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北京师联教育科学研究所 编



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The Principles of Political Economy with some of their
applications to social philosophy
by John Stuart Mill

Preliminary Remarks

In every department of human affairs, Practice long precedes Science systematic enquiry into the modes of action of the powers of nature, is the tardy product of a long course of efforts to use those powers for practical ends. The conception, accordingly, of Political Economy as a branch of science is extremely modern; but the subject with which its enquiries are conversant has in all ages necessarily constituted one of the chief practical interests of mankind, and, in some, a most unduly engrossing one.

That subject is Wealth. Writers on Political Economy profess to teach, or to investigate, the nature of Wealth, and the laws of its production and distribution: including, directly or remotely, the operation of all the causes by which the condition of mankind, or of any society of human beings, in respect to this universal object of human desire, is made prosperous or the reverse. Not that any treatise on Political Economy can discuss or even enumerate all these causes; but it undertakes to set forth as much as is known of the laws and principles according to which they operate.

Every one has a notion, sufficiently correct for common purposes, of what is meant by wealth. The enquiries which relate to it are in no danger of being confounded with those relating to any other of the great human interests. All know that it is one thing to be rich, another thing to be enlightened, brave, or humane; that the questions how a nation is made wealthy, and how it is made free, or virtuous, or eminent in literature, in the fine arts, in arms, or in polity, are totally distinct enquiries. Those things, indeed, are all indirectly connected, and react upon one another. A people has sometimes become free, because it had first grown wealthy; or wealthy, because it had first become free. The creed and laws of a people act powerfully upon their economical condition; and this again, by its influence on their mental development and social relations, reacts upon their creed and laws. But though the subjects are in very close contact, they are essentially different, and have never been supposed to be otherwise.

It is no part of the design of this treatise to aim at metaphysical nicety of definition, where the ideas suggested by a term are already as determinate as practical purposes require. But, little as it might be expected that any mischievous confusion of ideas could take place on a subject so simple as the question, what is to be considered as wealth, it is matter of history, that such confusion of ideas has existed—that theorists and practical politicians have been equally and at one period universally, infected by it, and that for many generations it gave a thoroughly false direction to the policy of Europe. I refer to the set of doctrines designated, since the time of Adam Smith, by the appellation of the Mercantile System.

While this system prevailed, it was assumed, either expressly or tacitly, in the whole policy of nations, that wealth consisted solely of money; or of the precious metals, which, when not already in the state of money, are capable of being directly converted into it. According to the doctrines then prevalent, whatever tended to heap up money or bullion in a country added to its wealth. Whatever sent the precious metals out of a country

impoverished it. If a country possessed no gold or silver mines, the only industry by which it could be enriched was foreign trade, being the only one which could bring in money. Any branch of trade which was supposed to send out more money than it brought in, however ample and valuable might be the returns in another shape, was looked upon as a losing trade. Exportation of goods was favoured and encouraged (even by means extremely onerous to the real resources of the country), because, the exported goods being stipulated to be paid for in money, it was hoped that the returns would actually be made in gold and silver. Importation of anything, other than the precious metals, was regarded as a loss to the nation of the whole price of the things imported; unless they were brought in to be re-exported at a profit, or unless, being the materials or instruments of some industry practised in the country itself, they gave the power of producing exportable articles at smaller cost, and thereby effecting a larger exportation. The commerce of the world was looked upon as a struggle among nations, which could draw to itself the largest share of the gold and silver in existence; and in this competition no nation could gain anything, except by making others lose as much, or, at the least, preventing them from gaining it.

It often happens that the universal belief of one age of mankind—a belief from which no one was, nor without an extraordinary effort of genius and courage, could at that time be free—becomes to a subsequent age so palpable an absurdity, that the only difficulty then is to imagine how such a thing can ever have appeared credible. It has so happened with the doctrine that money is synonymous with wealth. The conceit seems too preposterous to be thought of as a serious opinion. It looks like one of the crude fancies of childhood, instantly corrected by a word from any grown person. But let no one feel confident that he would have escaped the delusion if he had lived at the time when it prevailed. All the associations engendered by common life, and by the ordinary course of business, concurred in promoting it. So long as those associations were the only medium through which the subject was looked at, what we now think so gross an absurdity seemed a truism. Once questioned, indeed, it was doomed; but no one was likely to think of questioning it whose mind had not become familiar with certain modes of stating and of contemplating economical phenomena, which have only found their way into the general understanding through the influence of Adam Smith and of his expositors.

