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 Hints

Principles of Political Economy with some of their Applications to Social Philosophy
Mill, John Stuart
 (1806-1873)
 CEE

Introduction

by **W. J. Ashley**

I.1

The best Introduction to the *Principles of Political Economy* of John Stuart Mill is Mill's own account of his economic studies. They began at the age of thirteen; when he was approaching the end of that unique educational process, enforced by the stern will of his father, which he has described in his *Autobiography* for the amazement and pity of subsequent generations.

"It was in 1819 that he took me through a complete course of political economy. His loved and intimate friend, Ricardo, had shortly before published the book which formed so great an epoch in political economy; a book which would never have been published or written, but for the entreaty and strong encouragement of my father.... No didactic treatise embodying its doctrines, in a manner fit for learners, had yet appeared. My father, therefore, commenced instructing me in the science by a sort of lectures, which he delivered to me in our walks. He expounded each day a portion of the subject, and I gave him next day a written account of it, which he made me rewrite over and over again until it was clear, precise, and tolerably complete. In this manner I went through the whole extent of the science; and the written outline of it which resulted from my daily *compte rendu* served him afterwards as notes from which to write his *Elements of Political Economy*. After this I read Ricardo, giving an account daily of what I read, and discussing... the collateral points which offered themselves in our progress.

"On Money, as the most intricate part of the subject, he made me read in the same manner Ricardo's admirable pamphlets, written during... the Bullion controversy; to these succeeded Adam Smith; and... it was one of my father's main objects to make me apply to Smith's more superficial view of political economy the superior lights of Ricardo, and detect what was fallacious in Smith's arguments, or erroneous in any of his conclusions. Such a mode of instruction was excellently calculated to form a thinker; but it required to be worked by a thinker, as close and vigorous as my father. The path was a thorny one, even to him, and I am sure it was so to me, notwithstanding the strong interest I took in the subject. He was often, and much beyond reason, provoked by my failures in cases where success could not have been expected; but in the main his method was right, and it succeeded."^{*1}

I.2

After a year in France, during which he "passed some time in the house of M. Say, the eminent political economist, who was a friend and correspondent" of the elder Mill,^{*2} he went a second time over the same ground under the same guidance.

"When I returned (1821), my father was just finishing for the press his *Elements of Political Economy*, and he made me perform an exercise on the manuscript, which Mr. Bentham practised on all his own writings, making what he called 'marginal contents';

a short abstract of every paragraph, to enable the writer more easily to judge of, and improve, the order of the ideas, and the general character of the exposition." ³

I.3

This was soon after reaching the age of fifteen. Four years later, in 1825, he made a systematic survey of the field for the third time. Though he was still only nineteen, he was now fully embarked upon his career as an economist, and was contributing articles on currency and commercial policy to the *Westminster Review*. Yet when, in that year, John Mill and a number of his youthful friends entered upon "the joint study of several of the branches of science" which they "wished to be masters of," it was once more the work of the elder Mill which served as the basis.

"We assembled to the number of a dozen or more. Mr. Grote lent a room of his house in Threadneedle Street.... We met two mornings in every week, from half-past eight till ten, at which hour most of us were called off to our daily occupations. Our first subject was Political Economy. We chose some systematic treatise as our text-book; my father's *Elements* being our first choice. One of us read a chapter, or some smaller portion of the book. The discussion was then opened, and anyone who had an objection, or other remark to make, made it. Our rule was to discuss thoroughly every point raised... until all who took part were satisfied with the conclusion they had individually arrived at; and to follow up every topic... which the chapter or the conversation suggested, never leaving it until we had untied every knot." ⁴

I.4

The figure of James Mill has been singularly obscured by the more attractive personality of his son. It may possibly be open to discussion how far James Mill was a trustworthy interpreter of Ricardo. But what cannot be doubted is the extent and penetrating character of his influence. The evidence of his son may certainly be relied upon:

"My father's writings and conversation drew round him a number of young men who had already imbibed, or who imbibed from him, a greater or smaller portion of his very decided political and philosophical opinions. The notion that Bentham was surrounded by a band of disciples who received their opinions from his lips, is a fable.... The influence which Bentham exercised was by his writings. Through them he has produced, and is producing, effects on the condition of mankind, wider and deeper than any which can be attributed to my father. He is a much greater name in history. But my father exercised a far greater personal ascendancy. He *was* sought for the vigour and instructiveness of his conversation, and did use it largely as an instrument for the diffusion of his opinions....

"It was my father's opinions which gave the distinguishing character to the Benthamic or utilitarian propagandism of that time. They fell singly, scattered from him, in many directions, but they flowed from him in a continued stream principally in three channels. One was through me, the only mind directly formed by his instructions, and through whom considerable influence was exercised over various young men, who became, in their turn, propagandists. A second was through some of the Cambridge contemporaries of Charles Austin... some of the more considerable of whom afterwards sought my father's acquaintance.... The third channel was that of a younger generation of Cambridge undergraduates, contemporary... with Eyton Tooke, who were... introduced by him to my father....

