CHAPTER V

J.S. MILL
In John Stuart Mill the system of class-harmony breaks down when he distinguishes in the preliminary remarks of his 'Principles of Political Economy' the laws of production from those of distribution. The laws of production partake the nature of physical laws whereas the law of distribution are of human-make. "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". 1 So at the beginning of Book II, he starts, "The laws and conditions of the Production of Wealth partake of the character of physical truths. There is nothing optional or arbitrary in them... It is not so with the Distribution of Wealth. That is a matter of human institution solely... The rules by which it is determined, are what the opinion and feelings of the ruling portion of the community make them,..." 2 In his Autobiography also, he writes, "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,


2. Ibid., pp. 199-200.
depend on human will. 1

The existing arrangements of distribution are the outcome of a struggle and violence. Regarding the origin of private property he writes, "Private property, as an institution did not owe its origin to any of those considerations of utility which plead for the maintenance of it when established." 2 The usages or laws of society gave legal effect to the first occupancy who, "by turning, or attempting to turn, another out of possession." 3 While examining communism he admits that "The social arrangements of modern Europe commenced from a distribution of property which was the result, not of just partition, or acquisition by industry, but of conquest and violence: and not withstanding what industry has been doing for many centuries to modify the work of force, the system still retains many and large traces of its origin." 4

In the rude state of society we find the origin of classes when, we see in the new arrangement,"... 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." 5 The conquerors allowed the

3. Ibid., p. 201.
4. Ibid., p. 207
5. Ibid., p. 17.
occupation of the land in the hands in which they found it. “A common expedient was to assign to the serf, for his exclusive use, as much land as was thought sufficient for his support, and to make him work on the other lands of his lord whenever required.”¹ The form of lord and serf turned into Master and the Slave. Here exploitation of the slave starts, “The actual producers have been slaves, compelled to produce as much as force could extort from them, and to consume as little as the self-interest or the usually very slender humanity of their taskmasters would permit.”²

Accumulation of capital too, is not necessarily the result of industry and savings of the capitalist; but a similar outcome of violence and plunder. Mill traces, “In a rude and violent state of society, it continually happens that the person who has capital is not the very person who has saved it, but some one who, being stronger, or belonging to a more powerful community, has possessed himself of it by plunder.”³ Even today the chapter of incidence of birth bestows rights in persons who have never worked or saved themselves. Mill is very much against the present arrangement in which industrious person suffers because he could not inherit from his forefathers. He, therefore, suggests, “Each person should have power to dispose by will of his or her whole property; but not to levish

1. Ibid., p. 241. 2. Ibid., p. 69. 3. Ibid., p. 69.
it in enriching some one individual, beyond a certain maximum, \(^1\). Thus, inequality of possessions, is the result of present set-up. This also resulted in the eliminations of the smaller capitalists. Mill writes, "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". \(^2\)

Once again we note a remarkable change in the system of J.S. Mill. Market mechanism may be decidedly called a pillar class-harmony, in the system of the classists. J.S. Mill, however, saw the failure of competition in actual life, because the inequality of wealth has spoiled the fair game where every one cannot start alike. The usages of society have created inequalities, "They have not held the balance fairly between human beings, but have heaped impediments upon some, to give advantage to others; they have purposely fostered inequalities, and prevented all from starting fair in the race". \(^3\)

What competition can decide when the usages of society has favoured one man against the other. Mill quotes the law of inheritance as one of such laws. Again the tendency of competitors is that they ruin their fellow beings by underselling in the market. This again results in the liquidation of smaller capitalists and establishment of monopoly. Mill writes,

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1. Ibid., p. 225.
2. Ibid., (Preliminary Remarks)p. 16.
"... they always end by agreeing not to compete. They may run a race of cheapness to ruin a new candidate, but as soon as he has established his footing they come to terms with him."^1 Thus competition results in the liquidation of smaller capitalists and establishment of monopoly. Mill writes, "After having consumed their little capital in prolonging the unsuccessful struggle, they either sink into the condition of hired labourers, or become dependent on others for support."^2

Mill quotes, the system of rude society in which, "Rights thus originating, and not competition in any shape, determine, in a rude state of society, the share of the produce enjoyed by those who produce it."^3 He criticizes his predecessors who thought that competition exercises unlimited sway in the process of distribution, and clarifies that he was not referring the cases of natural monopolies but, "I speak of cases in which there is nothing to restrain competition; no hindrance to it either in the nature of the case or in artificial obstacles; yet in which the result is not determined by competition, but by custom or usage; competition either not taking place at all, or producing its effect in quite a different manner from that which is ordinarily assumed to be natural to it."^4 It is usual to note, in retail trade, different prices in the market or even on a particular shop for different consumers.

