John Stuart Mill and the Pursuit of Virtue*, Ch. 5; Rees, *John Stuart Mill's 'On Liberty'*, pp. 156–74.

<sup>97</sup> Mill, *Utilitarianism*, p. 251.

<sup>98</sup> See J.N. Gray, 'John Stuart Mill on the Theory of Property', in *Theories of Property*, ed. A. Parel and T. Flanagan (Waterloo, Ontario, 1979).

<sup>99</sup> Mill, *Principles*, p. 807.

demerit compatible with progress, is that its operation on the people is favourable, or not unfavourable, to the next step it is necessary for them to take, in order to raise themselves to a higher level.<sup>100</sup> 'The first element of good government is to promote the virtue and intelligence of the people themselves.'<sup>101</sup> It is self-evident that the government has to enforce justice, to protect those rights which society is called to uphold.

We now proceed to look at the actual role the government plays in practice. We would expect Mill to systematically advocate policies which lead to 'progress': either by affecting the improvement of man and of justice directly or indirectly. Progress will be promoted indirectly by upholding the principles of liberty, equality, variety, security and by abolishing poverty. However, if we believe Letwin, for example, we would not think that Mill was much interested in translating his ideals into reality. According to her, Mill's 'faith in the ultimate triumph of the good' was great, but 'it remained for him a faith, distant and somewhat blurred. He had no wish to transform it into anything more immediate or clear or real.'<sup>102</sup> In fact, Mill did suggest political reforms and proselytized actively to transform his vision into reality. In the process of doing so he encountered the problem that he had to make trade-offs among his different social aims resulting in contradictory policy recommendations. Among others, as we will see, he had to balance demands for authoritarian and libertarian policies.

### *The Constitution*

If the role of the government is to implement progress, then Mill encounters the obvious problem of devising a constitution which brings forth a government that can be relied upon to pursue progressive policies. This problem is at the centre of Mill's political thought.

First, Mill assumed that it is only the élite which is able properly to assess the needs for progress and the means to implement it.<sup>103</sup> As a consequence, the influence of the élite must be secured. Who are the members of the élite? They consist of people of proven qualities, such as politicians, administrators and intellectuals or, as Mill puts it 'men of independent thought, who have by their writings or their exertions in some field of public usefulness, made themselves known and approved'.<sup>104</sup> These are the people with the ability to secure progress and, Mill believed, most likely to be guided by ideas of the common good and not by narrow class interests. This need for the élite to rule would imply a constitution assuring their ascendancy, it would have to involve substantial authoritarian elements.

<sup>100</sup> *Ibid.*, p. 394.

<sup>101</sup> *Ibid.*, p. 390.

<sup>102</sup> S. Letwin, *The Pursuit of Certainty* (Cambridge, 1965), p. 318.

<sup>103</sup> Mill, *Representative Government*, pp. 436–41, 448, 467–81.

<sup>104</sup> *Ibid.*, p. 456.

Second, Mill also thought that political involvement was an important means to improve the intellectual and moral standards. Political involvement is ‘the first thing which elevates the mind to large interests and contemplations; the first step out of the narrow bounds of individual and family selfishness, the first opening in the contracted round of daily occupations’.<sup>105</sup> The need for ‘participation’, as Thompson<sup>106</sup> has called it, points towards direct democracy.

The principle of equality points in the same direction. Mill considered it ‘a personal injustice’ to withhold from anybody the right to vote, without very good reasons.<sup>107</sup> Everybody has a claim to a voice.<sup>108</sup>

The problem of reconciling these contradictory demands preoccupied Mill for the better part of his life.<sup>109</sup> James Mill’s position provided his son with the starting point.<sup>110</sup> He assumed that the interests between the working and the middle classes coincide,<sup>111</sup> and that the masses will vote for the élite (drawn from the middle classes) out of deference.<sup>112</sup> People will seek their representatives from superior characters drawn from the middle classes.<sup>113</sup> Given these assumptions, the direct democracy guarantees the rule by the élite.

As Mill’s belief in the deferential voting pattern waned,<sup>114</sup> he had to implement safeguards to assure at least a significant representation of the élite. He began to abandon all the central planks of radicalism: universal suffrage, annual parliaments and election by ballot.<sup>115</sup> The principle of universal suffrage began to be replaced by multiple voting<sup>116</sup> and in the end by the Hare’s plan of proportional representation, which does not water down universal suffrage itself but has avowedly the same purpose,<sup>117</sup> apart from allowing for the proportional representation of sectional

<sup>105</sup> *Ibid.*, p. 469; J.S. Mill, *Thoughts on Parliamentary Reform* (1859), *CW*, Vol. 19, p. 322.

<sup>106</sup> D.F. Thompson, *John Stuart Mill and Representative Government* (Princeton, 1976), p. 9.

<sup>107</sup> Mill, *Representative Government*, p. 469.

<sup>108</sup> *Ibid.*, p. 473.