"Though none of us, probably, agreed in every respect with my father, his opinions, as I said before, were the principal element which gave its colour and character to the little group of young men who were the first propagators of what was afterwards called 'Philosophic Radicalism.' Their mode of thinking was characterized by... a combination of Bentham's point of view with that of the modern political economy, and with the Hartleian metaphysics. Malthus's population principle was quite as much a banner, and point of union among us, as any opinion specially belonging to Bentham. This great doctrine... we took up with ardent zeal,... as indicating the sole means of realizing the improbability of human affairs by securing full employment at high wages to the whole labouring population through a voluntary restriction of the increase of their

numbers."^{*5}

I.5

What was true of James Mill's personal influence on the entire circle of young Philosophic Radicals and over the whole range of their beliefs, was peculiarly true of his influence on the economic opinions of his son. The impress was deep and indelible. For good or for ill,—and it is not the purpose of this Introduction to interpose between the reader and the author and to assign either praise or blame—John Mill's economics remained those of his father down to the end of his life. His economics, that is to say, in the sense of what he himself afterwards described as "the theoretic principles,"^{*6} or again as the "abstract and purely scientific"^{*7} element in his writings: the whole, in fact, of the doctrine of Distribution and Exchange in its application to competitive conditions. After reading through the first three Books of the son's *Principles* of 1848, one has but to turn to the father's *Elements* of 1821 to realize that, though on outlying portions of the field (like the subject of Currency) John Mill had benefited by the discussions that had been going on during the interval, the main conclusions, as well as the methods of reasoning, are the same in the two treatises. How much of "the deposit" of doctrine,—if we may borrow a theological term,—came originally from Ricardo, how much from Malthus, from Adam Smith, from the French Physiocrats of the eighteenth century, and from the general movement of philosophical and political thought, is a subject on which much has been written, but on which we cannot now enter. It is sufficient for our purpose to make this one point clear: that it was through James Mill, and, as shaped by James Mill, that it chiefly reached his son.

I.6

Yet John Mill certainly thought, when he was writing his book in 1848, and still more evidently when he wrote his *Autobiography* in 1861, that there was a wide difference between himself and those whom he calls, in language curiously anticipating that of our own day, "the political economists of the old school,"^{*8} or "the common run of political economists."^{*9} And accordingly it is essential to observe that this difference consisted, not in any abandonment of the "abstract science," but in the placing of it in a new setting. In substance he kept it intact; but he sought to surround it, so to speak, with a new environment.

I.7

To make this clear, we must return to Mill's mental history. Though eminently retentive of early impressions, he was also, in a very real sense, singularly open-minded; and the work of his life cannot be better described than in a happy phrase of his own coinage: it was a constant effort to "build the bridges and clear the paths" which should connect new truths with his "general system of thought,"^{*10} *i.e.* with his Benthamite and Ricardian starting point. Of the influences, later than that of his father, which coloured his thoughts, three must be singled out for notice. They may briefly be summed up—though each name represents much besides—as those of Coleridge, of Comte, and of his wife.

I.8

In Coleridge and in the Coleridgians—such as Maurice and Sterling, whose acquaintance he made in 1828—he recognised the English exponents of "the European reaction against the philosophy of the eighteenth century,"^{*11} and its Benthamite outcome. That reaction, he came to believe, was in large measure justifiable; and in two celebrated articles in the *London and Westminster Review* in 1838 and 1840^{*12} he sought to expound Benthamism and Coleridgism as complementary bodies of truth. He did not, indeed, extend this appreciation to Coleridge's economic utterances, and compounded for the respect he paid to his political philosophy by the vivacity with which he condemned his incursions into the more sacred field:

"In political economy he writes like an arrant driveller, and it would have been well for his reputation had he never meddled with the subject. But this department of knowledge can now take care of itself."^{*13}

I.9

What Coleridge helped him to realise was, firstly, the historical point of view in its relation to politics, and secondly, and as a corollary, the inadequacy of *laissez faire*.

"The Germano-Coleridgian school produced... a philosophy of society in the only form in which it is yet possible, that of a philosophy of history."¹⁴

And again

"That series of great writers and thinkers, from Herder to Michelet, by whom history... has been made a science of causes and effects,... by making the events of the past have a meaning and an intelligible place in the gradual evolution of humanity, have afforded the only means of predicting and guiding the future."¹⁵

Similarly, after pointing out that Coleridge was

"at issue with the *let alone* doctrine, or the theory that governments can do no better than to do nothing,"

he remarks that it was

"a doctrine generated by the manifest selfishness and incompetence of modern European governments, but of which, as a general theory, we may now be permitted to say that one-half of it is true and the other half false."¹⁶