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1. Ibid., p. 142.  
2. Ibid., p. 135.  
3. Ibid., p. 240.  
4. Ibid., p. 239.
Apart from these stray thoughts of class conflict in the rude society we now see more specific cases in the modern set-up. The community comprises with the capitalist, landlord and labour class. The produce, therefore, is being distributed among these three classes only. "Each of these classes, as such, obtains a share of the produce: no other person or class obtains anything except by concession from them... These three classes, therefore, are considered in political economy as making up the whole community". ¹

Out of the three requisites of production - land, labour and capital, labour is the only productive factor. So far as capital is concerned he terms that, "understanding by capital, the means and appliances which are the accumulated results of previous labour..."² Or "This accumulated stock of the produce of labour is termed capital".³ Thus, capital is nothing but the accumulated labour of the past. Sometimes, it may be noted that tools and materials may be termed as productive because they contribute, along with labour, to the accomplishment of production. Mill however, writes, "This is true; but it is also truce that tools, buildings and materials, are themselves the produce of labour, and that the only cause (cases of monopoly excepted) of their having any value, is the labour which is required for their production".⁴ Natural agents and specially

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land help in the production purposes, but here too, "considerable quantity of labour is generally required, not for the purpose of creating, but of finding and appropriating them". 1 Even the wild animals of forest, and of the sea, from which the hunting and fishing tribes derive their subsistence - though the labour of which they are the subject is chiefly that required for appropriating them - must yet, before they are used as food, be killed, divided into fragments, and subjected in almost all cases to some culinary process, which are requiring a certain degree of human labour. Land though not the produce of human industry, most of its valuable qualities are so. Mill writes, "considerable labour is often required at the commencement, to clear the land for cultivation. In many cases, even when cleared, its productiveness is wholly the effect of labour and art... cultivation also requires buildings and fences, which are wholly the produce of labour". 2

Thus labour is the only productive factor. Mill summarises thus, "Labour alone is the primary means of production; "the original purchase-money which have been paid for everything". Tools and materials like other things, have originally cost nothing but labour; and have a value in the market only because wages have been paid for them. In the ultimate analysis, therefore, labour appears to be the only

essential of production". 1

After declaring labourer the only productive factor, Mill noted another significant factor, namely the labour produce more than his subsistence wage paid by the capitalists. We note the exploitation of labourer by the capitalist when the entire surplus produce of labourer is pocketed by the capitalist. Defining the rate of profit Mill writes, "The profit of stock are the surplus which remains to the capitalist after replacing his capital: and the ratio which that surplus bears to the capital itself, is the rate of profit". 2 Thus, "In short, if we compare the price paid for labour and tools with what that labour and tools will produce, from this ratio we may calculate the rate of profit". 3 or " Profits, then (meaning not gross profits, but the rate of profit), depends (not upon the price of labour, tools and materials - but) upon the ratio between the price of labour, tools and materials, and the produce of them: upon the proportionate share of the produce of the industry which it is necessary to offer, in order to purchase that industry and the means of setting it in motion". 4 In nut shell, " that the ratio between the wages of labour and the produce of that labour gives the rate of profit". 5 Consequently, "the whole of the surplus, after replacing wages, is profit". 6

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1. Essays, p. 94
2. Ibid., p. 89
3. Ibid., p. 92
4. Ibid., p. 93
5. Ibid., p. 94
6. Ibid., p. 94
In his principles of Political Economy Mill makes it clear that "The cause of profit is, that labour produces more than is required for its support." The labourers are forced to work for more hours to produce, besides their subsistence, a surplus for the capitalists. The capitalist advances the labourers with food, clothing, materials and tools and, "... if a capitalist supplies a party of labourers with these things on conditions of receiving all they produce, they will, in addition to reproducing their own necessaries and instruments, have a portion of their time remaining, to work for the capitalist."