In common discourse, wealth is always expressed in money. If you ask how rich a person is, you are answered that he has so many thousand pounds. All income and expenditure, all gains and losses, everything by which one becomes richer or poorer, are reckoned as the coming in or going out of so much money. It is true that in the inventory of a person's fortune are included, not only the money in his actual possession, or due to him, but all other articles of value. These, however, enter, not in their own character, but in virtue of the sums of money which they would sell for; and if they would sell for less, their owner is reputed less rich, though the things themselves are precisely the same. It is true, also, that people do not grow rich by keeping their money unused, and that they must be willing to spend in order to gain. Those who enrich themselves by commerce, do so by giving money for goods as well as goods for money; and the first is as necessary a part of the process as the last. But a person who buys goods for purposes of gain, does so to sell them again

for money, and in the expectation of receiving more money than he laid out: to get money, therefore, seems even to the person himself the ultimate end of the whole. It often happens that he is not paid in money, but in something else; having bought goods to a value equivalent, which are set off against those he sold. But he accepted these at a money valuation, and in the belief that they would bring in more money eventually than the price at which they were made over to him. A dealer doing a large amount of business, and turning over his capital rapidly, has but a small portion of it in ready money at any one time. But he only feels it valuable to him as it is convertible into money: he considers no transaction closed until the net result is either paid or credited in money.. when he retires from business it is into money that he converts the whole, and not until then does he deem himself to have realized his gains: just as if money were the only wealth, and money's worth were only the means of attaining it. If it be now asked for what end money is desirable, unless to supply the wants or pleasures of oneself or others, the champion of the system would not be at all embarrassed by the question. True, he would say, these are the uses of wealth, and very laudable uses while confined to domestic commodities, because in that case, by exactly the amount which you expend, you enrich others of your countrymen. Spend your wealth, if you please, in whatever indulgences you have a taste for. but your wealth is not the indulgences, it is the sum of money, or the annual money income, with which you purchase them.

While there were so many things to render the assumption which is the basis of the mercantile system plausible, there is also some small foundation in reason, though a very insufficient one, for the distinction which that system so emphatically draws between money and every other kind of valuable possession. We really, and justly, look upon a person as possessing the advantages of wealth, not in proportion to the useful and agreeable things of which he is in the actual enjoyment, but to his command over the general fund of things useful and agreeable; the power he possesses of providing for any exigency, or obtaining any object of desire. Now, money is itself that power; while all other things, in a civilized state, seem to confer it only by their capacity of being exchanged for money. To possess any other article of wealth, is to possess that particular thing, and nothing else: if you wish for another thing instead of it, you have first to sell it, or to submit to the inconvenience and delay (if not the impossibility) of finding some one who has what you want, and is willing to barter it for what you have. But with money you are at once able to buy whatever things are for sale: and one whose fortune is in money, or in things rapidly convertible into it, seems both to himself and others to possess not any one thing, but all the things which the money places it at his option to purchase. The greatest part of the utility of wealth, beyond a very moderate quantity, is not the indulgences it procures, but the reserved power which its possessor holds in his hands of attaining purposes generally; and this power no other kind of wealth confers so immediately or so certainly as money. It is the only form of wealth which is not merely applicable to some one use, but can be turned at once to any use. And this distinction was the more likely to make an impression upon governments, as it is one of considerable importance to them. A civilized government derives comparatively little advantage from taxes unless it can collect them in money: and if it has large or sudden payments to make, especially payments in

foreign countries for wars or subsidies, either for the sake of conquering or of not being conquered (the two chief objects of national policy until a late period), scarcely any medium of payment except money will serve the purpose. All these causes conspire to make both individuals and governments, in estimating their means, attach almost exclusive importance to money, either in esse or in posse, and look upon all other things (when viewed as part of their resources) scarcely otherwise than as the remote means of obtaining that which alone, when obtained, affords the indefinite, and at the same time instantaneous, command over objects of desire, which best answers to the idea of wealth.

An absurdity, however, does not cease to be an absurdity when we have discovered what were the appearances which made it plausible; and the Mercantile Theory could not fail to be seen in its true character when men began, even in an imperfect manner, to explore into the foundations of things, and seek their premises from elementary facts, and not from the forms and phrases of common discourse. So soon as they asked themselves what is really meant by money-what it is in its essential characters, and the precise nature of the functions it performs-they reflected that money, like other things, is only a desirable possession on account of its uses; and that these, instead of being, as they delusively appear, indefinite, are of a strictly defined and limited description, namely, to facilitate the distribution of the produce of industry according to the convenience of those among whom it is shared. Further consideration showed that the uses of money are in no respect promoted by increasing the quantity which exists and circulates in a country; the service which it performs being as well rendered by a small as by a large aggregate amount. Two million quarters of corn will not feed so many persons as four millions; but two millions of pounds sterling will carry on as much traffic, will buy and sell as many commodities, as four millions, though at lower nominal prices. Money, as money, satisfies no want; its worth to any one, consists in its being a convenient shape in which to receive his incomings of all sorts, which incomings he afterwards, at the times which suit him best, converts into the forms in which they can be useful to him. Great as the difference would be between a country with money, and a country altogether without it, it would be only one of convenience; a saving of time and trouble, like grinding by water power instead of by hand, or (to use Adam Smith's illustration) like the benefit derived from roads; and to mistake money for wealth, is the same sort of error as to mistake the highway which may be the easiest way of getting to your house or lands, for the house and lands themselves.