I.10

It is not wonderful that the Bentham and Coleridge articles should "make a temporary alienation between Mill and his old associates and plant in their minds a painful misgiving as to his adhering to their principles," as we learn from Professor Bain, who became an intimate friend of Mill shortly afterwards.¹⁷ As early as 1837 Mrs. Grote had been "quite persuaded that the [*London and Westminster*] *Review* would cease to be an engine of propagating sound and sane doctrines on Ethics and Politics under J. M."¹⁸ But it is a little surprising, perhaps, that by 1841 Mill was ready to describe himself in the privacy of correspondence as having definitely withdrawn from the Benthamite school "in which I was brought up and in which I might almost say I was born."¹⁹

I.11

The letter was that in which Mill introduced himself to Comte, the first of a remarkable series which has only recently seen the light. By the time he wrote it, the influence of Coleridge had been powerfully supplemented by that of the French philosopher. Indeed, with that tendency to run into extremes which was seldom quite absent from him, Mill even declared, in addressing Comte, that it was the impression produced as far back as 1828 by the reading of a very early work by Comte which had "more than any other cause determined his definite withdrawal from the Benthamite school." In his eager enthusiasm, he probably ante-dated Comte's influence. It seems to have been the first two volumes of the *Positive Philosophy* (of which the second appeared in 1837) that first interested Mill at all deeply in Comte's views; though, as we shall notice later, he had long been familiar with ideas akin to them in the writings of the St. Simonians.

I.12

However this may have been, it is abundantly clear that during the years 1841-3, when he was engaged in completing his great treatise on *Logic*, Mill was fascinated by Comte's general system, as set forth in the *Positive Philosophy*. In October, 1841, he wrote to Bain that he thought Comte's book, in spite of "some mistakes," was "very near the grandest work of this age."²⁰ In November, in the letter to Comte already quoted, he took the initiative and wrote to the French philosopher to express his "sympathy and adhesion." "I

have read and re-read your *Cours* with a veritable intellectual passion," he told him.

"I had indeed already entered into a line of thought somewhat similar to your own; but there were many things of the first importance which I had still to learn from you and I hope to show you, by and by, that I have really learnt them. There are some questions of a secondary order on which my opinions are not in accord with yours; some day perhaps this difference will disappear; I am not flattering myself when I believe that I have no ill-founded opinion so deeply rooted as to resist a thorough discussion,"

such as he hoped to engage Comte in. It was for this reason that he ventured to put himself into communication with "that one of the great minds of our time which I regard with most esteem and admiration," and believed that their correspondence might be "of immense value" for him. And in the first edition of his *Logic*, which appeared in 1843, he did not scruple to speak of Comte as "the greatest living authority on scientific methods in general."^{*21} Into the causes of this enthusiasm it is unnecessary to enter. Mill was tired of Benthamism: a masterly attempt to construct a philosophy of Science and of Humanity, which paid attention at the same time to historical evolution and to the achievements of modern physical and biological science (a side on which the Benthamite school had always been weak), and yet professed to be "positive," *i.e.* neither theological nor metaphysical—such an attempt had, for the time, an overmastering charm for him. The effect of his reading of Comte on his conception of the logic of the physical and biological sciences falls outside our present range. What we have now to notice are Comte's views with regard to political economy. They cannot but have shaken, at any rate for a time, Mill's confidence that what he had learnt from his father could "take care of itself."

I.13

Comte's ultimate object was, of course, the creation of "the Social Science" or "Sociology." To-day there are almost as many different conceptions of the scope of "sociology" as there are eminent sociologists; so that it is perhaps worth while to add that Comte's ideal was a body of doctrine which should cover the life of human society in *all* its aspects. This science could be created, he held, only by the "positive" method—by the employment of the Art of Observation, in its three modes, Direct Observation or Observation proper, Experiment, and Comparison.^{*22} Each of these modes of Observation would necessarily assume a character appropriate to the field of enquiry. As to Observation proper: while the metaphysical school of the eighteenth century had grossly exaggerated its difficulties, on the other hand there was no utility in mere collections of disconnected facts. Some sort of provisional hypothesis or theory or anticipation was necessary, if only to give direction to our enquiries. As to Experiment: direct Experiment, as in the physical sciences, was evidently impracticable, but its place could be taken by a consideration of "pathological" states of society such as might fairly be called "indirect" Experiment. And as to Comparison: there was a form of this procedure, *viz.* the comparison of "the different consecutive conditions of humanity,"—"the historical method" in the true sense of the term,—so fruitful in sociological enquiry as to constitute the distinguishing characteristic of this particular branch of science.

I.14

To this social science of his vision Comte applied the distinction he had already applied to the preliminary sciences, between the static and the dynamic.^{*23} The difference between "the fundamental study of the condition of existence of society" and "the study of the laws of its continuous movement" was so clear, in his judgment, that he could foresee the ultimate division of Sociology into Social Statics and Social Dynamics. But to attach, in the formative stage of the science, any very great importance to this convenient distribution of the subject matter would, he thought, be positively dangerous, since it would tend to obscure "the indispensable and permanent combination of the two points of view."