<sup>109</sup> See Thompson, *John Stuart Mill and Representative Government*. Dissenting: R.C. Arneson, ‘Democracy and Liberty in Mill’s Theory of Government’, *Journal of the History of Philosophy*, 20 (1985).

<sup>110</sup> For their relationship see E. Halevy, *The Growth of Philosophic Radicalism* (London, 1972), p. 428; R.W. Krouse, ‘Two Concepts of Democratic Representation: James and John Stuart Mill’, *Journal of Politics*, 44 (1982), pp. 510–20.

<sup>111</sup> J.S. Mill, *De Tocqueville on Democracy in America* (1840), *CW*, Vol. 18, p. 176; also J.S. Mill, *Rationale of Representation* (1835), *CW*, Vol. 18, pp. 28, 32.

<sup>112</sup> J.S. Mill, *The Examiner* (1830), p. 769.

<sup>113</sup> *Ibid.*, pp. 417–18; Mill, *Rationale of Representation*, p. 40; Mill, *De Tocqueville on Democracy in America*, p. 72.

<sup>114</sup> Mill, *De Tocqueville on Democracy in America*, pp. 79–80; Mill, *Representative Government*, p. 508.

<sup>115</sup> J.S. Mill, *The Examiner* (1832), pp. 418, 450; Mill, *Thoughts on Parliamentary Reform*, p. 333.

<sup>116</sup> Mill, *Thoughts on Parliamentary Reform*, p. 328; J.S. Mill, *Letter to E. Chadwick* (1859), *CW*, Vol. 14, p. 588.

<sup>117</sup> Mill, *Representative Government*, pp. 455–6.

interest groups.<sup>118</sup> In addition, the power of parliament itself began to be restricted.<sup>119</sup> In the end he had created a system in which no 'single class' could dominate the government and in which the influence of the élite was secured.<sup>120</sup> It was secured because the élite is represented in parliament, because it would be listened to thanks to its intellectual and moral claims, and because its vote may be decisive if all the other interest groups neutralize each other. In this way a group of people dominates which is supposed to transcend sectoral interests and implements progressive policies.

Mill's quest for progress has also led to an uncomfortable balancing act between 'participation' and restrictions on participation in the interest of 'good government'.

### *Economic Progress*

What is Mill's central concern in his economic writings? Traditionally, the interpretation of classical economists focused on their treatment of the allocation problem. With Myint (1948)<sup>121</sup> the focus shifted to their concern with economic development. The case of Mill was always considered to be somewhat different. As he says himself, a central issue in his economic writings was to 'deduce conclusions capable of some use to the progress of mankind'.<sup>122</sup> Progress in the economic sphere is taken to mean first and foremost the eradication of poverty, one of the core elements of 'progress'. Increasing wealth is not something which has value in itself. The aim is to improve the standard of living of the masses; a 'well-paid and affluent body of labourers' is what is desired.<sup>123</sup> Mill's reservations regarding economic development which does not lighten the burden of the workers is highlighted by his well-known remark on the stationary state: 'It is only in the backward countries of the world that increased production is still an important object: in those most advanced, what is economically needed is a better distribution.'<sup>124</sup>

Evidently, poverty can only be eradicated if per capita output is high, which in turn demands advanced technology, a high rate of savings (which are automatically invested in Mill's economy), a large supply of well-qualified labourers and an efficient allocation of resources. Despite his remark that what is needed is a better distribution of wealth, he never lost sight of the need to promote incentives to save, to work, to advance technological progress, and to some degree to have resources allocated efficiently.

<sup>118</sup> *Ibid.*, pp. 441–7.

<sup>119</sup> *Ibid.*, pp. 424, 427, 430; see also A. Ryan, *J.S. Mill* (London, 1974), p. 207; for a full treatment of the development of Mill's thought see J.S. Burns, 'J.S. Mill and Democracy', in *J.S. Mill: A Collection of Critical Essays*, ed. J.B. Schneewind (London, 1968), pp. 280–328.

<sup>120</sup> Mill, *Representative Government*, p. 447.

<sup>121</sup> H. Myint, *Theories of Welfare Economics* (repr. New York, 1965).

<sup>122</sup> J.S. Mill, *Letter to W. Conner* (1849), *CW*, Vol. 14, p. 37.

<sup>123</sup> Mill, *Principles*, p. 755.

<sup>124</sup> *Ibid.*

Despite thinking that savings were available abundantly in England in his time,<sup>125</sup> he was nevertheless careful not to advocate policies likely to reduce their amount. The amount of savings forthcoming is closely associated with the state of intellectual and moral improvement.<sup>126</sup> Intellectual improvement would lead to what was later called the ‘telescopic faculty’, the ability to perceive the future more vividly. Moral improvement would increase saving by increasing interest in others, particularly the ‘education of children, their advancement in life, the future interest of personal connexions, the power of promoting . . . objects of public or private usefulness’.<sup>127</sup> Character formation therefore has an important bearing on economic progress by stimulating savings.

