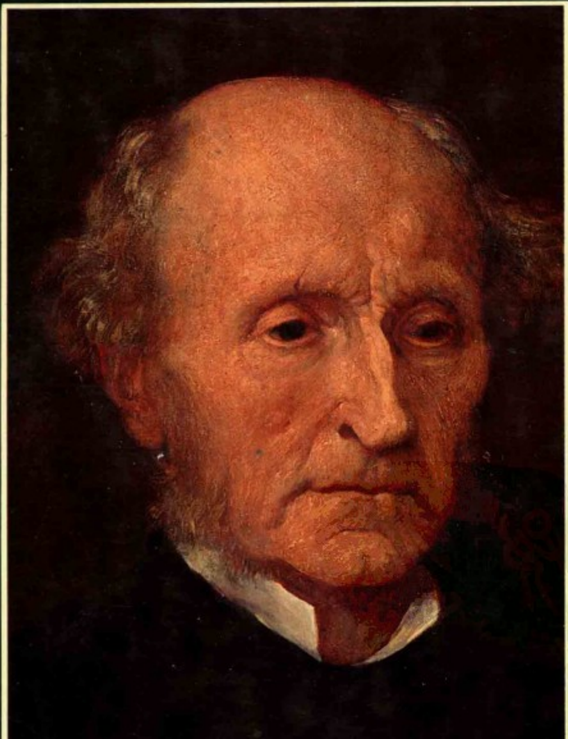
THE ECONOMICS OF JOHN STUART MILL

Volume Two

POLITICAL ECONOMY



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will the excess be corrected. Conversely, in the event of a halving of the money stock, an excess supply of commodities will be created which will be corrected by a general fall in prices raising the real value of the lower stock until holders are satisfied.[1]

Where did J. S. Mill stand on these issues? As is well known, in his famous essay composed in 1830 on 'The Influence of Consumption on Production' – described by Sir John Hicks as 'to modern taste, the deepest of Mill's writings on the subject' and 'one of the finest productions of Classical Economics' (1973, 58) – Mill formally allowed for excess demand for money to hold.[2] The historiographic, analytical and policy implications of his allowance will be our concern in what follows.

Conspicuous in the secondary literature is an opinion that the essay is unique in Mill's voluminous writings on the monetary issues at stake, the argument kept in the shade in the *Principles*. Thus according to Lord Robbins, this 'view of the operations of the speculative motive which affords what is in effect a theory of the trade cycle . . . can be detected between the lines in the treatment of speculation in the *Principles*, but it is nowhere so overtly developed' (1967, *CW*, IV, x; cf. Robbins, 1976, 66–8).[3] Sir John Hicks has addressed himself to the apparent mystery: 'There can be no doubt', he writes of the essay, 'that Mill did have a short-period theory' involving a non-neutral monetary perspective; 'but it is a remarkable thing' that in 1848 'we find no reference at all to the argument of the essay. In the *Principles* (see especially the chapter on "Excess of Supply") Mill appears, on all this side, to be just a hard-boiled "classic". The argument of the essay is not withdrawn, but it is just not there' (1967, 163). Hicks does not discern an actual change in position between 1830 and 1848; rather the supposed silence of 1848 reflects, he believes, a concern on Mill's part 'that if too much weight were given to short-period [monetary] effects, it would play into the hands of the crude inflationists. The long-period, it would be said, is just a succession of short-periods. Why not keep the stimulus going, when the first dose is exhausted, by another dose? . . . [We] can best explain Mill's position by supposing that he always held to what

1 For technical details see Baumol and Becker (1960 [1952]), Balassa (1959), Lange (1942), Schumpeter (1954, 615f).

2 Cf. Baumol and Becker (1952): 'In reading it one is led to wonder why so much of the subsequent literature (this paper included) had to be written at all' (1960, 765).