I.15

Comte's attitude towards political economy, as it was then taught was the natural result

of his views as to the proper method of creating a science of society.^{*24} As part of the general movement of revolutionary thought, it had had a "provisional" function, and had rendered a transitory service in discrediting the industrial policy of the *ancien régime* after that policy had become a mere hindrance to progress. It had prepared the way for a sound historical analysis by calling attention to the importance of the economic side of life. Its practical utility, however, was by this time a thing of the past and it was now an actual obstacle to social advance. Like the rest of the revolutionary philosophy, it now tended to prolong and systematise social anarchy. It led people to regard the absence of all regulating intervention in economic affairs on the part of society as a universal dogma; and it met all the difficulties arising out of modern industrial changes, such as "the famous and immense economic question of the effect of machinery," with "the sterile aphorism of absolute industrial liberty." And these practical consequences were but, in Comte's judgment, the consequences of its underlying scientific defects. From this sweeping condemnation Comte excepts Adam Smith, from whose example, according to him, the creators of the contemporary political economy had completely departed. But of the contemporary political economy he declares that it was fundamentally metaphysical: its creators had no real understanding of the necessity and character of scientific observation. Its "inanity" was proved by the absence in economic literature of the real tests of all truly scientific conceptions, viz. continuity and fecundity. Its sterile disputes on the meaning of terms such as *value*, and *utility*, and *production* were like the worst debates of medieval schoolmen. And the very isolation of economics from other fields of social enquiry which economists had sought to justify was its decisive condemnation.

"By the nature of the subject, in social studies the various general aspects are, quite necessarily, mutually inter-connected and inseparable in reason, so that the one aspect can only be adequately explained by the consideration of the others. It is certain that the economic and industrial analysis of society cannot be *positively* accomplished, if one leaves out all intellectual, moral and political analysis: and therefore this irrational separation furnishes an evident indication of the essentially metaphysical nature of the doctrines based upon it."

I.16

Now Mill was immensely attracted, and for the time possessed, by Comte's general conception of the Social Science or Sociology; and in the concluding chapters of his *Logic* he took this over bodily, together with Comte's distinction between Social Statics and Social Dynamics.^{*25} Just as Comte rejected the "metaphysical" political philosophy of France, so Mill made clear his opinion of the inadequacy of "the interest-philosophy of the Bentham school" in its application to "the general theory of government." That philosophy, as he explained, was "founded on one comprehensive premiss: namely, that men's actions are always determined by their interests." But as this premiss was not true, what were really "the mere polemics of the day," and useful enough in that capacity, were quite erroneously "presented as the scientific treatment of a great question." And quite in the spirit of Comte he added:

"These philosophers would have applied and did apply their principles with innumerable allowances. But it is not allowances that are wanted. There is little chance of making due amends in the superstructure of a theory for the want of sufficient breadth in its foundations. It is unphilosophical to construct a science out of a few of the agencies by which the phenomena are determined, and leave the rest to the routine of practice or the sagacity of conjecture. We ought either not to pretend to scientific forms or we ought to study all the determining agencies equally, and endeavour, as far as can be done, to include all of them within the pale of the science; else we shall infallibly bestow a disproportionate attention upon those which our theory takes into account, while we misestimate the rest and probably underrate their importance."^{*26}

I.17

How, then, about political economy, which Comte had criticised in precisely the same

spirit ? Mill was not at all disposed to throw overboard the Ricardian economics received from his father. In the first place, he maintained that a distinction could be drawn between the "*general Science of Society*" or "*general Sociology*" and "the separate compartments of the science, each of which asserts its conclusions only conditionally, subject to the paramount control of the laws of the general science." The ground for this contention he sets forth thus:

"Notwithstanding the universal *consensus* of the social phenomena, whereby nothing which takes place in any part of the operations of society is without its share of influence on every other part; and notwithstanding the paramount ascendancy which the general state of civilisation and social progress in any given society must hence exercise over the partial and subordinate phenomena; it is not the less true that different species of social facts are in the main dependent, immediately and in the first resort, on different kinds of causes; and therefore not only may with advantage, but must, be studied apart....

"There is, *for example*, one large class of social phenomena of which the immediately determining causes are principally those which act through the desire of wealth; and in which the psychological law mainly concerned is the familiar one that a greater gain is preferred to the smaller... A science may be thus constructed which has received the name of Political Economy."^{*27}

I.18

In spite of the "for example" with which political economy is introduced, it is clear that the generalisation was formulated for the sake of that one subject, subject to a qualification to be shortly mentioned.