Money, being the instrument of an important public and private purpose, is rightly regarded as wealth; but everything else which serves any human purpose, and which nature does not afford gratuitously, is wealth also. To be wealthy is to have a large stock of useful articles, or the means of purchasing them. Everything forms therefore a part of wealth, which has a power of purchasing; for which anything useful or agreeable would be given in exchange. Things for which nothing could be obtained in exchange, however useful or necessary they may be, are not wealth in the sense in which the term is used in Political Economy. Air, for example, though the most absolute of necessities, bears no price in the market, because it can be obtained gratuitously: to accumulate a stock of it would yield no profit or advantage to any one; and the laws of its production and distribution are the

subject of a very different study from Political Economy. But though air is not wealth, mankind are much richer by obtaining it gratis, since the time and labour which would otherwise be required for supplying the most pressing of all wants, can be devoted to other purposes. It is possible to imagine circumstances in which air would be a part of wealth. If it became customary to sojourn long in places where the air does not naturally penetrate, as in diving-bells sunk in the sea, a supply of air artificially furnished would, like water conveyed into houses, bear a price: and if from any revolution in nature the atmosphere became too scanty for the consumption, or could be monopolized, air might acquire a very high marketable value. In such a case, the possession of it, beyond his own wants, would be, to its owner, wealth; and the general wealth of mankind might at first sight appear to be increased, by what would be so great a calamity to them. The error would lie in not considering, that however rich the possessor of air might become at the expense of the rest of the community, all persons else would be poorer by all that they were compelled to pay for what they had before obtained without payment.

This leads to an important distinction in the meaning of the word wealth, as applied to the possessions of an individual, and to those of a nation, or of mankind. In the wealth of mankind, nothing is included which does not of itself answer some purpose of utility or pleasure. To an individual anything is wealth, which, though useless in itself, enables him to claim from others a part of their stock of things useful or pleasant. Take, for instance, a mortgage of a thousand pounds on a landed estate. This is wealth to the person to whom it brings in a revenue, and who could perhaps sell it in the market for the full amount of the debt. But it is not wealth to the country; if the engagement were annulled, the country would be neither poorer nor richer. The mortgagee would have lost a thousand pounds, and the owner of the land would have gained it. Speaking nationally, the mortgage was not itself wealth, but merely gave A a claim to a portion of the wealth of B. It was wealth to A, and wealth which he could transfer to a third person; but what he so transferred was in fact a joint ownership, to the extent of a thousand pounds, in the land of which B was nominally the sole proprietor. The position of fundholders, or owners of the public debt of a country, is similar. They are mortgagees on the general wealth of the country. The cancelling of the debt would be no destruction of wealth, but a transfer of it: a wrongful abstraction of wealth from certain members of the community, for the profit of the government, or of the tax-payers. Funded property therefore cannot be counted as part of the national wealth. This is not always borne in mind by the dealers in statistical calculations. For example, in estimates of the gross income of the country, founded on the proceeds of the income-tax, incomes derived from the funds are not always excluded: though the tax-payers are assessed on their whole nominal income, without being permitted to deduct from it the portion levied from them in taxation to form the income of the fundholder. In this calculation, therefore, one portion of the general income of the country is counted twice over, and the aggregate amount made to appear greater than it is by almost thirty millions. A country, however, may include in its wealth all stock held by its citizens in the funds of foreign countries, and other debts due to them from abroad. But even this is only wealth to them by being a part ownership in wealth held by others. It forms no part of the

collective wealth of the human race. It is an element in the distribution, but not in the composition, of the general wealth.

Another example of a possession which is wealth to the person holding it, but not wealth to the nation, or to mankind, is slaves. It is by a strange confusion of ideas that slave property (as it is termed) is counted, at so much per head, in an estimate of the wealth, or of the capital, of the country which tolerates the existence of such property. If a human being, considered as an object possessing productive powers, is part of the national wealth when his powers are owned by another man, he cannot be less a part of it when they are owned by himself. Whatever he is worth to his master is so much property abstracted from himself, and its abstraction cannot augment the possessions of the two together, or of the country to which they both belong. In propriety of classification, however, the people of a country are not to be counted in its wealth. They are that for the sake of which its wealth exists. The term wealth is wanted to denote the desirable objects which they possess, not inclusive of, but in contradistinction to, their own persons. They are not wealth to themselves, though they are means of acquiring it.

It has been proposed to define wealth as signifying "instruments:" meaning not tools and machinery alone, but the whole accumulation possessed by individuals or communities, of means for the attainment of their ends. Thus, a field is an instrument, because it is a means to the attainment of corn. Corn is an instrument, being a means to the attainment of flour. Flour is an instrument, being a means to the attainment of bread. Bread is an instrument, as a means to the satisfaction of hunger and to the support of life. Here we at last arrive at things which are not instruments, being desired on their own account, and not as mere means to something beyond. This view of the subject is philosophically correct; or rather, this mode of expression may be usefully employed along with others, not as conveying a different view of the subject from the common one, but as giving more distinctness and reality to the common view. It departs, however, too widely from the custom of language, to be likely to obtain general acceptance, or to be of use for any other purpose than that of occasional illustration.