The incentive to save as well as the incentive to work, and therefore the labour supply, will be greatly influenced by security of property.<sup>128</sup> ‘In weighing the future against the present, the uncertainty of all things future is a leading element.’<sup>129</sup> This consideration will influence, as we will see later, his policy proposals on taxes and land ownership.

Mill excluded the discussion on the progress of technology from his theoretical considerations,<sup>130</sup> the problem enters the stage when he discusses policies: He advocated the protection of patents<sup>131</sup> and supported government subsidies to basic research.<sup>132</sup>

Mill was concerned with the allocation problem: how to allocate given resources to achieve the greatest possible amount of output. In general, Mill argued that the market would solve the allocation problem most efficiently; consumers and producers acting according to their preferences and the dictate of the market would lead to an optimal result.<sup>133</sup> The quests for liberty and efficiency therefore happily coincide. Mill’s reasons for interference with domestic trade had nothing to do with optimal allocation. For example, monopolies are not condemned on allocative grounds, but because the absence of competition makes them slack and unenterprising,<sup>134</sup> and on equality grounds: monopolies are able to lay a tax on consumers, thereby deriving an income unrelated to exertion.<sup>135</sup>

The concern for allocative efficiency comes to the fore most clearly in his lifelong advocacy of international free trade. The major arguments with regard to

<sup>125</sup> *Ibid.*, pp. 739, 741, 743, 745.

<sup>126</sup> *Ibid.*, pp. 163–4.

<sup>127</sup> *Ibid.*, p. 164.

<sup>128</sup> *Ibid.*, p. 163.

<sup>129</sup> *Ibid.*

<sup>130</sup> *Ibid.*, p. 20.

<sup>131</sup> *Ibid.*, p. 928; see also Hollander, *The Economics of John Stuart Mill*, pp. 762–3.

<sup>132</sup> Mill, *Principles*, pp. 968–9.

<sup>133</sup> *Ibid.*, p. 941.

<sup>134</sup> *Ibid.*, p. 928.

<sup>135</sup> *Ibid.*, p. 956.

international trade were derived from the Ricardian theory of comparative advantage.<sup>136</sup> He did, however, allow for the infant industry argument, again on efficiency grounds.<sup>137</sup> All these considerations are however ‘surpassed in importance by those of its effects which are intellectual and moral’.<sup>138</sup> Communication through commerce is a source of progress, ‘the principal guarantee of the peace in the world’, ‘the great permanent security for the uninterrupted progress of the ideas, the institutions, and the character of the human race’.<sup>139</sup> On the whole, the allocation problem was not at the centre of Mill’s attention.<sup>140</sup>

The single most important issue in Mill’s writing on economic progress is population growth: the most important condition to eradicate poverty. Since the wage fund doctrine predicts that an increase in population tends to depress wages, rapid population growth was clearly undesirable.<sup>141</sup>

Mill’s treatment of the problem of population growth is a good example of how far he was willing to infringe upon individual liberty to achieve his aims. Some of his policy proposals did not pose a problem for liberty, such as on emigration. Mill perceived that the working of the market would not lead to sufficient emigration, mainly because of imperfect capital markets not allowing the potential emigrants to get hold of the money necessary to defray the cost of emigration.<sup>142</sup> One of the advantages of the Wakefield plan of emigration, which Mill ardently supported,<sup>143</sup> was that it overcame exactly this problem. However, because emigration was voluntary, as Mill insisted it should be, the plan did not infringe upon liberty. On the other hand, Mill did not object to marriage laws,<sup>144</sup> without advocating it in English circumstances.

Mill’s aim to eradicate poverty provides the rationale for economic development, up to the point where workers live in a state of ‘moderate affluence’. Economic development depends on the institutional framework individual agents are surrounded with by shaping their preferences and their moral and intellectual outlook. It has to be shaped in such a way as to provide sufficient incentives to work, save, keep technological progress going and population in check, and allocate resources efficiently. He therefore wanted to construct a social system serving this purpose:

<sup>136</sup> *Ibid.*, p. 593.

<sup>137</sup> *Ibid.*, pp. 917–18.

<sup>138</sup> *Ibid.*, p. 594.

<sup>139</sup> *Ibid.*

<sup>140</sup> For Mill’s discussion on international trade see Hollander, *The Economics of John Stuart Mill*, pp. 729–38; for market failures generally P. Schwartz, *The New Political Economy of J.S. Mill* (London, 1972).

<sup>141</sup> At least in countries with a high density of population.

<sup>142</sup> Mill, *Principles*, p. 964.

<sup>143</sup> J.S. Mill, *Examiner* (1834), pp. 403, 419; see also D. Winch, *Classical Political Economy and Colonies* (London, 1965), pp. 135–46.

<sup>144</sup> Mill, *Principles*, p. 158; J.S. Mill, *Letter to H. McCormac* (1865), *CW*, Vol. 16, p. 1124.

such as the system of property, tax arrangements, the regulation of trade and industry, emigration and even, in some circumstances, marriage laws. Again, however, there are social aims other than economic development which have to be taken into account. How he balanced the competing demands is illustrated in the following examples.