"I would not here undertake to decide what other hypothetical or abstract sciences, similar to Political Economy, may admit of being carved out of the general body of the social science; what other portions of the social phenomena are in a sufficiently close and complete dependence, in the first resort, on a particular class of causes, to make it convenient to create a preliminary science of those causes; postponing the consideration of the causes which act through them or in concurrence with them to a later period of the enquiry."^{*28}

I.19

But Mill was not content with this "departmental" view, taken by itself: he proceeded to build two further "bridges" between his new and his old opinions. In an essay, written for the most part in 1830, and published in the *London and Westminster Review* in 1836,^{*29} Mill had laid down with the utmost stringency that the only method appropriate to political economy, *i.e.* to the Ricardian economics, was the *a priori* or deductive one. Between this and the method of Observation recommended by Comte it might have been thought that there was a sufficiently wide gulf. But Mill now proceeded to describe "the historical method,"—whereby "general" Sociology was to be built up according to Comte and himself alike,—in such terms as permitted him to designate even that a "Deductive Method," though indeed an "*Inverse* Deductive Method." Thus the evident contrast in method was softened down into the difference simply between "direct" and "inverse" deduction.^{*30}

I.20

The other bridge was to be a new science, or couple of sciences, still to be created. Mill explained at length in his *Logic* that there was need of what he denominated "Ethology" or a Science of Character.^{*31} Built upon this, there ought to be a *Political* Ethology, or "a theory of the causes which determine the type of character belonging to a people or to an age."^{*32} The bearing of Political Ethology on Political Economy is thus summarily indicated:

"The most imperfect part of those branches of social enquiry which have been cultivated as separate sciences is the theory of the manner in which their conclusions

are affected by ethological considerations. The omission is no defect in them as abstract or hypothetical sciences, but it vitiates them in their practical application as branches of a comprehensive social science. In political economy, *for instance*, empirical laws of human nature are tacitly assumed by English thinkers, which are calculated only for Great Britain and the United States. Among other things an intensity of competition is constantly supposed, which, as a general mercantile fact, exists in no country in the world except those two. An English political economist... has seldom learned that it is possible that men, in conducting the business of selling their goods over the counter, should care more about their ease or their vanity than about their pecuniary gain."^{*33}

I.21

In spite once more of the introductory "for instance," it is clear that it is only political economy that Mill has in his mind; and it is primarily to remedy *its* "imperfections" that Political Ethology is to be created. Political Ethology, like Ethology itself, Mill conceived of as directly deductive in its character.

I.22

It is no part of my task to criticise either Mill or Comte: all I am seeking to do is to make clear the intellectual relations between them. And whether, in particular, a Science of National Character is possible, and, if possible, on what sort of lines it may be constructed, I "would not here undertake to decide." I go on now to the purely biographical facts,—which need the more emphasis because they have dropt altogether out of the *Autobiography*,—that Mill took this project of creating an Ethology very seriously; that "with parental fondness he cherished this subject for a considerable time";^{*34} and that he dropt it because he could not make anything of it.^{*35}

I.23

It was in this mood of recoil that he began to think of composing "a special treatise on political economy, analogous to that of Adam Smith." Writing to Comte in April, 1844, he remarked that for him "this would only be the work of a few months."^{*36} Some particulars as to the actual period of composition are furnished by the *Autobiography*.^{*37}

"The *Political Economy* was far more rapidly executed than the *Logic*, or indeed than anything of importance which I had previously written. It was commenced in the autumn of 1845, and was ready for the press before the end of 1847. In this period of little more than two years there was an interval of six months during which the work was laid aside, while I was writing articles in the *Morning Chronicle*... urging the formation of peasant properties on the waste lands of Ireland. This was during the period of the Famine, the winter of 1846-47."

I.24

After what we have seen of his mental history, it is easy to anticipate that Mill would no longer be satisfied with the kind of treatment that economics had received at the hands of his father, or in subsequent years of McCulloch or Senior. The "principles" of abstract political economy, as he had inherited them, he entertained no sort of doubt about. As has been well said, within that field "Mill speaks as one expounding an established system."^{*38} As late as 1844 he had reprinted in the thin volume entitled *Some Unsettled Questions of Political Economy* his old essay on Method, and had expressed his complete satisfaction, within its range, with the science as it was to be found "in the writings of its best teachers."^{*39} But he was bound to put this science into some sort of relation with that general Social Science or Philosophy, of which he had gained, or solidified, his notion from the reading of Comte. Accordingly, he gave to his book the title "Principles of Political Economy, *with some of their Applications to Social Philosophy*." And he himself spoke of the work in later years in the following terms:

"It was, from the first, continually cited and referred to as an authority, because it was not a book merely of abstract science, but also of application, and treated Political Economy not as a thing by itself, but as a fragment of a greater whole; a branch of

Social Philosophy, so interlinked with all the other branches, that its conclusions, even in its own peculiar province, are only true conditionally, subject to interference and counteraction from causes not directed within its scope: while to the character of a practical guide it has no pretension, apart from other classes of considerations." ^{*40}

I.25

It must be left to the reader to judge how far this "application" was successful,—how far, indeed, the nature of the abstract science lent itself to application. But the character of the undertaking will be rendered clearer by noticing certain of its characteristics.