Wealth, then, may be defined, all useful or agreeable things which possess exchangeable value; or, in other words, all useful or agreeable things except those which can be obtained, in the quantity desired, without labour or sacrifice. To this definition, the only objection seems to be, that it leaves in uncertainty a question which has been much debated -- whether what are called immaterial products are to be considered as wealth: whether, for example, the skill of a workman, or any other natural or acquired power of body or mind, shall be called wealth, or not: a question, not of very great importance, and which, so far as requiring discussion, will be more conveniently considered in another place.

These things having been premised respecting wealth, we shall next turn our attention to the extraordinary differences in respect to it, which exist between nation and nation, and between different ages of the world; differences both in the quantity of wealth, and in the kind of it; as well as in the manner in which the wealth existing in the community is shared among its members.

There is perhaps, no people or community, now existing, which subsists entirely on the spontaneous produce of vegetation. But many tribes still live exclusively, or almost exclusively, on wild animals, the produce of hunting or fishing. Their clothing

is skins; their habitations, huts rudely formed of logs or boughs of trees, and abandoned at an hour's notice. The food they use being little susceptible of storing up, they have no accumulation of it, and are often exposed to great privations. The wealth of such a community consists solely of the skins they wear; a few ornaments, the taste for which exists among most savages; some rude utensils; the weapons with which they kill their game, or fight against hostile competitors for the means of subsistence; canoes for crossing rivers and lakes, or fishing in the sea; and perhaps some furs or other productions of the wilderness, collected to be exchanged with civilized people for blankets, brandy, and tobacco; of which foreign produce also there may be some unconsumed portion in store. To this scanty inventory of material wealth, ought to be added their land; an instrument of production of which they make slender use, compared with more settled communities, but which is still the source of their subsistence, and which has a marketable value if there be any agricultural community in the neighbourhood requiring more land than it possesses. This is the state of greatest poverty in which any entire community of human beings is known to exist; though there are much richer communities in which portions of the inhabitants are in a condition, as to subsistence and comfort, as little enviable as that of the savage.

The first great advance beyond this state consists in the domestication of the more useful animals; giving rise to the pastoral or nomad state, in which mankind do not live on the produce of hunting, but on milk and its products, and on the annual increase of flocks and herds. This condition is not only more desirable in itself, but more conducive to further progress: and a much more considerable amount of wealth is accumulated under it. So long as the vast natural pastures of the earth are not yet so fully occupied as to be consumed more rapidly than they are spontaneously reproduced, a large and constantly increasing stock of subsistence may be collected and preserved, with little other labour than that of guarding the cattle from the attacks of wild beasts, and from the force or wiles of predatory men. Large flocks and herds, therefore, are in time possessed, by active and thrifty individuals through their own exertions, and by the heads of families and tribes through the exertions of those who are connected with them by allegiance. There thus arises, in the shepherd state, inequality of possessions; a thing which scarcely exists in the savage state, where no one has much more than absolute necessities, and in case of deficiency must share even those with his tribe. In the nomad state, some have an abundance of cattle, sufficient for the food of a multitude, while others have not contrived to appropriate and retain any superfluity, or perhaps any cattle at all. But subsistence has ceased to be precarious, since the more successful have no other use which they can make of their surplus than to feed the less fortunate, while every increase in the number of persons connected with them is an increase both of security and of power: and thus they are enabled to divest themselves of all labour except that of government and superintendence, and acquire dependents to fight for them in war and to serve them in peace. One of the features of this state of society is, that a part of the community, and in some degree even the whole of it, possess leisure. Only a portion of time is required for procuring food, and the remainder is not engrossed by anxious thought for the morrow, or necessary repose from muscular activity. Such a life is highly favourable to the growth

of new wants, and opens a possibility of their gratification. A desire arises for better clothing, utensils, and implements, than the savage state contents itself with; and the surplus food renders it practicable to devote to these purposes the exertions of a part of the tribe. In all or most nomad communities we find domestic manufactures of a coarse, and in some, of a fine kind. There is ample evidence that while those parts of the world which have been the cradle of modern civilization were still generally in the nomad state, considerable skill had been attained in spinning, weaving, and dyeing woollen garments, in the preparation of leather, and in what appears a still more difficult invention, that of working in metals. Even speculative science took its first beginnings from the leisure characteristic of this stage of social progress. The earliest astronomical observations are attributed, by a tradition which has much appearance of truth, to the shepherds of Chaldea.