3 Cf. Robbins (1968), 64: 'Mill himself, in writing his *Principles*, was obviously careful to avoid the dogmatism which his article had been intended to dissolve; and, reading between the lines, one can detect the fundamental outlook which it expressed. But he made no special point of it, as might have been expected; and what is said has little of the cutting edge of the original article.'

he had said in the essay, but did not want to emphasize it, for he held that it was *dangerous*' (162–3).[4]

In his important monograph on the history of monetary theory B. A. Corry goes yet further. The essay is said to be 'remarkable for its discussion of the effects of changes in the demand for money, but the puzzle is its timing, for both before and after it, Mill produced unquestioning support for the unqualified Classical position' (Corry, 1962, 101). This perspective leads Corry to seek to understand how it was that Mill's monetary economics 'changed from the radicalism of the early Essay to the conservatism of the *Principles*' (101), a work reiterating (so runs the contention) those notions of an impossibility of general over-production and monetary disequilibrium, characterizing Mill's pre-1830 position and showing 'no trace at all' of the qualifications in the essay regarding the possibilities of changes in the desire to hold cash: 'The complete "neutrality" of money is argued without qualification' (106). The resolution of the "puzzle" of a unique statement distinguished from what came before and what came after is expressed hesitantly:

There appears to be no really satisfactory explanation of this changing attitude towards the possibility of monetary disturbance. It is possible to use Mill's extreme youth to account for the earliest [pre-1829] articles; speculation – which was beyond the control of any authority – was a common view of the Classical school, and Mill, at this stage, can hardly be regarded as more than a very able *rapporteur*. *Of the Influence of Consumption Upon Production* clearly shows a more independent frame of mind; the present writer is inclined to suspect the influence of Torrens here although there is no direct evidence available. The prolonged depression of the post-war years must have made the simple equilibrium analysis of James Mill's *Elements* appear more than somewhat unrealistic. Then presumably with the relatively increased prosperity of the thirties and early forties – although interspersed with periodic financial crises – the qualifications so necessary to the statement of all economic principles were gradually dropped from the younger Mill's analysis.

This general evaluation should be contrasted with an alternative interpretation offered by Pedro Schwartz in his *New Political Economy of John Stuart Mill*. Here it is urged that Mill departed from Ricardian orthodoxy in monetary matters as early as 1826 (in his paper on 'Paper Currency

4 See Hicks (1983), 62–3 for an abandonment of this perspective in favour of one much closer to our own in the present chapter: 'I do not now believe that Mill thought that in the two works he says anything substantially different. He always thought that there were two sides to the argument. In the essay they appear together; but in the *Principles* they are too widely separated.' Hicks alludes here to the discussions of 'disequilibrium' in III, Chs. xii and xiv – albeit rather underemphasized in the latter compared with the former; and the equilibrium analysis of I, Chs. iv and v.

and Commercial Distress') under the influence of Thomas Tooke, adopting 'new doctrines of monetary theory and policy that were to last him until the end of his life':

> Here his departure from the Ricardian doctrine was not due to philosophical or political considerations, and it was not in the same direction as in other areas of his thought. Indeed, whereas in the questions of trade unions, socialism or *laissez faire* Mill, in a greater or less degree, breathed new life into the old political economy, in the question of money and employment he changed his analytical stance and moved a step backwards in respect of his orthodox position (1972, 33).

It is Mill's abandonment of the Ricardian (bullionist) position to which Schwartz alludes here. But this, he insists, did not amount to a diversion towards 'a more "Keynesian" position' – rather to the contrary, Mill in 1826 argued for 'a more passive attitude to monetary phenomena than that held by Ricardo and his disciples, let alone the Attwoods and other Birmingham reflationists, the true "Keynesians" in this plot' (35). On this view the puzzle posed for so many by the essay of 1830 falls away for it too, on Schwartz's reading, must not be read through anachronistic lenses:

> Our Keynesian times could not refrain from hailing this article as an important contribution to economic thought and wondering why Mill did not follow it up with more radical departures from the 'classical' position. However, we should beware of taking it out of context. To say that the existence of money allows psychological factors to affect the economic situation, is not the same as to say that the cycle may be controlled by deliberate variations of the money supply (and still less by variations in public expenditure) . . . Mill was not moving nearer to Malthus, Sismondi and Attwood when he wrote this essay. Quite the contrary; he was moving still further away from them than the strict Ricardians . . . (39).