### *Property*

Property is one of the central institutions which is evaluated in terms of its social benefits and its social costs.<sup>145</sup> In particular, an ideal system of property would have to be compatible with the aims of equality, liberty, security, and at the same time provide the incentives to moral and intellectual improvement, to work, save, invent and innovate, and to keep population growth in check.

An ideal system of private property is seen as an instrument for the achieving equality of opportunity; it guarantees to individuals the fruits of their own labour and abstinence.<sup>146</sup> It also guarantees the 'feeling of security of possession and enjoyment' which could not 'be had without private ownership'.<sup>147</sup> It also maintains 'the efficiency of industry' by apportioning the reward of everyone to his exertion.<sup>148</sup> Lastly, private property is important because it secures a great scope for individual liberty.<sup>149</sup> Needless to say, contemporary property relations did not correspond closely to this ideal. Equality of opportunity was hardly in sight, and Mill sensed that even in terms of incentives the system could be improved. One way of eliminating the injustice associated with inequality was a movement towards socialism, but that would take time: 'in the present stage of human improvement, it is not the subversion of the system of individual property, but the improvement of it, and the full participation of every member of the community in its benefits which is demanded'.<sup>150</sup>

What does he suggest to 'improve' it? He advocates limits to the amount a person may inherit<sup>151</sup> and a graduated inheritance tax, giving an incentive to the bequestor to spread his wealth.<sup>152</sup> Reasons of equality also underlay most of his arguments on taxation. Taxation must be based on equality of sacrifice.<sup>153</sup> He firstly proposes a threshold below which no taxes should be levied at all (neither directly nor indirectly), the reason being that a tax on someone earning barely his subsistence would

<sup>145</sup> For Mill on property see Gray, *John Stuart Mill on the Theory of Property*; Berger, *Happiness, Justice, Freedom*, pp. 171–5.

<sup>146</sup> Mill, *Principles*, p. 208.

<sup>147</sup> J.S. Mill, *Letter to C. Norton* (1870), *CW*, Vol. 17, pp. 1739–40.

<sup>148</sup> Mill, *Principles*, p. 115.

<sup>149</sup> *Ibid.*, pp. 208–9.

<sup>150</sup> *Ibid.*, p. 214.

<sup>151</sup> *Ibid.*, p. 225.

<sup>152</sup> *Ibid.*, p. 811.

<sup>153</sup> *Ibid.*, p. 807.

lead to a sacrifice 'entirely incommensurable' with a tax on a high income earner.<sup>154</sup> Secondly, the tax must be proportional, because the sacrifice of a given amount of 'superfluities' is independent of income.<sup>155</sup> It also underlies the peculiar early argument that a rentier should be taxed higher than people with only 'temporary income' derived from wages and profits, since an equal tax would bear heavier on the latter in subjective terms,<sup>156</sup> and the later argument that savings should be exempted from taxation because otherwise savers would be taxed twice: on the income they save and the income derived from the savings.<sup>157</sup>

With regard to landed property, Mill finds that a system of peasant property is superior on most economic grounds to any other system of landholding: it provides more incentives to work, save, and reduce population growth.<sup>158</sup> Only with regard to technological progress he could not bring himself to argue that peasants were particularly innovative.<sup>159</sup> In the end he came down in favour of a mixed system of large landowners and small owner-farmers;<sup>160</sup> the 'rehabilitation of the peasant proprietor', as Dewey<sup>161</sup> has called it, is therefore not quite complete. On non-economic grounds, peasant property is favoured because it is best for mental and intellectual improvement by stimulating 'self-dependence'<sup>162</sup> and the use of the mental faculties of the entrepreneurial farmer'.<sup>163</sup>

In practice, Mill favoured a moderate extension of peasant property in England and a more radical one in Ireland. He did not advocate its large-scale implementation in England because here the output per labourer is higher than what one could expect from peasants and, still more important, because of the socialization argument: 'to disperse mankind over the earth in single families, having scarcely any community of interest, or necessary mental communion, with other beings is not something to be desired'.<sup>164</sup>

In addition to the extension of peasant property, Mill advocated several other reforms. First, the implementation of a land tax. Because the supply of land is fixed, together with the assumption that the demand for its produce is increasing, rent would rise. The income of the landowners is therefore 'rising while they are sleeping', which

<sup>154</sup> *Ibid.*, p. 808; J.S. Mill, *Evidence taken before the Select Committee on Income and Property Tax* (1852), CW, Vol. 5, p. 473.

<sup>155</sup> J.S. Mill, *Examiner* (1833), p. 52.

<sup>156</sup> *Ibid.*, pp. 51–2; Mill, *Principles*, p. 819.

<sup>157</sup> Mill, *Principles*, p. 816; Mill, *Evidence*, p. 476.