I.26

Ethology, as we have seen, had receded from Mill's mind. But the thoughts which had given rise to the project have left their traces in the chapter on "Competition and Custom." ^{*41} Here Custom is placed side by side with Competition as the other agency determining the division of produce under the rule of private property. It is pointed out not only that Competition is a comparatively modern phenomenon, so that, until recently, rents, for instance, were ruled by custom, but also that "even in the present state of intense competition" its influence is not so absolute as is often supposed: there are very often two prices in the same market. He asserts that

"political economists generally, and English political economists above others, are accustomed to lay almost exclusive stress upon the first of these agencies; to exaggerate the effect of competition, and take into little account the other and conflicting principle. They are apt to express themselves as if they thought that competition actually does, in all cases, whatever it can be shown to be the tendency of competition to do."

The language in which he goes on to formulate an explanation and relative justification of their practice is of the utmost significance.

"This is partly intelligible, if we consider that only through the principle of competition has political economy any pretension to the character of a science. So far as rents, profits, wages, prices, are determined by competition, laws may be assigned for them. Assume competition to be their exclusive regulator, and principles of broad generality and scientific precision may be laid down, according to which they will be regulated. The political economist justly deems this his proper business: and as an abstract or hypothetical science, political economy cannot be required to do anything more."

I.27

But, as the ascription to Competition of an unlimited sway is, as a matter of fact, "a great misconception of the actual cause of human affairs."

"to escape error, we ought, in applying the conclusions of political economy to the actual affairs of life, to consider not only what will happen supposing the maximum of competition, but how far the result will be affected if competition falls short of the maximum."

I.28

After this it might perhaps be expected that Mill would himself embark on a quantitative estimate of the extent of the divergence of the "laws" of "the science" from the facts of life. But certainly no such attempt is made within the covers of his treatise—and he makes it clear that the application of his warning is to be left to the reader:

"These observations must be received as a general correction, to be applied whenever relevant, whether expressly mentioned or not, to the conclusions contained in the subsequent portions of this treatise. Our reasonings must, in general, proceed as if the known and natural effects of competition were actually produced by it."

I.29

To discuss the conception of "science" and its relation to "law" which underlies such passages; to compare it with that implied by Mill elsewhere; or to enter into the question whether a systematic ascertainment and grouping of actual facts, guided by the ordinary rules of evidence, might not deserve to be called "scientific," even if it did not result in "law"—would take us too far afield. By confining, as he did, the term "science" to the abstract argument, and by leaving the determination of its relation to actual conditions to what he himself in another connexion calls "the sagacity of conjecture," Mill undoubtedly exercised a profound influence on the subsequent character of economic writing in England.

I.30

Another result, in the *Political Economy*, of the preceding phase of Mill's social speculation, is to be found in the distinction between Statics and Dynamics which he now introduces into economics itself.^[*42] In the *Logic*, as we have noticed, this distinction was applied, following Comte, only to the *general* Sociology which was to be created by "the historical method." But the general Sociology being indefinitely postponed, because the Ethology which in Mill's judgment was its necessary foundation was not forthcoming, it seemed proper to employ the distinction in the "preliminary" science, and to add in the *Political Economy* itself a "theory of motion" to the "theory of equilibrium." Thus employed, however, the distinction becomes something very different from what Comte had intended. Almost the whole of Mill's Book IV on the Progress of Society consists of a highly theoretical and abstract argument as to the effect on Prices, Rents, Profits, and Wages, *within a competitive society of the present type*, of the progress of population, capital, and the arts of production, in various combinations. Much of the substance of these arguments was derived from Ricardo or his school; and the whole discussion, even when Mill takes an independent line of his own, moves within the Ricardian atmosphere. This statement of fact does not necessarily imply condemnation. It is made only to clear Mill's use of the terms "static" and "dynamic" in his *Political Economy* from the ambiguity which his own previous use of the term in relation to general Sociology might cause to cling to it. And we must except the last chapter of the Book, dealing with "the Probable Futurity of the Working Classes," which is a prophecy of the ultimate victory of Co-operation, and has little or no connexion with what goes before.