From this perspective, Schwartz concludes, the relative unconcern with the issues of 1830 in the *Principles* merely indicates 'how peripheral monetary questions were to his New Political Economy' (41).

Schwartz's insistence that we avoid anachronistic readings is fully justified, for a neglect of that seemingly obvious requirement has led to serious misrepresentations of Mill's position in the *Principles* as well as the early papers. Moreover, that the paper of 1826 contains much of substance that was to appear in the essay of 1830 is also true; the latter is by no means a unique production. But here we part company. For, as J. A. Schumpeter has always recognized (1954, 621f.), far from proceeding to treat the allowance for excess money demand as a skeleton in the family cupboard Mill continued to give it pride of place in 1848 and thereafter. Indeed, the cyclical phenomena are much elaborated in a linkage made between them and the secular trend of the return on capital, a relationship only touched on lightly in some of the early papers and not at all in the essay of 1830. Moreover, notwithstanding Mill's horror of monetary unorthodoxy of the Birmingham variety, he yet championed flexibility and intelligent judgement on the part of the central bank rather than the automaticity required by the currency school whose rules, designed to reduce central banking to the issue of gold certificates, were embodied in Peel's Act of 1844. To categorize his position as one of extreme *laissez-faire* is going much too far. There is also the matter of Mill's new allowances in the *Principles* for government expenditure in countries 'at a hand's breadth' of a stationary state, although this position admittedly cannot be interpreted in 'Keynesian' terms.

We proceed by analysis of Mill's formulations of the law of markets in essays prior to the *Principles* and in the *Principles* itself (Sections II and III). In Sections IV and V we consider technical issues relating to the quantity theory and the interest rate. Thereafter we turn to bank finance with particular reference to cyclical fluctuations and banking policy (Section VI). The control of central banking is considered separately in Section VII.

II THE LAW OF MARKETS: EARLY FORMULATIONS

In this section we trace the evolution of Mill's monetary perspective, with special reference to the law of markets, prior to the *Principles* in various articles: 'War Expenditure' (1824); 'The Quarterly Review on Political Economy' (1825); 'Paper Currency and Commercial Distress' (1826); 'Of the Influence of Consumption on Production', first composed in 1830 and published in 1836; 'The Currency Juggle' (1833); and 'The Currency Question' (1844).[5] Before proceeding to these formal articles, however, it will be helpful to have in mind the methodological perspective and the substance of Mill's first ever published review, a two part review of Tooke's *Thoughts and Details on the High and Low Prices of the Last Thirty Years* (1823), for a variety of general issues arise to be further elaborated in the formal papers.

The polemical tone directed at Western, Attwood and their followers, is pure James Mill. The possible effects on prices of bank restriction (and the return to gold of 1819) had been 'settled long ago by general reasoning to the satisfaction of every thinking man' – namely that restriction *per se* could raise prices by a percentage not exceeding the difference between the market and mint price of gold (*The Globe and Traveller*, 4 March 1823). The fact that 'many commodities' varied in price to a far greater degree had, therefore, to be accounted for by other causes than currency variation. Tooke's merit was partly to adduce

5 For a brief review of this literature see Robbins (1967), xiiif.

> general reasoning, which alone sufficed to prove the absurdity of attributing to depreciation any greater effect [than the difference in value between paper and gold]; but as there are many, who, not being capable of comprehending general reasoning, are inclined to regard it with distrust, Mr. Tooke fortified his position by a statement of facts, proving conclusively that during the last 30 years enhancement of prices was seldom, if ever, coincident with increase in the issues of Bank paper, but was sometimes coincident with a diminution. To attribute, therefore, any considerable part of the enhancement to depreciation, is inconsistent not only with principle, but with facts – not only with general, but with specific experience (*The Morning Chronicle*, 9 Aug. 1823, 3).