One thing is remarkable in Mill's system that the surplus produce is not the result of an exchange system i.e. that the capitalist purchases cheap labour and sells dear the produce of the labourer, but it a material surplus. Mill writes, "... the general profit of the country is always what the productive power of labour makes it, whether any exchange takes place or not." For example, if the labourers produce twenty percent more above their subsistence the rate of profit will be twenty percent. And, "The accidents of price may for a time make one set of producers get more than the twenty percent, and another less, the one commodity being rated above its natural value in relation to other commodities, and the other below, until prices have again adjusted themselves; but

2. Ibid., p. 411.  
3. Ibid., p. 411.
there will always be just twenty per cent divided among them all 1. J.S. Mill thus arrives at a conclusion with Ricardo that rate of profit depends on wages; rising as wages fall, and fall as wages rise. He, however, carries out an amendment to this statement and writes, "I must insist upon making a most necessary alteration in its wording. Instead of saying that profits depend on wages, let us say (what Ricardo really meant) that they depend on the cost of labour". 2

J.S. Mill, however, justifies the appropriation of the surplus produce of labourer by the capitalist as a reward for his absenteness. The capitalist does not consume the savings, and will have no interest in advancing it to the labourers if he does not receive it in an increased amount. He justifies, "If the labourers were possessed of them, they would not need to divide the produce with anyone; but while they have them not, an equivalent must be given to those who have, both for the antecedent labour, and for the absenteness by which the produce of that labour, instead of being expended on indulgences, has been reserved for this use". 3

We may agree with J.S. Mill, but we should not neglect the other part of the problem. Whether the producer of the surplus produce gets due share from the produce, is a vital

1. Ibid., p. 411. 2. Ibid., p. 413 3. Ibid., p. 215.
question to decide the exploitation of the labourer. Mill writes that wages depend upon the wage-fund and the number of labourers competing for jobs. Capitalist has, therefore, nothing to do but to award the market value to the labourers. We should note that the labour is a weaker section of the society and the capitalists privileged and stronger. Mill expresses, "The generality of labourers in this and most other countries have as little choice of occupation or freedom of locomotion, are practically as dependent on fixed rules and on the will of others, as they could be on any system short of actual slavery, i..."¹.

In these circumstances, nobody can expect the labourers to compete equally with the capitalists. Moreover, Mill never believed that competition had exclusive sway in the distribution process. He regards customs and usages of society more important. In the present state of society customs have favoured incidence of birth and hence the distribution is not fair. While discussing communism he comments on the present mode of distribution thus, "If therefore, the choice were to be made between communism with all its chances, and the present(1852) state of society with all its sufferings and injustices; if the institution of private property necessarily carried with it as a consequence, that the produce of labour should be apportioned as we now see it, almost in an inverse ratio to

the labour - the largest portions to those who have never worked at all, the next largest to those whose work is almost nominal and so in descending scale, the remuneration dwindling as the work grows harder and more disagreeable, until the most fatiguing and exhausting bodily labour cannot count with certainty on being able to earn even the necessaries of life; if this or communism were the alternative, all the difficulties, great or small, of communism would be but as dust in the balance."

The producer of the surplus has been reduced to the subsistence level. Mill writes, "... and that wages in any country are habitually at the lowest rate...". The tendency of wages in the present set-up is to come to the level of subsistence or habitual requirements of the labourers and "wages never fall permanently below the standard of these requirements, and do not long remain above that standard". The capitalists are assisted in their mission to keep the wages low, by the laws of the country which prohibit combinations of labourers to raise wages. Mill writes, "so long as combinations to raise wages were prohibited by law, the law appeared to the operatives to be the real cause of the low wages which there was no denying that it had done its best to produce." J.S. Mill questions the validity of these laws

1. Ibid., pl 207.
3. Ibid., p. 931.
4. Ibid., p. 932.
in the present state of society where, ".. poor labourers who have to do with rich employers, remain long without the amount of wages which the demand for their labour would justify, unless, in vernacular phrase, they stood out of it in and how can they stand out for terms without organised concert?"