From this state of society to the agricultural the transition is not indeed easy (for no great change in the habits of mankind is otherwise than difficult, and in general either painful or very slow), but it lies in what may be called the spontaneous course of events. The growth of the population of men and cattle began in time to press upon the earth's capabilities of yielding natural pasture: and this cause doubtless produced the first tilling of the ground, just as at a later period the same cause made the superfluous hordes of the nations which had remained nomad precipitate themselves upon those which had already become agricultural; until, these having become sufficiently powerful to repel such inroads, the invading nations, deprived of this outlet, were obliged also to become agricultural communities.

But after this great step had been completed, the subsequent progress of mankind seems by no means to have been so rapid (certain rare combinations of circumstances excepted) as might perhaps have been anticipated. The quantity of human food which the earth is capable of returning even to the most wretched system of agriculture, so much exceeds what could be obtained in the purely pastoral state, that a great increase of population is invariably the result. But this additional food is only obtained by a great additional amount of labour; so that not only an agricultural has much less leisure than a pastoral population, but, with the imperfect tools and unskilful processes which are for a long time employed (and which over the greater part of the earth have not even yet been abandoned), agriculturists do not, unless in unusually advantageous circumstances of climate and soil, produce so great a surplus of food, beyond their necessary consumption, as to support any large class of labourers engaged in other departments of industry. The surplus, too, whether small or great, is usually torn from the producers, either by the government to which they are subject, or by individuals, who by superior force, or by availing themselves of religious or traditional feelings of subordination, have established themselves as lords of the soil.

The first of these modes of appropriation, by the government, is characteristic of the extensive monarchies which from a time beyond historical record have occupied the plains of Asia. The government, in those countries, though varying in its qualities according to the accidents of personal character, seldom leaves much to the cultivators beyond mere necessities, and often strips them so bare even of these, that it finds itself obliged, after taking all they have, to lend part of it back to those from whom it has been taken, in order to provide them with seed, and enable

them to support life until another harvest. Under the régime in question, though the bulk of the population are ill provided for, the government, by collecting small contributions from great numbers, is enabled, with any tolerable management, to make a show of riches quite out of proportion to the general condition of the society; and hence the inveterate impression, of which Europeans have only at a late period been disabused, concerning the great opulence of Oriental nations. In this wealth, without reckoning the large portion which adheres to the hands employed in collecting it, many persons of course participate, besides the immediate household of the sovereign. A large part is distributed among the various functionaries of government, and among the objects of the sovereign's favour or caprice. A part is occasionally employed in works of public utility. The tanks, wells, and canals for irrigation, without which in many tropical climates cultivation could hardly be carried on; the embankments which confine the rivers, the bazars for dealers, and the seraees for travellers, none of which could have been made by the scanty means in the possession of those using them, owe their existence to the liberality and enlightened self-interest of the better order of princes, or to the benevolence or ostentation of here and there a rich individual, whose fortune, if traced to its source, is always found to have been drawn immediately or remotely from the public revenue, most frequently by a direct grant of a portion of it from the sovereign.

The ruler of a society of this description, after providing largely for his own support, and that of all persons in whom he feels an interest, and after maintaining as many soldiers as he thinks needful for his security or his state, has a disposable residue, which he is glad to exchange for articles of luxury suitable to his disposition: as have also the class of persons who have been enriched by his favour, or by handling the public revenues. A demand thus arises for elaborate and costly manufactured articles, adapted to a narrow but a wealthy market. This demand is often supplied almost exclusively by the merchants of more advanced communities, but often also raises up in the country itself a class of artificers, by whom certain fabrics are carried to as high excellence as can be given by patience, quickness of perception and observation, and manual dexterity, without any considerable knowledge of the properties of objects: such as some of the cotton fabrics of India. These artificers are fed by the surplus food which has been taken by the government and its agents as their share of the produce. So literally is this the case, that in some countries the workman, instead of taking his work home, and being paid for it after it is finished, proceeds with his tools to his customer's house, and is there subsisted until the work is complete. The insecurity, however, of all possessions in this state of society, induces even the richest purchasers to give a preference to such articles as, being of an imperishable nature, and containing great value in small bulk, are adapted for being concealed or carried off. Gold and jewels, therefore, constitute a large proportion of the wealth of these nations, and many a rich Asiatic carries nearly his whole fortune on his person, or on those of the women of his harem. No one, except the monarch, thinks of investing his wealth in a manner not susceptible of removal. He, indeed, if he feels safe on his throne, and reasonably secure of transmitting it to his descendants, sometimes indulges a taste for durable edifices, and produces the Pyramids, or the Taj Mehal and the Mausoleum at Sekundra. The rude manufactures destined for the wants of the