<sup>158</sup> Mill, *Principles*, pp. 281, 284.

<sup>159</sup> *Ibid.*, p. 147.

<sup>160</sup> *Ibid.*, pp. 152, 329.

<sup>161</sup> D.J. Dewey, 'The Rehabilitation of the Peasant Proprietor in Nineteenth-Century Economic Thought', *History of Political Economy*, 6 (1974), pp. 17–47.

<sup>162</sup> Mill, *Principles*, p. 282.

<sup>163</sup> *Ibid.*, p. 280.

<sup>164</sup> *Ibid.*, p. 768.

is evidently incompatible with the idea that income should be related to exertion. Landowners, therefore, must be subject to special taxation: the land tax,<sup>165</sup> one of Mill's particular pet projects. Second, Mill argued that land had what we would nowadays call a public good character as it provided services for leisure purposes. Some parts of our environment should be retained in a state of 'wild natural beauty' for the general enjoyment of the public.<sup>166</sup> It hardly needs stressing that any expropriation of property demanded compensation.<sup>167</sup> Third, Mill favoured the abolition of primogeniture and entail because he felt greater commercialization of land would improve the efficiency of land use.<sup>168</sup>

### *Poor Laws*

In Mill's discussion of the Poor Law Reforms we see again his aims of economic development and equality in operation. His starting point is the principle that everybody has a right to 'the actual necessities of life and health who cannot obtain them'.<sup>169</sup> This is the most obvious example where need-related equality makes its appearance. Mill acknowledged that without government interference there was no guarantee that the poor will get what is socially optimal.<sup>170</sup> In addition, the state provides for the 'criminal poor' and not less should be done for the 'poor who have not offended'.<sup>171</sup> How, then, should the state provide for the poor?

Mill saw three dangers arising from indiscriminate state provision: negative effects on the incentive to work, on allocation in the labour market, and on population growth. The incentive problem was tackled with the 'less eligibility' principle, stating that people on poor relief should be worse off than the working poor.<sup>172</sup> The problem for population growth arose because relief tends to remove 'the ordinary and spontaneous motives to self-restraint' if people are guaranteed a certain income.<sup>173</sup> These problems resulted in his promoting the workhouse,<sup>174</sup> the only sufficient means to give an incentive to the paupers to extricate themselves from

<sup>165</sup> J.S. Mill, 'Papers on Land Tenure, 1870–73', in *Dissertations and Discussions* (London, 1875), p. 242.

<sup>166</sup> *Ibid.*, p. 240 n.

<sup>167</sup> *Ibid.*, p. 244.

<sup>168</sup> *Ibid.*, pp. 241–2, 255; Mill, *Principles*, pp. 893–4. There is an extensive discussion on Mill's treatment of the land problem: D. Martin, *John Stuart Mill and the Land Question* (Hull, 1981); M.E. Bradley, 'Mill on Proprietorship, Productivity, and Population', *History of Political Economy*, 15 (1983); W.C. Bush, 'Population and Mill's Peasant Proprietor Economy', *History of Political Economy*, 5 (1973); Dewey, 'The Rehabilitation of the Peasant Proprietor in Nineteenth-Century Economic Thought'.

<sup>169</sup> J.S. Mill, *Examiner* (1834), p. 145.

<sup>170</sup> Mill, *Principles*, p. 962.

<sup>171</sup> *Ibid.*; J.S. Mill, *Notes on Newspapers* (1834), *CW*, Vol. 6, p. 266.

<sup>172</sup> Mill, *Principles*, p. 961.

<sup>173</sup> *Ibid.*, pp. 359, 357.

<sup>174</sup> *Ibid.*, p. 360; Mill, *Examiner* (1834), p. 204.

their situation and remind them of where ‘improvidence’ leads. During the rural riots in 1830–31, Mill apparently feared that the allocation mechanism provided by the labour market was threatened. If a ‘fair wage’ was guaranteed by the state, who was going to decide what this ‘fair’ wage was going to be, and how hard the labourer was going to work for it?<sup>175</sup> The labourers would sink ‘to the state of mind of reckless sinecurists’.<sup>176</sup> This again points towards indoor relief as the optimal solution. Mill’s central problem here is that he could not see any outdoor relief providing subsistence which would not erode the incentives to work and to restrict population growth, in view of the fact the wages of agricultural labourers were barely covering subsistence. Wages were simply not high enough to give the unemployed less without starving them.<sup>177</sup>

### *Education*

Why has the government to interfere in education? Mill did not justify government intervention in terms of the human capital theory. There are many indications that he thought that if education improved marketable skills the market could be left to itself.<sup>178</sup> He did also recognize the problem of unequal access to the capital necessary to pay for education,<sup>179</sup> but apparently did not think that this would warrant interference. The justification is ultimately that parents are bad judges of the value of education. In particular, they cannot judge that part of education which is directed towards character formation. People are unable to evaluate things ‘of which the utility does not consist in ministering to inclinations, nor in serving the daily uses of life’.<sup>180</sup> ‘Those who most need to be made wiser and better, usually desire it least.’<sup>181</sup> Mill believed that there are ‘certain primary elements and means of knowledge, which it is in the highest degree desirable that all human beings born into the community

<sup>175</sup> Mill, *Examiner* (1830), p. 812.