I.31

And now we come finally to what Mill himself regarded as the distinguishing characteristic of his work; and with it we reach the third of the influences that affected the movement of his mind after his early education. I refer, of course, to the distinction which Mill drew between the laws of the Production and those of the Distribution of wealth.^[*43] With the formal statement in the *Principles* may be compared the passage in the *Autobiography*,^[*44] where Mill gives an account of the influence of Mrs. Taylor (who became his wife in April, 1851):

"The purely scientific part of the *Political Economy* I did not learn from her; but it was chiefly her influence that gave to the book that general tone by which it is distinguished from all previous expositions of political economy that had any pretension to being scientific.... This tone consisted chiefly in making the proper distinction between the laws of the Production of wealth—which are real laws of nature, dependent on the properties of objects—and the modes of its Distribution, which, subject to certain conditions, depend on human will. The common run of political economists confuse these together, under the designation of economic laws, which they deem incapable of being defeated or modified by human effort; ascribing the same necessity to things dependent on the unchangeable conditions of our earthly existence, and to those which, being but the necessary consequences of particular social arrangements, are merely co-extensive with these: given certain institutions and customs, wages, profits, and rent will be determined by certain causes; but this class of political economists drop the indispensable presupposition, and argue that these causes must, by an inherent necessity, against which no human means can avail, determine the shares which fall, in the division of the produce, to labourers, capitalists, and landlords. The

Principles of Political Economy yielded to none of its predecessors in aiming at the scientific appreciation of the action of these causes, under the conditions which they presuppose; but it set the example of not treating those conditions as final. The economic generalizations which depend not on necessities of nature but on those combined with the existing arrangements of society, it deals with only as provisional, and as liable to be much altered by the progress of social improvement. I had indeed partially learnt this view of things from the thoughts awakened in me by the speculations of the St. Simonians; but it was made a living principle pervading and animating the book by my wife's promptings."

I.32

It would be interesting, had I space, to try to distinguish the various currents of thought which converged at this time upon Mill and his wife. They were both people of warm hearts and generous sympathies; and the one most important fact about Mill's *Principles*, besides its being the work of the son of his father, is that it was published in the great year 1848. Mill's personal friendship with Carlyle and Maurice in England, his keen interest for years in St. Simonism and all the other early phases of French "socialism," sufficiently disposed him, if he wore the old political economy at all, to wear it "with a difference." I do not propose to add one more to the numerous arguments as to the validity of the distinction between the laws of Production and the modes of Distribution. But I should like to comment on one word which was constantly in Mill's mouth in this connexion—and that is the word "provisional"; a word which, according to his own account, he had picked up from Austin.^[*45] He used it twice in the letter to Comte announcing his intention to write an economic treatise:

"I know your opinion of the political economy of the day: I have a better opinion of it than you have; but, if I write anything on the subject, it will be never losing out of sight the purely provisional character of all its concrete conclusions; and I shall take special pains to separate the general laws of Production; which are necessarily common to all industrial societies; from the principles of the Distribution and Exchange of wealth, which necessarily presuppose a particular state of society, without implying that this state should, or even can, indefinitely continue.... I believe that such a treatise might have, especially, in England, great provisional utility, and that it will greatly help the positive spirit to make its way into political discussions."^[*46]

I.33

Then followed a curious interchange of letters. Comte replied politely that he was glad to learn of Mill's project, and that he did not doubt that it would be very useful, by contributing to the spread of the positive spirit.

"Although an economic analysis, properly so called, ought not, in my opinion, to be finally conceived of or undertaken apart from the general body of sociological analysis, both static and dynamic, yet I have never refused to recognise the provisional efficacy of this kind of present-day metaphysics."^[*47]

I.34

Mill wrote in return that he was pleased to get Comte's approbation, since he was afraid Comte might have thought his project "essentially anti-scientific";

"and so it would really be if I did not take the greatest possible care to establish the purely provisional character of any doctrine on industrial phenomena which leaves out of sight the general movement of humanity."^[*48]

Comte once more replied that he thought Mill's project a happy one.

"When regarded as having the purely preliminary purpose and provisional office that are assigned to it by a general historical view, political economy loses its principal

dangers and may become very useful."⁴⁹

I.35

It is sufficiently apparent that the correspondents are at cross purposes. By "provisional" Comte means *until a positive Sociology can be created*; Mill means *so long as the present system of private property lasts*. Until the present social system should be fundamentally changed, Mill clearly regarded the Ricardian economics as so far applicable to existing conditions as to call for no substantial revision in method or conclusions. And by this attitude,—by deferring any breach with Ricardian political economy to a time comparable in the minds of men less ardent than himself to the Greek Kalends,—he certainly strengthened its hold over many of his readers.

I.36

Since Mill's time there has been a vast amount of economic writing. The German Historical School has come into existence, and has reached a high point of achievement in the treatise of Gustav Schmoller. On the other hand, other bodies of theory have made their appearance, quite as abstract as the Ricardian which they reject: and here the names of Jevons and Menger stand out above the rest. An equally abstract Socialist doctrine, the creation largely of Marx, has meantime waxed and waned. But Mill's *Principles* will long continue to be read and will deserve to be read. It represents an interesting phase in the intellectual history of the nineteenth century. But its merit is more than historical. It is still one of the most stimulating books that can be put into the hands of students, if they are cautioned at the outset against regarding it as necessarily final in all its parts. On some topics there is still, in my opinion, nothing better in the English language; on others Mill's treatment is still the best point of departure for further enquiry. Whatever its faults, few or many, it is a great treatise, conceived and executed on a lofty plane, and breathing a noble spirit. Mill—especially when we penetrate beneath the magisterial flow of his final text, as we are now enabled to do by the record in this edition of his varying moods—is a very human personality. The reader of to-day is not likely to come to him in too receptive a spirit; and for a long time there will be much that even those who most differ from him will still be able to learn from his pages.