cultivators are worked up by village artisans, who are remunerated by land given to them rent-free to cultivate, or by fees paid to them in kind from such share of the crop as is left to the villagers by the government. This state of society, however, is not destitute of a mercantile class; composed of two divisions, grain dealers and money dealers. The grain dealers do not usually buy grain from the producers, but from the agents of government, who, receiving the revenue in kind, are glad to devolve upon others the business of conveying it to the places where the prince, his chief civil and military officers, the bulk of his troops, and the artisans who supply the wants of these various persons, are assembled. The money dealers lend to the unfortunate cultivators, when ruined by bad seasons or fiscal exactions, the means of supporting life and continuing their cultivation, and are repaid with enormous interest at the next harvest; or, on a larger scale, they lend to the government, or to those to whom it has granted a portion of the revenue, and are indemnified by assignments on the revenue collectors, or by having certain districts put into their possession, that they may pay themselves from the revenues; to enable them to do which, a great portion of the powers of government are usually made over simultaneously, to be exercised by them until either the districts are redeemed, or their receipts have liquidated the debt. Thus, the commercial operations of both these classes of dealers take place principally upon that part of the produce of the country which forms the revenue of the government. From that revenue their capital is periodically replaced with a profit, and that is also the source from which their original funds have almost always been derived. Such, in its general features, is the economical condition of most of the countries of Asia, as it has been from beyond the commencement of authentic history, and is still, wherever not disturbed by foreign influences.

In the agricultural communities of ancient Europe whose early condition is best known to us, the course of things was different. These, at their origin, were mostly small town-communities, at the first plantation of which, in an unoccupied country, or in one from which the former inhabitants had been expelled, the land which was taken possession of was regularly divided, in equal or in graduated allotments, among the families composing the community. In some cases, instead of a town there was a confederation of towns, occupied by people of the same reputed race, and who were supposed to have settled in the country about the same time. Each family produced its own food and the materials of its clothing, which were worked up within itself, usually by the women of the family, into the coarse fabrics with which the age was contented. Taxes there were none, as there were either no paid officers of government, or if there were, their payment had been provided for by a reserved portion of land, cultivated by slaves on account of the state; and the army consisted of the body of citizens. The whole produce of the soil, therefore, belonged, without deduction, to the family which cultivated it. So long as the process of events permitted this disposition of property to last, the state of society was, for the majority of the free cultivators, probably not an undesirable one; and under it, in some cases, the advance of mankind in intellectual culture was extraordinarily rapid and brilliant. This more especially happened where, along with advantageous circumstances of race and climate, and no doubt with many favourable accidents of which all trace is now lost, was combined the advantage of a position on the shores of a great

inland sea, the other coasts of which were already occupied by settled communities. The knowledge which in such a position was acquired of foreign productions, and the easy access of foreign ideas and inventions, made the chain of routine, usually so strong in a rude people, hang loosely on these communities. To speak only of their industrial development; they early acquired variety of wants and desires, which stimulated them to extract from their own soil the utmost which they knew how to make it yield; and when their soil was sterile, or after they had reached the limit of its capacity, they often became traders, and bought up the productions of foreign countries, to sell them in other countries with a profit.

The duration, however, of this state of things was from the first precarious. These little communities lived in a state of almost perpetual war. For this there were many causes. In the ruder and purely agricultural communities a frequent cause was the mere pressure of their increasing population upon their limited land, aggravated as that pressure so often was by deficient harvests, in the rude state of their agriculture, and depending as they did for food upon a very small extent of country. On these occasions, the community often emigrated en masse, or sent forth a swarm of its youth, to seek, sword in hand, for some less warlike people, who could be expelled from their land, or detained to cultivate it as slaves for the benefit of their despoilers. What the less advanced tribes did from necessity, the more prosperous did from ambition and the military spirit: and after a time the whole of these city-communities were either conquerors or conquered. In some cases, the conquering state contented itself with imposing a tribute on the vanquished: who being, in consideration of that burden, freed from the expense and trouble of their own military and naval protection, might enjoy under it a considerable share of economical prosperity, while the ascendant community obtained a surplus of wealth, available for purposes of collective luxury or magnificence. From such a surplus the Parthenon and the Propylaea were built, the sculptures of Pheidias paid for, and the festivals celebrated, for which Aeschylus, Sophocles, Euripides, and Aristophanes composed their dramas. But this state of political relations, most useful, while it lasted, to the progress and ultimate interest of mankind, had not the elements of durability. A small conquering community which does not incorporate its conquests, always ends by being conquered. Universal dominion, therefore, at last rested with the people who practised this art -- with the Romans; who, whatever were their other devices, always either began or ended by taking a great part of the land to enrich their own leading citizens, and by adopting into the governing body the principal possessors of the remainder. It is unnecessary to dwell on the melancholy economical history of the Roman empire. When inequality of wealth once commences, in a community not constantly engaged in repairing by industry the injuries of fortune, its advances are gigantic; the great masses of wealth swallow up the smaller. The Roman empire ultimately became covered with the vast landed possessions of a comparatively few families, for whose luxury, and still more for whose ostentation, the most costly products were raised, soil were slaves, or small tenants in a while the condition. cultivators of the soil were slaves, or small tenants in nearly servile condition. From this time the wealth of the empire progressively declined. In the beginning, the public revenues, and the resources of rich individuals, sufficed at

least to cover Italy with splendid edifices, public and private; but at length so dwindled under the enervating influences of misgovernment, that what remained was not even sufficient to keep those edifices from decay. The strength and riches of the civilized world became inadequate to make head against the nomad population which skirted its northern frontier; they overran the empire, and a different order of things succeeded.