<sup>176</sup> Mill, *Examiner* (1833), p. 675.

<sup>177</sup> For an evaluation of the cogency of this reasoning see M. Blaug, ‘The Myth of the Old Poor Law and the Making of the New’, *Journal of Economic History*, 23 (1963), pp. 151–78; and M. Blaug, ‘The Poor Law Report Reexamined’, *Journal of Economic History*, 24 (1964), pp. 229–43. Mill’s welfare programme is assessed by R.B. Ekelund and R.D. Tollison, ‘The New Political Economy of J.S. Mill: The Means to Social Justice’, *Canadian Journal of Economics*, 9 (1976), pp. 213–31; and R.B. Ekelund and R.D. Tollison, ‘J.S. Mill’s New Political Economy: Another View’, *Economic Inquiry*, 16 (1978), pp. 587–91; and E.G. West, ‘J.S. Mill’s Redistribution Policy. New Political Economy or Old?’, *Economic Inquiry*, 16 (1978), pp. 570–86.

<sup>178</sup> ‘The empirical knowledge which the world demands, which is the stock in trade of money-getting-life, we would leave the world to provide itself.’ (Mill, *Civilization*, p. 139; cf. Mill, *Notes on Newspapers*, p. 227; J.S. Mill, *Sedgwick’s Discourse* (1835), *CW*, Vol. 10, p. 33; J.S. Mill, *Endowments* (1869), *CW*, Vol. 5, p. 623; J.S. Mill, *Inaugural Address Delivered to the University of St. Andrews* (1867), *CW*, Vol. 21, p. 218.)

<sup>179</sup> Mill, *Principles*, p. 386.

<sup>180</sup> *Ibid.*, p. 947.

<sup>181</sup> *Ibid.*

should acquire during childhood'.<sup>182</sup> If parents neglect their duty, the state has to take care of it. The main reason for government intervention therefore is the (paternalistic) need for the improvement of the masses.

An optimal system has to integrate the potentially conflicting aims of liberty, variety, competition, efficiency. Not surprisingly, the system Mill advocates is complex and probably unstable. It results in compulsory schooling free for the poor,<sup>183</sup> supervised by the government through yearly examinations,<sup>184</sup> but with no uniformity of schools and private education existing side by side with a relatively small state education sector.<sup>185</sup> The efficiency of teaching is maintained by teachers being paid by result.<sup>186</sup> In this way, Mill tries to reconcile the different conflicting demands arising from his principles of welfare.<sup>187</sup>

How paternalistic is this education system? Quite clearly, Mill wanted to have value systems discussed in schools and universities<sup>188</sup> as part of the programme to 'raise the character of the human beings'.<sup>189</sup> It is also clear that he did not want to inculcate any of them, but to inform 'what are the opinions actually entertained'.<sup>190</sup> Mill is therefore far removed from moral totalitarianism.<sup>191</sup>

### *Factory Acts and Trade Unions*

The Factory Acts involved Mill in another balancing act. He had no qualms about the protection of children. They are of immature years and judgment, and in this case

<sup>182</sup> *Ibid.*, p. 948; Mill, *On Liberty*, p. 301.

<sup>183</sup> Mill, *Principles*, pp. 948–50.

<sup>184</sup> J.S. Mill, *Educational Endowments* (1866), *CW*, Vol. 21, p. 211.

<sup>185</sup> Mill, *Principles*, p. 950; Mill, *On Liberty*, p. 161.

<sup>186</sup> Mill, *Educational Endowments*, p. 210.

<sup>187</sup> For Mill on education see R.C. Adnett, 'The Eclipse of British Classical Political Economy: The Case of Education', *Bulletin for Economic Research*, 29 (1977), pp. 22–36; M. Blaug, 'The Economics of Education in English Classical Political Economy: A Re-Examination', in *Essays on Adam Smith*, ed. A.S. Skinner (Glasgow, 1976); R.C. Blitz, 'Education, the Nature of Man, and the Division of Labour', in *UNESCO Readings in the Economics of Education*, ed. M.J. Bowman (Paris, 1968); F.W. Garforth, *John Stuart Mill's Theory of Education* (Oxford, 1979); F.W. Garforth, *Educative Democracy: John Stuart Mill on Education in Society* (Oxford, 1980); S. Hollander, *The Economics of John Stuart Mill*, pp. 700–29; W.A. Miller, 'The Economics of Education in English Classical Economics', *Southern Economic Journal*, 32 (1966), pp. 294–309; F.X. Roellinger, 'Mill on Education', *Journal of General Education*, 6 (1952), pp. 246–59; E.G. West, 'Private versus Public Education', reprinted in *The Classical Economists and Economic Policy*, ed. A.W. Coats (London, 1971), pp. 123–43; and E.G. West, 'Liberty and Education: John Stuart Mill's Dilemma', *Philosophy*, 40 (1965), pp. 124–42.

