

**ESSAYS ON SOME
UNSETTLED QUESTIONS
OF POLITICAL ECONOMY**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649577019

Essays on Some Unsettled Questions of Political Economy by John Stuart Mill

Except for use in any review, the reproduction or utilisation of this work in whole or in part in any form by any electronic, mechanical or other means, now known or hereafter invented, including xerography, photocopying and recording, or in any information storage or retrieval system, is forbidden without the permission of the publisher, Trieste Publishing Pty Ltd, PO Box 1576 Collingwood, Victoria 3066 Australia.

All rights reserved.

Edited by Trieste Publishing Pty Ltd.
Cover @ 2017

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out, or otherwise circulated without the publisher's prior consent in any form or binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser.

www.triestepublishing.com

JOHN STUART MILL

**ESSAYS ON SOME
UNSETTLED QUESTIONS
OF POLITICAL ECONOMY**

ESSAYS
ON
SOME UNSETTLED QUESTIONS
OF
POLITICAL ECONOMY

BY
JOHN STUART MILL

SECOND EDITION

LONDON
LONGMANS, GREEN, READER, AND DYER
1874

LONDON :
SAVILL, EDWARDS AND CO., PRINTERS, CHANDOS STREET,
COVENT GARDEN.



27.485.

PREFACE


TO

THE FIRST EDITION.

OF these Essays, which were written in 1829 and 1830, the fifth alone has been previously printed. The other four have hitherto remained in manuscript, because, during the temporary suspension of public interest in the species of discussion to which they belong, there was no inducement to their publication.

They are now published (with a few merely verbal alterations) under the impression that the controversies excited by Colonel Torrens' *Budget* have again called the attention of political economists to the discussions of the abstract science: and from the additional consideration, that the first paper relates expressly to the point upon which the question at issue between Colonel Torrens and his antagonists has principally turned.

From that paper it will be seen that opinions identical in principle with those promulgated by Colonel Torrens (there would probably be considerable difference as to the extent of their practical application) have been held by the writer for more than fifteen years: although he cannot claim to himself the original conception, but only the elaboration, of the fundamental doctrine of the Essay.



A prejudice appears to exist in many quarters against the theory in question, on the supposition of its being opposed to one of the most valuable results of modern political philosophy, the doctrine of Freedom of Trade between nation and nation. The opinions now laid before the reader are presented as corollaries necessarily following from the principles upon which Free Trade itself rests. The writer has also been careful to point out, that from these opinions no justification can be derived for any *protecting* duty, or other preference given to domestic over foreign industry. But in regard to those duties on foreign commodities which do not operate as protection, but are maintained solely for revenue, and which do not touch either the necessaries of life or the materials and instruments of production, it is his opinion that any relaxation of such duties, beyond what may be required by the interest of the revenue itself, should in general be made contingent upon the adoption of some corresponding degree of freedom of trade with this country, by the nation from which the commodities are imported.

CONTENTS.

ESSAY I.

	PAGE
Of the Laws of Interchange between Nations; and the Distribution of the Gains of Commerce among the Countries of the Commercial World	1

ESSAY II.

✓ Of the Influence of Consumption upon Production	47
---	----

ESSAY III.

✓ On the Words Productive and Unproductive	75
--	----

ESSAY IV.

✓ On Profits, and Interest	90
--------------------------------------	----

ESSAY V.

✓ On the Definition of Political Economy; and on the Method of Investigation proper to it	120
---	-----

ESSAY I.

OF THE LAWS OF INTERCHANGE BETWEEN NATIONS;
AND THE DISTRIBUTION OF THE GAINS OF COM-
MERCE AMONG THE COUNTRIES OF THE
COMMERCIAL WORLD.

OF the truths with which political economy has been enriched by Mr. Ricardo, none has contributed more to give to that branch of knowledge the comparatively precise and scientific character which it at present bears, than the more accurate analysis which he performed of the nature of the advantage which nations derive from a mutual interchange of their productions. Previously to his time, the benefits of foreign trade were deemed, even by the most philosophical enquirers, to consist in affording a vent for surplus produce, or in enabling a portion of the national capital to replace itself with a profit. The futility of the theory implied in these and similar phrases, was an obvious consequence from the speculations of writers even anterior to Mr. Ricardo. But it was he who first, in the chapter on Foreign Trade, of his immortal *Principles of Political Economy and Taxation*, substituted for the former vague and unscientific, if not positively false, conceptions with regard to the advantage of trade, a philosophical exposition which explains, with strict precision, the nature of that advantage, and affords an accurate measure of its amount.

He showed, that the advantage of an interchange of commodities between nations consists simply and solely in this, that it enables each to obtain, with a given amount of labour and capital, a greater quantity