It was, of course, variations in the price of corn that most interested Tooke and these, as Mill reported favourably, were largely explicable by 'variations of the seasons, and the variations in the amount of private paper and credit, arising from speculation and over-trading', which (Mill adds) 'Tooke also analyses, and refers to their real sources' (4 March 1823).[6]

The nature of the credit variation and its source in 'speculation and overtrading' are not elaborated upon in the review and this is unfortunate considering the high profile of the topic in the later articles and the *Principles*. As for seasonal variations Mill reports at some length on the effects of expectation in complicating the standard supply–demand mechanism. That 'demand and supply, as affecting prices' are 'prospective' as well as 'actual' accounted for the fact that 'the lowest prices sometimes coincide with the smallest stock for sale, and the highest prices with the largest stock' (9 Aug. 1823). More generally, the inelasticity of demand for corn is referred to as the basic cause for sharp variation in total farm revenue, the increase in the first two decades generating false signals of permanent prosperity and encouraging long-term investment 'thereby increasing the quantity of produce, and aggravating their distress when low prices returned'.[7] It is interesting that the upward trend 1793–1812 is in no way related to diminishing agricultural returns; indeed that phenomenon is not even mentioned.[8]

Tooke's position was designed also to counter those who attributed the

6 Mill was impressed by Tooke's case that changes in credit were not peculiar to an inconvertible paper. For a general account of Tooke's position see Gregory (1828), 31f, Laidler (1972), Arnon (1984). Ricardo saw eye to eye with Tooke concerning price movements following resumption, drawing on Tooke's evidence before the Select Committee on the Agriculture of the United Kingdom (1821); cf. Hollander (1979), 496–7n.

7 Malthus (1823 [1963]) also emphasized that high demand elasticity for agricultural produce constituted a source of instability, and commended Tooke for his analysis.

8 A short while later, however, Mill alluded to the effect of the Corn Laws on the profit rate.

price movements to war expenditure and its cessation. Here we arrive at the central issue taken up the following year in the review of Blake:

> Independently of taxation[9] war could have raised prices only by creating demand, or by obstructing supply.
> Those who affirm that war increased demand, think that the whole of the extra government expenditure creates a new source of demand; that not only the prices of naval and military stores are raised, but that the additional consumption of fleets and armies must raise the price of food; that the demand for soldiers and sailors must raise wages; also the increased demand for manufactures to supply fleets and armies must farther raise wages, and thus increase the consumption by the labouring classes, &c.
> This would be true if the extra government expenditure consisted of new funds; but these reasoners forget that what is consumed by government comes out of the pockets of the people, and would by them have been expended in the purchase of labour and commodities. In this way, therefore, war cannot raise prices. It can only raise those commodities which are the objects of sudden demand, such as naval and military stores, and these only until the supply has accommodated itself to the demand (9 Aug. 1823).

* * *

Mill's earliest contribution to economic theory (apart from his letters to the press) – the review of William Blake in 1824 – is conspicuous for its denial of post-war 'universal distress' described by Blake in his 'Observations on the Effects produced by the Expenditure of Government during the Restriction of Cash Payments' (1823) as a general depression involving 'landed proprietors without rents; farmers and manufacturers without a market, the monied capitalists ready to lend, and the merchant not wanting to borrow; a redundant capital, yet a redundant population; and the industrious poor compelled to apply, like mendicants, at the parish workhouses' (cited *CW*, IV, 3). The post-war difficulties were limited to the agricultural sector, insisted Mill, in a sarcastic denunciation of the 'landed interest'. 'We are very sceptical as to that universal distress, of which, at one time we heard so much'. It is clear enough that, eighteen years old and firmly under his father's thumb, Mill was shackled by 'general principles', which precluded as contradictory 'a redundant capital, yet a redundant population' (3).[10] The paper concludes with a tirade against

9 On Ricardian grounds taxation is in fact rejected as a cause of high general prices. The income tax does not affect prices at all; and indirect taxes play on relative prices only.