<sup>188</sup> Mill, *Notes on Newspapers*, p. 228; Mill, *Inaugural Address*, p. 248.

<sup>189</sup> Mill, *Principles*, p. 947.

<sup>190</sup> Mill, *Inaugural Address*, pp. 241, 48, 49, 50; see also S. Letwin, *The Pursuit of Certainty* (Cambridge, 1965), p. 210.

<sup>191</sup> However, what Cowling rejects is not so much the content of the curriculum but the kind of teaching. Mill believed that the rational discussion of the ends of life would help us 'to form our own belief in a manner worthy of intelligent beings'. It is here that Cowling and Mill part company. Mill insisted on

interference does not violate his principle of liberty. But what about the argument that 'they have their parents or other relatives to judge for them'? Mill discounts it, restricting parental freedom in favour of the protection of the child.<sup>192</sup> More interesting, however, is Mill's studious avoidance of taking a position over the reduction of the working day of adult workers, which is a pretty good indication that he was opposed to it. There is good evidence that the thought that government regulation in this field would lead to 'paternalism', the tutelage of the labourer by the state,<sup>193</sup> thereby reducing the scope of individual and social activity. Mill was quite ready to support workers who unite to extract higher wages or shorter hours from their employers. This social process constitutes healthy social action, stimulating activity, social awareness and self-dependence; it was 'educative'. State-induced reductions of labour hours have however exactly the opposite effect.<sup>194</sup>

Mill was very sympathetic to trade unions, as long as they abstained from violence and intimidation<sup>195</sup> and practices such as the closed shop.<sup>196</sup> But Mill's position with regard to the practice of wage bargaining is extremely ambiguous. He had started off by supporting sectoral wage increases,<sup>197</sup> but later found that the time 'is past when the friends of human improvement can look with complacency on the attempts of small sections of the community . . . to organize a separate class interest in antagonism to the general body of labourers'.<sup>198</sup> Only after 1860, when he abandoned the wage fund doctrine and the wage fund became variable, could he see another value of trade unions: to affect the general rate of wages. Sectoral unions are therefore a mere step towards a universal union, able to bargain for the labourers as a whole.<sup>199</sup> His position is openly hostile when it comes to attempts to reduce pay differentials<sup>200</sup> and to hamper technical change.<sup>201</sup> Given this criticism his sympathies with trade unions

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rationality as a means for evaluating belief which, according to Cowling, undermines the assumptions of Christianity. It is, however, not self-evident that this is the case.

<sup>192</sup> Mill, *Principles*, p. 952.

<sup>193</sup> J.S. Mill, *Letter to A. Comte* (1847), *CW*, Vol. 13, p. 717; J.S. Mill, *Letter to H. Chapman* (1844), *CW*, Vol. 13, p. 641; J.S. Mill, *The Claims of Labour* (1845), *CW*, Vol. 4, pp. 363–89.

<sup>194</sup> For Mill and the factory acts see K.D. Walker, 'The Classical Economists and the Factory Acts', *Journal of Economic History*, 1 (1941), pp. 168–77; L.R. Sorenson, 'Some Classical Economists, Laissez-Faire, and the Factory Acts', *Journal of Economic History*, 12 (1952), pp. 247–62; M. Blaug, 'The Classical Economists and the Factory Acts — A Reexamination', reprinted in *The Classical Economists and Economic Policy*, ed. A.W. Coats (London, 1971), pp. 104–22.

<sup>195</sup> Mill, *Notes on Newspapers*, p. 189; J.S. Mill, *Thornton on Labour and its Claims* (1869), *CW*, Vol. 5, pp. 659, 660.

<sup>196</sup> Mill, *Principles*, p. 933.

<sup>197</sup> *Ibid.*, p. 931 n.

<sup>198</sup> *Ibid.*, p. 397.

<sup>199</sup> Mill, *Thornton*, pp. 663–4.

<sup>200</sup> Mill, *Principles*, pp. 933–4.

<sup>201</sup> Mill, *Thornton*, p. 665.

are quite surprising. But again one has to keep in mind that social activities of this kind have an important educative function. In addition, later on in life he hoped they would provide a mechanism to help bring about his co-operative society.<sup>202</sup> The fight for distributive shares would involve the trade unions more and more in the running of industry, ultimately leading to its transformation into co-operatives.

### *Socialism*

Mill disliked the capitalist order for four reasons. It was unjust because of the inequalities involved,<sup>203</sup> because it bred egotism, class conflict,<sup>204</sup> and hampered individual self-development. Individual development was hampered because work-people have 'no voice in the management', no control over their own destiny. Socialism claimed to get rid of all these disadvantages, a claim which was implicitly accepted by Mill.