To reduce the imbalance of capitalists and labourers Mill wants the workers to unite and form trade unions to fight for the just share in the produce. He writes, "I do not hesitate to say that associations of labourers, of a nature similar to trade unions, far from being a hindrance to a free market for labour, are the necessary instrumentality of that free market; the indispensable means of enabling the sellers of labour to take due care of their own interest under a system of competition". In the preface to the 3rd edition (1852) Mill condemns the present mode of distribution in which the fruits of labour are not appropriated by the labourers properly. He writes, "It appears to me that the great end of social improvement should be to fit mankind by cultivation for a state of coeity combining the greatest personal freedom with that just distribution of the fruits of labour, which the present laws of property do not profess to aim at".

It has been alleged that the labourers are themselves responsible for this exploitation. They should control their

1. Ibid., p. 932.  
2. Ibid., p. 932.  
Population, increase their power to compete with the capitalist and get due share from the produce. J.S. Mill though writes that nothing permanently be done to improve the condition of the working class by anybody but the labourers themselves, yet he expresses on the other hand that, "If bulk of the human race are always to remain as at present, slaves to toil in which they have no interest, and therefore feel no interest - drudging from early morning till late at night for bare necessaries, and with all the intellectual and moral difficulties which that implies - without resources either in mind or feelings - untaught, for they cannot be better taught than sad; selfish, for all their thoughts are required for themselves; without interest or sentiments as citizens and members of society, and with a sense of injustice rankling in their minds, equally for what they have not, and for what others have; I know not what there is which should make a person with any capacity of reason, concern himself about the destinies of the human race".¹

Again, there is a clash of interest between the capitalists and the labourers. Their pecuniary interests are inversely related. A fall of wages will add to the profits, and a rise of wages will definitely be at the expenses of profits. We have already discussed that the profits of the capitalists are nothing but the surplus produce of the labour over and above his subsistence. Whenever, the cost of subsistence increases, lesser surplus is left for the capitalists. Mill

¹. Ibid., p. 367.
expresses, ".. profits, in the last resort, depend upon the cost of labour, falling as that rises, and rising as it falls".¹ The testimony of this statement can be verified from the 'Principles of Political Economy' where Mill discusses law of profits. We note that whenever population increases and presses to resort cultivation on inferior lands, the price of food rises. The rise in the price of foodgrains consequently results in the rise of wages, because the labourers now require more money wages to keep his subsistence level. Mill writes, ".. money wages depend on the money price, and therefore, on the cost of production, of the various articles which the labourers habitually consume... of these articles, food and other agricultural produce are so much the principal, as to leave little influence to anything else".² Now the labourers have to work for more hours to earn their subsistence and hence, they work for lesser hours for the capitalists. The reverse shall be the case when the cost of labour cheapens due to a fall of the price of foodgrains. Mill summarises, ".. increased wages .. are always and necessarily at the expense of profits. And by reversing the cases, we should find in the manner that diminished wages ... are equivalent to a rise of profits".³ or "A rise of general wages falls on profits. There is no possible alternative".⁴

Lastly, the clash of interest of capitalists and labourers is once again noted in the introduction of machines. It is always beneficial to the masters and injurious to the labourers. Whenever the capitalists increase fixed capital at the expense of circulating capital, the amount of wage fund is reduced. The capitalists have lesser power to purchase the labour and hence employment opportunities are diminished, the existing labourers are also kicked out of employment. Mill writes, "... all increase of fixed capital, when taking place at the expense of circulating, must be, at least temporarily, prejudicial to the interests of the labourers." ¹

Those who believe that machinery can never be injurious to the labouring class argue that by cheapening production, it creates such an increased demand for the commodity that enables greater number of persons than ever to find employment in producing it. The argument carries a weight for we see that copyists who were thrown out of employment by the invention of printing, were doubtless soon out numbered by the compositors and pressmen who took their places. Again the number of labouring persons now occupied in the cotton manufacture is many times greater than were so occupied previously to the inventions of Hargreaves and Arkwright. These case show that besides the enormous fixed capital now embarked in the manufacture, it also employ a far greater circulating capital than in any formal times.