10 Blake had originally subscribed to Bullionist orthodoxy, but subsequently changed his mind and in 1823 accounted for war and post-war price movements in terms of changes

appeal to 'practical men', in this case in support of the supposed 'difficulty of finding employment' for new capital since the end of the war:

A reasoner must be hard pressed, when he is driven to quote practical men in aid of his conclusions. There cannot be a worse authority, in any branch of political science, than that of merely practical men. They are always the most obstinate and presumptious of all theorists. Their theories, which they call practice, and affirm to be the legitimate results of experience, are built upon a superficial view of the small number of facts which come within the narrow circle of their immediate observation; and are usually in direct contradiction to those principles which are deduced from a general and enlarged experience. Such men are the most unsafe of all guides, even in matters of fact. More bigotted to their own theories than the most visionary speculator, because they believe them to have warrent of past experience; they have their eyes open to such facts alone as square with those theories. They are constantly confounding facts with inferences, and when they see a little, supply the remainder from their own imagination (19).[11]

The 'general principles' to which Mill appealed include pre-eminently that 'saving' entails a form of spending (productive spending), and what was later to be labelled the treasury view. On these grounds Mill rejected Blake's position that the high range of prices during the war and the high level of activity were due to 'a supposed extra demand . . . produced by the [loan financed] war expenditure of government', and the low prices and output of the post-war period to the cessation of such spending. As to the *saving is spending* theorem:

Two fallacies are involved in this reasoning: first, that of supposing that expenditure, as contradistinguished from saving, can by any possibility constitute an additional source of demand: and secondly, that of conceiving that capital which being borrowed by government becomes a source of demand in its hands, would not have been equally a source of demand in the hands of those from whom it is taken. A mass of capital which is lent to government, and an equal mass which remains in the hands of the capitalist, are both consumed, and both, possibly, within the same space of time. The difference is, that the first, when consumed, leaves nothing behind it, the other, leaves in its place another capital not only equal, but greater: for, having been productively consumed, it has been re-produced with a profit. Both, while the consumption is going on, are equally sources of demand: but no

in government expenditure. In his review Mill used Tooke's *High and Low Prices* to argue that changes in the price level were due mainly to seasonal and to a small degree to currency fluctuations, but not at all to war expenditure and the transition to peace (except in so far as war tended to obstruct imports).

11 Oddly enough, Mill himself engaged to the kind of appeal to facts he here condemned, when it came to exchange rate movements (7f).

sooner is the one consumed, than the demand which it afforded ceases to exist: the other continues to afford a demand, which instead of diminishing, continually increases, as often as the capital is re-produced with a profit (13–14).

All this is prologue to the treasury view. Since it is untrue that 'a fund' of capital becomes a source of demand only if 'spent' rather than 'saved', it follows that government borrowing merely *transfers* expenditure from 'perennial' (investment) to 'transitory' (consumption) uses. In stark contrast stood Blake's view 'that the capital borrowed by government is not removed from a productive employment, but would have lain dormant in the hands either of the lender or of some one else, in the shape of goods for which no market could be found'.[12]

It is important to recognize Blake's apparent acceptance of the proposition – which Mill here ascribes to his father – that 'commodities are a measure of [a nation's] purchasing power', (16) and rejection only of the further presumption that an expanded purchasing power will necessarily be expended to absorb increased output at profitable prices. There was, Blake objected, no assurance that such expenditures would be made since it could not be taken for granted 'that new tastes, new wants, and a new population, increase simultaneously with the new capital' (cited, 15). Accordingly, excess supplies of commodities in general might be generated:

neither the corn grower, nor the cloth maker, could know that there would be an excess, till the excess occurred. Each depended upon a market, and was mistaken.