However, are not new problems emerging in a socialist society? Mill selects four criteria to assess the merit of the socialist schemes, the effects on the incentive to work, on population growth, on liberty, and the feasibility of the plan. In 1852, when Mill was most sympathetic towards socialism, a new criterion is added: competition, the concept of variety applied to the economic sphere. Competition was supposed to be a necessary stimulus to improvement, without it men are likely to become 'slaves of their habit'.<sup>205</sup>

Mill never subscribed to any of the socialist schemes; he thought they would all have important negative effects on the criteria and thereby on progress. He did, however, develop his own cooperative scheme in the later editions of the *Principles*. This scheme is consistent with his aims and his own criteria. In Mill's associations, labourers work together 'on terms of equality, collectively owning the capital with which they carry on their operations, and working under managers elected and removable by themselves'.<sup>206</sup> There is no danger to liberty because there is no compulsion to join or leave an association, competition will continue among associations, the incentive to work is great because pay is related to exertion<sup>207</sup> (apart from a 'fixed minimum, sufficient for subsistence'),<sup>208</sup> and the objection that population might explode under socialism had been abandoned long ago (1852). It was supposed to be more equal than present society, egotism much less prevalent,

<sup>202</sup> J.S. Mill, *Letter to J. Chapman* (1861), *CW*, Vol. 15, p. 735; Mill, *Principles*, p. 933; Mill, *Thornton*, p. 666; J.S. Mill, *Letter to J. Ware* (1868), Vol. 17, pp. 1439–40.

<sup>203</sup> J.S. Mill, *Newman's Political Economy* (1851), *CW*, Vol. 5, p. 444; J.S. Mill, *The French Revolution and Its Assaultants* (1849), *CW*, Vol. 20, p. 338–9.

<sup>204</sup> Mill, *Newman's Political Economy*, p. 444; J.S. Mill, *Letter to G. d' Eichthal* (1839), *CW*, Vol. 12, pp. 31–2; Mill, *Principles*, p. 767.

<sup>205</sup> Mill, *Principles*, p. 795.

<sup>206</sup> *Ibid.*, p. 775.

<sup>207</sup> *Ibid.*, pp. 781–2.

<sup>208</sup> *Ibid.*, p. 782.

class conflict abolished, and much more conducive to personal development as people participate in deciding their own destiny.<sup>209</sup> It is particularly in this field that many commentators have observed the absence of policy recommendations hastening the coming of Utopia.<sup>210</sup> However, to Mill improvement of man would automatically lead to the transition to his co-operative society. 'Improved' workers would demand more from their work than deadening routine without a say in the management, and would be more inclined to found co-operatives and more capable of running them successfully. Hence not the seizing of the means of production is the appropriate policy to arrive at socialism, but those measures leading to the improvement of man.

### Conclusion

It has been argued that Mill puts forward a coherent theory of government intervention which translates into policy proposals in a straightforward way. The central task of government is to foster progress: more justice and the improvement of man. Liberty, security, equality, variety and the eradication of poverty are means to achieve this end indirectly. The eradication of poverty demands economic development and therefore an institutional framework which gives appropriate incentives to work, save, invent, have few children, and to use resources efficiently. If by government intervention an overall increase in 'progress' can be achieved (associated in Mill's mind with increased happiness), then government intervention is called for. In addition, constitutional arrangements have to be found which are compatible with his ideals and assure that 'progressive' policies are implemented.

It should be obvious that the simultaneous pursuit of such varied ends demands trade-offs, such as in the case of the constitutional reforms and the system of education. This balancing of different demands goes a long way to explain why Mill is so often accused of muddled thinking. One particular problem was to accommodate his libertarian and authoritarian tenets. Both of them are undoubtedly there, but to turn him into a totalitarian or a libertarian is misleading.

Mill did propose a reform programme to make progress a reality. All his proposals such as on education, land reform, emigration, poor laws, factory acts and economic legislation point consistently to the direction of improving justice and the intelligence and virtue of man.

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<sup>209</sup> For Mill on socialism see L. Robbins, *The Theory of Economic Policy in English Classical Political Economy* (London, 1952), Lecture 5; G. Fukuhara, 'John Stuart Mill and Socialism', *Bulletin of University of Osaka Prefecture*, Series D, 3 (1957), pp. 64–75; Schwartz, *The New Political Economy of J.S. Mill*; G.E. Panichas, 'Mill's Flirtation with Socialism', *Southern Journal of Philosophy*, 21 (1983), pp. 251–70; W. Sarvasy, 'A Reconsideration of the Development and Structure of John Stuart Mill's Socialism', *Western Political Quarterly*, 38 (1985), pp. 312–33.

<sup>210</sup> See J. Viner, 'Bentham and J.S. Mill. The Utilitarian Background', *American Economic Review*, 39 (1949), p. 381; H. Holloway, 'Mill and Green on the Modern Welfare State', *Western Political Quarterly*, 13 (1960), pp. 389–90; Panichas, 'Mill's Flirtation with Socialism', p. 263.