I.37

It remains now to describe the character of the present edition. The text is that of the seventh edition (1871), the last revised by Mill; and it is hoped that the occasional but misleading misprints which had crept into it have now all been corrected. It has not seemed desirable to add anything in the way of editorial comment. But in the one case where Mill himself publicly abandoned an important doctrine of his *Principles*,—that of the Wages Fund—it has seemed proper to give an excerpt from his later writings in the Appendix. And the same plan has been pursued with regard to Mill's latest views on Socialism. I have also appended a series of references to the chief writers who have dealt with the main topics of Mill's treatise, especially those of a controversial nature, since his time. That I have altogether escaped the influence of personal bias in this selection I can hardly hope. If the references under any head should seem scanty or one-sided, it should be borne in mind that they are intended to include only those outstanding works whose value is generally recognized by all serious economists, and that the choice is limited in the main to the books that are easily accessible to the English-reading public.

I.38

The characteristic feature, however, of this edition is the indication in the notes of all the significant changes or additions made by Mill in the course of the six editions revised by himself. The dates of these editions, after the first in 1848, were 1849, 1852, 1857, 1862,

1865, and 1871. In every one of these Mill made noteworthy alterations. Rewriting, or the addition of whole sections or paragraphs, takes place chiefly in the earlier editions; but even in the last, that of 1871, the "few verbal corrections" of which Mill speaks in his Preface were sufficient, in more passages than one, to give a different complexion to the argument. My attention was called to this interesting feature in the history of the *Principles* by Miss M. A. Ellis' article in the *Economic Journal* for June, 1906; and it seemed to me that the interest of students would be aroused by a record of the variations. Accordingly I have compared the first and the seventh edition page by page and paragraph by paragraph; and where any striking divergence has shown itself, I have looked up the earlier editions and ascertained the date of its first appearance. This has proved an unexpectedly toilsome business, even with the assistance of the notes that Miss Ellis has been good enough to put at my disposal; and I cannot feel quite sure that nothing has escaped my eye that ought to be noted. Mere changes of language for the sake of improving the style I have disregarded, though I have erred rather in the direction of including than of excluding every apparent indication of change of opinion or even of mood. All editorial notes are placed within square brackets; and I have added, and marked in the same way, the dates of all Mill's own footnotes subsequent to the first edition. As Mill's revision of the text, though considerable, was rather fragmentary, his time-references are occasionally a little bewildering: a "now" in his text may mean any time between 1848 and 1871. In every case where it seemed necessary to ascertain and to remind the reader of the time when a particular sentence was written, I have inserted the date in the text in square brackets.

I.39

Mill's punctuation is not quite so preponderatingly grammatical as punctuation has since become. As in all the books of the middle of last century, it is also largely rhetorical. The printers had already, during the course of six editions, occasionally used their discretion and dropt out a misleading comma. I have ventured to carry the process just a little further, and to strike out a few rhetorical commas that seemed to interfere with the easy understanding of the text. The Index has been prepared by Miss M. A. Ellis.

I.40

I must express my thanks to the proprietors of the *Fortnightly Review* for allowing me to make use of Mill's posthumous articles, and to Mr. Hugh Elliot for permitting me to refer to the *Letters* of Mill which he is now editing.

W. J. ASHLEY. EDGBASTON,
September, 1909.

Notes for this chapter

1. [*Autobiography*, p. 27 (Pop. ed. p. 15).]
2. [*Ibid.* p. 60 (Pop. ed. p. 34).]
3. [*Ibid.* p. 62 (Pop. ed. p. 36).]
4. [*Ibid.* p. 119 (Pop. ed. p. 68).]
5. [*Autobiography*, p. 101 (Pop. ed. p. 58).]
6. [*Ibid.* p. 242 (Pop. ed. p. 139).]
7. [*Ibid.* p. 247 (Pop. ed. p. 142).]
8. [*Political Economy*. Book iv. chap. vi. § 2.]
9. [*Autobiography*, p. 246 (Pop. ed. p. 141).]
10. [*Ibid.* p. 243 (Pop. ed. p. 139).]
11. [*Ibid.* p. 128 (Pop. ed. p. 73).]
12. [Reprinted in *Dissertations and Discussions*. Series I.]
13. [*Dissertations and Discussions*, I. p. 452.]
14. [*Ibid.* p. 425.]