12 Apart from his complaint in his 1824 review that Blake had gone overboard by ascribing *all* the price movements of the preceding three decades to war demand by government and its cessation – including that part that could legitimately be accounted for in terms of the currency (and seasonal fluctuations in the case of agricultural products specifically) – Mill objected also to Blake's presumption that the adverse exchanges and excess of the market over the mint price of the war period was due mainly to large government expenditures abroad (5). Mill admitted that 'sudden' increases in government requirements to make foreign purchases could well have raised the premium on foreign bills and the price of bullion – that even an anticipation of such requirements could have had that effect – but insisted that any such disturbance 'remedies itself', and rapidly, by compensatory commodity flows (7f). (As we shall see, in 1848 Mill was readier to allow that exchange rate correction might be sluggish; below, p. 546.)

Mill objected to Blake's assertion that Ricardo had positively denied that the exchanges depended on the 'balance of debts and credit', by observing that the balance was itself dependent upon the comparative values of currencies; and that if gold movement occurred between countries following some disturbance, this could only be due to a variation in the comparative values or else gold would not be an advantageous remittance (10–11). By taking this line Mill rather fudged his concession that the exchanges could be adversely affected by disturbances totally unrelated to internal price-level variation. And there can be no doubt that his primary objective was indeed to emphasize that 'the high price of gold, and the depression of the exchanges' afforded 'conclusive evidence of a depreciation . . .' (12).

If every thing could be foreseen, mankind would not miscalculate, and there would be no overstocking of the market. But they do miscalculate, and the market is overstocked. When savings are devoted to re-production, each manufacturer employs the additional capital in fabricating that class of commodities which he has been in the habit of making. But if there was already more than sufficient, the addition must still further increase the excess. How is it possible for this process to continue without a fall in prices, and a lower rate of profit to the capitalist? (cited 15–16).

Mill's reply runs along standard Ricardian lines: Blake was in error regarding the implied notion of a *limit* to human desires and, more important (because Mill chose to fight it out on this issue) regarding his implied opinion that even in the event of such limit producers will continue to expand output: 'It would be absurd to suppose, that men would forego the satisfaction of present desires in order to have the means of gratifying wants which they do not feel. New tastes and new wants may, or may not, spring up with new capital; but it is certain, that if a man continues to produce, he has either acquired new tastes and wants, or some of his old ones still remain unsatisfied' (16–17).

Blake was indeed skating on thin ice. He was obliged to introduce mistaken expectations into his argument which would perhaps be acceptable had he limited himself to the very short run. But, on the contrary, his case was designed for secular purposes implying the *necessity* of excess commodity supply in consequence of capital accumulation, the act of saving entailing a surrender of the right to consume.[13] Mill is on firm ground in objecting that 'if it be correct, it proves that there can be no addition to capital, without producing a glut. All accumulation is from saving. If it be true, that he who saves shows his disinclination to consume, it follows, that an increase of produce can never find a market, since no one else has the means of increasing his consumption, and he who accumulates, has not the will. Every increase of wealth would, on this supposition, be an increase of poverty' (17).

Blake had spoiled his case. But while Blake applied a short-run argument unconvincingly to the secular case Mill reversed the procedure. For he too leaped to a *non sequitur*. Having argued convincingly against the notion of a secular constraint to activity generated by over-production, he applies the conclusion to deny the possibility of a glut of commodities in general, however generated, without recognizing (although Blake too was negligent here) the possibility of excess supplies due, let us say, to what he was later

13 That it was indeed designed for secular purposes is particularly conspicuous in Blake's representation of the orthodox view of profit-rate determination as involving the inverse wage–profit relationship, the wage rate itself dependent on the quality of marginal land – evidently a long-run perspective (cited Mill, 15).

conspicuously to allow, a net increase in the demand for money to hold reflected in attempts to add to money balances from sales proceeds:

> We, therefore, conclude that the funds, which were appropriated by government and spent during the war, were not lying dormant before that period for want of a market. The only remaining supposition then, since they were not a new creation, is, that they must have been withdrawn from a productive employment; an employment in which they were expended in the purchase of goods, and of labour, just as completely as they afterwards were; and constituted fully as sufficient a source of demand.
>
> Mr. Blake's attempt, therefore, to prove that government expenditure created an extra demand for commodities and labour, a demand which would not otherwise have existed, entirely falls to the ground; and with it, the whole of the theory which ascribes to that expenditure the high prices which prevailed during the war (18).