Mill, however, questions the argument thus, "But if this capital was drawn from other employments; if the funds which took the place of the capital sunk in costly machinery, were supplied not by any additional saving consequent on the improvements, but by drafts on the general capital of the community; what better were the labouring classes for them mere transfer? In what manner was the loss they sustained by the conversion of circulating into fixed capital made up to them by a mere shifting of part of the remainder of the circulating capital from its old employments to a new one?" Hence he remarks, "All attempts to make out that the labouring classes as a collective body cannot suffer temporarily by the introduction of machinery, or by the sinking of capital in permanent improvements, are, I conceive, necessarily fallacious."

It is once again argued that though employment is withdrawn from labour in one department an exactly equivalent employment is opened for it in others. The consumers save due to cheapness of commodity in one industry which will naturally augment their demand for the other. J.S. Mill does not agree once again because the demand for a commodity is not a demand for labour, it decides the mode of production. Moreover, "It is true, the consumers have now additional means of buying other things; but this will not create the other things, unless there is capital

1. Ibid., p. 96.
2. Ibid., p. 96.
to produce them, and the improvement has not set at liberty any capital, if even it has not absorbed some from other employments. Secondly, ".. the increased demand for commodities by some consumers, will be balanced by a cessation of demand on the part of others, namely, the labourers who were superseded by the improvement...".

Mill does not find the introduction of machinery injurious to the interest of the labourers in the long period. It is only when it is introduced suddenly and rapidly. In actual practice, however, improvements are carried out slowly and gradually and seldom or never made by withdrawing circulating capital from actual production. They are carried out from the annual increase of capital.

It is interesting to note that Mill though thinks that introduction of machinery is not injurious to the interest of labourers in the long run, yet doubts the motives of the capitalists who, for their gains, increase the amount of fixed capital by converting the circulating capital or they may carry out the improvements rapidly. He, therefore, entrusts the work on the government and writes, "If the sinking or fixing of capital in machinery or useful works were ever to proceed at such a pace as to impair materially the funds for the maintenance of labour, it would be incumbent on legislatures

to take measures for moderating its rapidity; and since
improvements which do not diminish employment on the whole,
almost always throw some particular - class of labourers out
of it, there cannot be a more legitimate object of the legislator's
care than the interests of those who are thus sacrificed to the
gains of their fellow citizens and of posterity.¹

Mill, in the end saw the machines in the practice of
saving labour and enriching the capitalist class but adding
nothing to the labour class. His remark is worth quoting,
"They have enabled a greater population to live the same life
of drudgery and imprisonment, and an increased number of
manufacturers and others to make fortunes. They have increased
the comforts of the middle classes. But they have not yet
begun to effect those great changes in human destiny, which it
is in their nature and in their futurity to accomplish."²

Besides the above traces of class-conflict, we can
verify more instances from the general remark of J.S. Mill about
the interests of the two classes of labourers and the capitalists.
He writes, "All privileged and powerful classes, as such, have
used their power in the interest of their own selfishness, and
have indulged their self-importance in despising, and not in
lovingly caring for, those who were, in their estimation,
degraded, by being under the necessity of working for their
benefit".³ Again " One may be permitted to doubt whether, except

¹. Ibid., p. 99.
³. Ibid., p. 760.
among the poor themselves (for whose prejudices on this subject there is no difficulty in accounting) there has ever yet been, in any class of society, a sincere and earnest desire that wage should be high. There has been plenty of desire to keep down the poor-rate; but, that done, people have been very willing that the working class should be ill off. Nearly all who are not labourers themselves, are employers of labour, and are not sorry to get the commodity cheap.\(^1\) The labourers regard the interests of their master hostile to their own. A remarkable narration of J.S. Mill runs thus, "The working classes have taken their interests into their own hands, and are perpetually showing that they think the interests of their employers not identical with their own, but opposite to them."\(^2\) Consequently, the relations are unsatisfactory to the payers of wages as well as to the receivers. And, "The total absence of regard for justice or fairness in the relations between the two, is as marked on the side of employed as on that of the employers.\(^3\) And, "If the rich regard the poor, as by a kind of natural law, their servants and dependents, the rich in their turn are regarded as a mere prey and pastur for the poor; ..."\(^4\) While discussing the question regarding co-operation of labourers among themselves, Mill admits the cooperation will be beneficial in, "the healing of the standing feud between capital and labour; the transformation of human