In the new frame in which European society was now cast, the population of each country may be considered as composed, in unequal proportions, of two distinct nations or races, the conquerors and the conquered: the first the proprietors of the land, the latter the tillers of it. These tillers were allowed to occupy the land on conditions which, being the product of force, were always onerous, but seldom to the extent of absolute slavery. Already, in the later times of the Roman empire, predial slavery had extensively transformed itself into a kind of serfdom: the coloni of the Romans were rather villeins than actual slaves; and the incapacity and distaste of the barbarian conquerors for personally superintending industrial occupations, left no alternative but to allow to the cultivators, as an incentive to exertion, some real interest in the soil. If, for example, they were compelled to labour, three days in the week, for their superior, the produce of the remaining days was their own. If they were required to supply the provisions of various sorts, ordinarily needed for the consumption of the castle, and were often subject to requisitions in excess, yet after supplying these demands they were suffered to dispose at their will of whatever additional produce they could raise. Under this system during the Middle Ages it was not impossible, no more than in modern Russia (where, up to the recent measure of emancipation, the same system still essentially prevailed), for serfs to acquire property; and in fact, their accumulations are the primitive source of the wealth of modern Europe.

In that age of violence and disorder, the first use made by a serf of any small provision which he had been able to accumulate, was to buy his freedom and withdraw himself to some town or fortified village, which had remained undestroyed from the time of the Roman dominion; or, without buying his freedom, to abscond thither. In that place of refuge, surrounded by others of his own class. he attempted to live, secured in some measure from the outrages and exactions of the warrior caste, by his own prowess and that of his fellows. These emancipated serfs mostly became artificers; and lived by exchanging the produce of their industry for the surplus food and material which the soil yielded to its feudal proprietors. This gave rise to a sort of European counterpart of the economical condition of Asiatic countries; except that, in lieu of a single monarch and a fluctuating body of favourites and employés, there was a numerous and in a considerable degree fixed class of great landholders; exhibiting far less splendour, because individually disposing of a much smaller surplus produce, and for a long time expending the chief part of it in maintaining the body of retainers whom the warlike habits of society, and the little protection afforded by government, rendered indispensable to their safety. The greater stability, the fixity of personal position, which this state of society afforded, in comparison with the Asiatic polity to which it economically corresponded, was one main reason why it was also found more favourable to improvement. From this time the economical advancement of society has not been further interrupted. Security of person and property grew slowly, but

steadily. the arts of life made constant progress; plunder ceased to be the principal source of accumulation; and feudal Europe ripened into commercial and manufacturing Europe. In the latter part of the Middle Ages, the towns of Italy and Flanders, the free cities of Germany, and some towns of France and England, contained a large and energetic population of artisans, and many rich burghers, whose wealth had been acquired by manufacturing industry, or by trading in the produce of such industry. The Commons of England, the Tiers-Etat of France, the bourgeoisie of the Continent generally, are the descendants of this class. As these were a saving class, while the posterity of the feudal aristocracy were a squandering class, the former by degrees substituted themselves for the latter as the owners of a great proportion of the land. This natural tendency was in some cases retarded by laws contrived for the purpose of detaining the land in the families of its existing possessors, in other cases accelerated by political revolutions. Gradually, though more slowly, the immediate cultivators of the soil, in all the more civilized countries, ceased to be in a servile or semi-servile state: though the legal position, as well as the economical condition attained by them, vary extremely in the different nations of Europe, and in the great communities which have been founded beyond the Atlantic by the descendants of Europeans.

The world now contains several extensive regions, provided with the various ingredients of wealth in a degree of abundance of which former ages had not even the idea. Without compulsory labour, an enormous mass of food is annually extracted from the soil, and maintains, besides the actual producers, an equal, sometimes a greater number of labourers, occupied in producing conveniences and luxuries of innumerable kinds, or in transporting them from place to place; also a multitude of persons employed in directing and superintending these various labours; and over and above all these, a class more numerous than in the most luxurious ancient societies, of persons whose occupations are of a kind not directly productive, and of persons who have no occupation at all. The food thus raised supports a far larger population than had ever existed (at least in the same regions) on an equal space of ground; and supports them with certainty, exempt from those periodically recurring famines so abundant in the early history of Europe, and in Oriental countries even now not unfrequent. Besides this great increase in the quantity of food, it has greatly improved in quality and variety; while conveniences and luxuries, other than food, are no longer limited to a small and opulent class, but descend, in great abundance, through many widening strata in society. The collective resources of one of these communities, when it chooses to put them forth for any unexpected purpose; its ability to maintain fleets and armies, to execute public works, either useful or ornamental, to perform national acts of beneficence like the ransom of the West India slaves; to found colonies, to have its people taught, to do anything in short which requires expense, and to do it with no sacrifice of the necessities or even the substantial comforts of its inhabitants, are such as the world never saw before.