It would be misleading to leave the impression that the exchange proceeded entirely in the rarified atmosphere of pure theory. The debate sometimes came down to earth, Blake questioning the orthodox view on grounds of lack of empirical evidence which pointed to absolute contraction in *civilian* industries during the war, and Mill countering with evidence, derived from Thomas Tooke, (*High and Low Prices*, 2nd ed., 1824) showing that there were scarcely any civilian industries with a larger activity during the war than after 1815, and that while general output had increased during the war the upward trend had set in before 1792 and indeed proceeded with greater rapidity after 1815 (19–20). (The rapid rate of capital accumulation throughout the war would, Mill believed, have permitted an 'enormous increase' in the community's capital stock but for the extractions due to the government expenditure (14–15).)

Mill's polemic against 'practical men' thus did not extend to Tooke who was one of those 'who join[ed] to their personal experience a knowledge of principle' (19). But one cannot escape the impression that his central case against the general possibility of aggregative excess supply was made on theoretical grounds. He himself said as much: 'No general reasoning could have added to the conviction which every one must feel, who has perused Mr. Tooke's detail of facts, that Mr. Blake's theory is totally erroneous. What cannot, however, be proved by any detail of facts, but which it is of the highest importance to prove, is, that a state of war cannot, under any circumstances, generate an extra demand. This proposition can be proved only by general reasoning' (21). Quite clearly, this denial of the very conception of general excess capacity (in which circumstance government expenditure might act as a stimulus) was a conclusion Mill stood by with or without Tooke.

In taking this stance Mill went far beyond Ricardo. For Ricardo distinctly allowed for the facts of excess capacity and unemployment in the manufacturing sector after 1815 (the 'stagnation of trade' and 'present distressed situation of the labouring classes') and sought to account for them – albeit in terms of severe frictions which hindered the transfer of resources from declining to prosperous industries attempting to expand, rather than general excess commodity supply or excess demand for money to hold (Hollander, 1979, 516f).[14] Mill, still under the baneful influence of his father, allowed himself to be totally blinded to the facts, refusing to concede the existence of 'distress' and 'stagnation' beyond the agricultural sector.[15]

* * *

In the following year the same unsatisfactory perspective reappears in a general defence of McCulloch – including his notion that excess of one good must necessarily be matched by deficiency of another since there could be no general excess – against Malthus's strictures. Where, Malthus had inquired, was the market 'which would absorb a large capital, was in the most prosperous and flourishing state, and inviting additional stock by high prices and high profits' – for 'no one ever heard, as a matter of fact, from competent authority, that for some years together since the peace there was a marked deficiency of produce in any one considerable department of industry'? (cited, *CW*, IV, 41–2). Once again the elder Mill's methodology governs the son's reaction – his allusion here to 'the *naiveté* with which [Malthus] thus proposes to rebut demonstration by testimony'. As in 1824 *the theoretical point elaborated upon alludes solely to the proposition that* secular expansion comes up against no deficiency of demand flowing from the fact of expansion in itself. Once again this sound argument is illegitimately applied to rule out excess commodity supply deriving from no matter which source.

* * *

14 But Ricardo also came out the worse in his debate with Blake (Hollander, 1979, 522–3).

15 The tone is unmistakably James Mill's. The younger Mill concedes that the landlords had suffered, but was not sympathetic since their distress was no more than 'is implied in the necessity of contracting the expenses to which they had become habituated in the days of that good fortune, which was altogether unlooked-for and unearned, and of which, had they studied general principles, instead of scoffing at them, they would have forseen the speedy termination'. Other classes were prosperous, and 'although we are aware that, in the estimation of a great majority of members of parliament, the "landed interest" is the nation, and agricultural distress is national ruin, it is not so in ours; and we are very sceptical as to that universal distress, of which, at one time, we heard so much' (3–4).