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life, from a conflict of classes struggling for opposite
interests, to a friendly rivalry in the pursuit of a good
common to all, ..". 1

We now discuss the clash of interest of the landlords
with rest of the community. J.S. Mill is exceptionally critical
towards the landlords. He has emphasized that the only class
which benefit without efforts and work, is that of the landlord.
They reap where they have not sown. Examples of such remarks
are as follows: "the greatest "burthen on land" is the
landlords. Returniri; nothing to the soil, they consume the
whole produce, minus the potatoes strictly necessary to keep
the inhabitants from dying of famine; and when they have any
purpose of improvement, the preparatory step usually consists
of not leaving even this pittance, but turning out the people
to beggary if not to starvation. When landed property has
placed itself upon this footing it ceases to be defencible,
and the time has come for making some new arrangement of the
matter". 2 And, ''Great landlords are everywhere on idle class,
or if they labour at all, addict themselves only to the more
exciting kinds of exertion; that is lion's share which superiors
always reserve for themselves". 3 Once again, "Landed
proprietors are the only class, of any numbers or importance,

1. Ibid., p. 792.
3. Ibid., pp. 248-49.
who have a claim to a share in the distribution of the produce through their ownership of something which neither they nor any one else have produced. ¹ Similarly, "They grow richer, as it were in their sleep, without working, risking, or economizing. What claims have they, on the general principle of social justice, to this access of riches? In what would they have been wronged if society had, from the beginning, reserved the right of taxing the spontaneous increase of rent, to the highest amount required by financial exigencies?"² He sees no objection in taxing the income which constantly tends to increase, without any exertion or sacrifice on the part of the owners because, "This would not properly be taking anything from anybody; it would merely be applying an accession of wealth, created by circumstances to the benefit of society, instead of allowing it to become an unearned appendage to the riches of a particular class".³ He is highly critical when wants that land should never become private property because, "it would be the height of injustice to let the gift of nature be engrossed by individuals".⁴ Again because, "it is some hardship to be born into the world and to find all nature's gifts previously engrossed and no place left for the new-comer".⁵ and, "whoever owns land, keeps others

³. Ibid., p. 819.
⁵. Ibid., p. 230.
out of the enjoyment of it". 1

Leaving aside the above general remarks we see from the system of J.S. Mill that the interest of the landlord does not coincide but conflict with rest of the society. As we know, rent which any land can produce is the excess of its produce, beyond what would be returned to the same capital if employed on the less fertile land. Whenever population increases, new demand is created for food and consequently cultivation expands on less fertile lands. The extra food will not be produced until its price rise at least to meet the expenses of the capital plus ordinary profit. All the superior lands produce extra profits, but the same are transferred to the landlord as the rent of the land. "Rent, in short, merely equalises the profits of different farming capitals, by enabling the landlord to appropriate all extra gains occasioned by superiority of natural advantages". 2 On the other hand whenever demand for food declines or some improvements are made to produce more food from the same land, inferior lands are abandoned which consequently reduces the difference between different grades of land, the amount of rent diminishes. Mill writes "a diminution of the cost of living,... usually lowers .. rent". 3 The rise of price of foodgrains, due to increased demand benefits the landlord double because, "rent in kind, or corn rent, will rise:

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1. Ibid., 232. 2. Ibid. (Works, Vol. III) p. 492. 3. Ibid., p. 728.
and in the second, since the value of agricultural produce has also risen, rent, estimated in manufactured or foreign commodities (which is represented, ceteris paribus, by money rent) will rise still more. Therefore, the interest of the landlord is best served when an increase in the population lead to an increase in the demand of foodgrains which again raise the price of foodgrains. The only class which is benefited due to increase of population.