But in all these particulars, characteristic of the modern industrial communities, those communities differ widely from one another. Though abounding in wealth as compared with former ages, they do so in very different degrees. Even of the countries which are justly accounted the richest, some have made a more complete use of their productive resources, and have obtained, relatively

to their territorial extent, a much larger produce, than others; nor do they differ only in amount of wealth, but also in the rapidity of its increase. The diversities in the distribution of wealth are still greater than in the production. There are great differences in the condition of the poorest class in different countries; and in the proportional numbers and opulence of the classes which are above the poorest. The very nature and designation of the classes who originally share among them the produce of the soil, vary not a little in different places. In some, the landowners are a class in themselves, almost entirely separate from the classes engaged in industry. In others, the proprietor of the land is almost universally its cultivator, owning the plough, and often himself holding it. Where the proprietor himself does not cultivate, there is sometimes, between him and the labourer, an intermediate agency, that of the farmer, who advances the subsistence of the labourers, supplies the instruments of production, and receives, after paying a rent to the landowner, all the produce: in other cases, the landlord, his paid agents, and the labourers, are the only sharers. Manufactures, again, are sometimes carried on by scattered individuals, who own or hire the tools or machinery they require, and employ little labour besides that of their own family; in other cases, by large numbers working together in one building, with expensive and complex machinery owned by rich manufacturers. The same difference exists in the operations of trade. The wholesale operations indeed are everywhere carried on by large capitals, where such exist; but the retail dealings, which collectively occupy a very great amount of capital, are sometimes conducted in small shops, chiefly by the personal exertions of the dealers themselves, with their families, and perhaps an apprentice or two; and sometimes in large establishments, of which the funds are supplied by a wealthy individual or association, and the agency is that of numerous salaried shopmen or shopwomen. Besides these differences in the economical phenomena presented by different parts of what is usually called the civilized world, all those earlier states which we previously passed in review, have continued in some part or other of the world, down to our own time. Hunting communities still exist in America, nomadic in Arabia and the steppes of Northern Asia; Oriental society is in essentials what it has always been; the great empire of Russia is even now, in many respects, the scarcely modified image of feudal Europe. Every one of the great types of human society, down to that of the Esquimaux or Patagonians, is still extant.

These remarkable differences in the state of different portions of the human race, with regard to the production and distribution of wealth, must, like all other phenomena, depend on causes. And it is not a sufficient explanation to ascribe them exclusively to the degrees of knowledge possessed at different times and places, of the laws of nature and the physical arts of life. Many other causes co-operate; and that very progress and unequal distribution of physical knowledge are partly the effects, as well as partly the causes, of the state of the production and distribution of wealth.

In so far as the economical condition of nations turns upon the state of physical knowledge, it is a subject for the physical sciences, and the arts founded on them. But in so far as the causes are moral or psychological, dependent on institutions and social relations, or on the principles of human nature, their investigation belongs not to physical, but to moral and social

science, and is the object of what is called Political Economy.

The production of wealth; the extraction of the instruments of human subsistence and enjoyment from the materials of the globe, is evidently not an arbitrary thing. It has its necessary conditions. Of these, some are physical, depending on the properties of matter, and on the amount of knowledge of those properties possessed at the particular place and time. These Political Economy does not investigate, but assumes; referring for the grounds, to physical science or common experience. Combining with these facts of outward nature other truths relating to human nature, it attempts to trace the secondary or derivative laws, by which the production of wealth is determined; in which must lie the explanation of the diversities of riches and poverty in the present and past, and the ground of whatever increase in wealth is reserved for the future.

Unlike the laws of Production, those of Distribution are partly of human institution: since the manner in which wealth is distributed in any given society, depends on the statutes or usages therein obtaining. But though governments or nations have the power of deciding what institutions shall exist, they cannot arbitrarily determine how those institutions shall work. The conditions on which the power they possess over the distribution of wealth is dependent, and the manner in which the distribution is effected by the various modes of conduct which society may think fit to adopt, are as much a subject for scientific enquiry as any of the physical laws of nature.

The laws of Production and Distribution, and some of the practical consequences deducible from them, are the subject of the following treatise.

The Principles of Political Economy

by John Stuart Mill

Chapter 1

Of the Requisites of Production

1. The requisites of production are two: labour, and appropriate natural objects.

Labour is either bodily or mental; or, to express the distinction more comprehensively, either muscular or nervous; and it is necessary to include in the idea, not solely the exertion itself, but feelings of a disagreeable kind, all bodily inconvenience or mental annoyance, connected with the employment of one's thoughts, or muscles, or both, in a particular