It may be said that the capitalist class should also be interested in the increase of population. An increase in the number of labourers reduce their wage-level and hence may increase the profits of the capitalists. But the facts are otherwise. It is in the best interest of the capitalist class that the price of foodgrains should diminish. He know that his profits depend upon the cost of labour. Whatever increases the cost of labour diminishes wages and vice-versa. But, "The progress of population may force down cultivation to inferior soils, and more costly processes; thus raising the cost of production, the value, and price, of the chief articles of the labourer's consumption... the rate of profit will fall."

The injury to the capitalist class is two-fold. The general tendency of manufacturing industry is the operation of the law of increasing returns or diminishing cost. The price of the produce diminishes with every increase of the produce. Mill writes that the law for agricultural industry is of

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1. Ibid., p. 721.  
2. Ibid., p. 698.
diminishing returns or increasing cost. Thus, "It follows
that the exchange values of manufactured articles, compared
with the products of agriculture and mines, have, as population
and industry advance, a certain and decided tendency to fall".¹
Thus, in the first instance his money profit is diminished due to
an increase of wages and in the second place his real profits
or command on commodities is diminished. He real as well as
money profits are reduced.

So far as the labourers are concerned they do not enjoy
the benefit of an increase of their money wages because in the
race of price of foodgrains and money wages, former increases
in greater amount as compared to the latter. The money wages
never rise to the same extent of the increased cost of subsistence.
His condition deteriorates due to increase of population and
secondly due to lesser command on foodgrains. Thus, Mill
concludes, that the landlord is only the class in the society,
"who always benefits by an increase of population".² We can add
that the other two classes are injured by the same cause of
the increase of population. Therefore, to quote Mill once again
"The economic progress of a society constituted of landlords,
capitalists, and labourers, tends to the progressive enrichment
of the landlord class; while the cost of labourer's subsistence
tends on the whole to increase, and profits to fall."³

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1. Ibid., p. 713.  
2. Ibid., p. 722.  
3. Ibid., p. 731.
Now, in the end, let us discuss whether agricultural improvements are injurious to the landlord class. The improvement, we may see, increase the productive power, and hence more food is grown upon the same land. This may result in the abandonment of inferior lands. The amount of rent diminishes. Therefore, "It thus appears, that the interest of the landlord is decidedly hostile to the sudden and general introduction of agricultural improvement".¹ He however, corrects the words of Ricardo and concludes with him that, "If the increase of produce took place simultaneously on all lands, the price would not be so high as before; and there is nothing unreasonable in supposing that the landlords would be, not benefitted, but injured".²

Mill however, finds that the long turn phenomenon is not injurious to the interest of the landlord. Firstly because agricultural improvements are not introduced suddenly and secondly, "Population almost everywhere treads close on the heels of agricultural improvement, and effaces its effects as fast as they are produced".³ Again the same circle of the increase of population, increased demand for foodgrains, resort to less fertile lands, increase of rent. Thus Mill summons "The reason why agricultural improvement seldom lowers rent, is that it seldom cheapens food, but only prevents it from growing dearer; and seldom, if ever, throws land out of cultivation, but only enables worse and worse land to be

taken in for the supply of an increasing demand". We should however read Mill's mind who repeats and decide that "It is admitted that whatever permanently reduces the price of produce diminishes rent: and it is quite in accordance with common notions to suppose that if, by the increased productiveness of land, less land were required for cultivation, its value, like that of other articles for which the demand had diminished, would fall".

We can conclude that J.S. Mill's system supports the idea of class-conflict. There is a clash of interest between the two proprietor classes - the landlords and the capitalists. Mill faithfully follows Ricardo. Mohammad Shabbir Khan has written, "In spite of all that the basic principles of economics remain the same as those of the "greatest political economists" i.e. Ricardo." Mill starts that the complicated problems of industrial life cannot be properly understood without first understanding the theory of rent as enunciated by Ricardo. He has given a parallel theory of rent to that of Ricardo. He thinks that whatever increases the price of foodgrain raises the amount of rent. Therefore, it is in the interest of the landlord that cost of producing corn must increase. It incidently injurs the capitalist class because increase of the price of foodgrain necessitates an increase in the money wages of the labourers.

1. Ibid., pp. 729-30.  
2. Ibid., p. 727.  
3. Khan, Mohammad Shabbir K Ricardo's Theory of Distribution" Faculty of Arts Publication Series-4, Muslim University, Aligarh(India), p. 142.
Consequently profits fall. J.S. Mill has also supported that improvement in agricultural industry temporarily injures the landlords, because anything which can check the operation of the law of diminishing returns will also check the rise of rent because it will diminish the surplus between the no-rent land and the superior variety of lands. Like Ricardo he states "As formerly observed, there are two kinds of agricultural improvements. Some consist in a mere saving of labour, and enable a given quantity of food to be produced at less cost, but not on a smaller surface of land than before. Others enable a given extent of land to yield not only the same produce with less labour, but a greater produce; so that, if no greater produce is required, a part of the land already under cultivation may be dispensed with ... By the former of the two kinds of improvement, rent would be diminished. By the second, it would be diminished still more".\(^1\) Like Ricardo he supports that in the long run, however, the landlords are ultimately benefitted.

Likewise Mill, thinks that the introduction of machinery is injurious to the interest of the labourers for a short period, because it throws the labours on the street. However, in the long run greater demand is created. We must however, note that Mill's discussion is more critical about the introduction of machine. He finds that it had already helped a few to role in

\(^{1}\) *Principles of Political Economy, with some of Their Applications to Social Philosophy*, Edited by with an introduction by Sir Ashley, W.J. (New Impression), (Longmans, Gree And Co., London, 1921), p. 716.
wealth but has done nothing to increase the lot of the workers. He is always doubtful about the plans of the capitalist class. Therefore, in the long run also he entrust the state with the task of check the capitalists not to convert the circulating capital into the fixed and to protect the interest of the workers which has been hitherto sacrificed for the sake of the capitalists.

It is no doubt correct that Mill also associates the wages of labourers with the price of the foodgrains and hence Maurice Dobb comments, "and J.S. Mill to state that the rate of profit depended uniquely on the proportion of the produce going to labour." One may infer that there is no clash of interest between the labour and the capitalist because the wage-rate is associated with the difficulty of produce corn. But we must see that Mill was very much influenced by socialism. He was keen to sympathise with the workers. No doubt that like the earlier classical writers he also thinks that labour produces more than the advances paid to them. Also that the prudential habits of the workers themselves will produce better results - high wages. His language is more critical than any of the earlier writes. He no doubt advances argument of abstinence for the appropriation of profits by the

capitalist class. He is not sure whether he has done justice with the labourers. He therefore changes his thinking and terms labourer the only productive class. Cannon writes, "In this passage J.S. Mill is evidently looking at the question simply from the Ricardian standpoint. Profits appear to be a mere surplus over and above wages and a surplus which has nothing whatever to do with my service or usefulness of capital".¹ Moreover, capital is the result of plunder force originated from the early stage of society and new simply a stored labour of past.

He saw a conflict in the interest of the capitalist and the workers. He criticised the law of private proprietorship, praised socialistic theories and even communism in comparison to the contemporary mode of affairs. He advances his individualist socialist programme. He had no faith in the universality of the law of perfect competition. T.W. Hutchison writes, "J.S. Mill sternly rebuked Lowe in parliament for exalting laissez-faire into a universal and established principle of political Economy, and there are certainly enough proposals outline in Mill's Principles to make up a thorough going programme of socialistic reform"²


He is the first thinker before Marx amongst the classicals who has traced the phenomenon of class-conflict from the early stage of society between conquered and the conquerors, and the owners of property and the non-possessors of property and the non-possessors of property, Master and the slaves to the capitalist society, between the capitalists and the workers.

It is therefore, clear that Mill's system shows a class-conflict between the two proprietor classes and also between the labour and the capitalist class. It is however seen that he was more critical towards the landlord class than the capitalist class. Again, there is no doubt that Mill worked on the same principles which his forefathers - Adam Smith and Ricardo, chalked out, still there can be no doubt also that Mill deviated from them and was inclined towards the new trend - socialism - The one was the fruit of inheritance and the other gift from his Mrs. Taylor.