

## Shiro Sugihara, Nature, Human Beings, and Labour

Translated by Robert Chapeskie and Natsu Matsui

### Introduction by Shoichi Hashimoto

Shiro Sugihara's "Nature, Human Beings, and Labour," translated here into English, was originally published in Japanese in *J. S. Miru to Gendai (J. S. Mill and the Present Day)*, 1980, Tokyo: Iwanami Shoten, and reprinted in Volume 2, 2003, of *The Works of Shiro Sugihara*, 4 Volumes, 2003-, Tokyo: Fujiwara Shoten.

Shiro Sugihara (1920–2009) began his study of the history of economic thought with a comparison of Karl Marx and J. S. Mill. While he does not explicitly mention it in any of his writings, in this he may have been influenced by his mentor, Kei Shibata (1902–1986).

Shibata had been attempting to further develop Marx's theory of reproduction using the methods of general equilibrium theory. While carefully tracing the process of development of Marx's economic thought, by explicating Marx's criticism of Mill Sugihara played a major role in the post-war Japanese movement to re-evaluate Mill, who had historically received only low appraisal. Sugihara presented Mill's stance of engaging with contemporary economic issues in a positive light, an approach that is given full expression in the essay translated here. While Japanese readers would not require any explanation regarding Sawako Ariyoshi (1931–1984), the novelist who appears at the start of the essay, she was a writer who raised new social issues such as synthetic pollution, food damage, issues related to the elderly, and so on, that have since become common knowledge, posing them to society in a series of works written in rapid succession that all went on to become bestsellers. As a result of the nature of her writing she was ignored by various literary awards.

We must also not forget that Sugihara was very influential in conveying the importance of library science and bibliography to the field of the history of economic thought in Japan. Focusing mainly on the reprinting of the lectures of Hajime Kawakami, the mentor of his own academic mentor Shibata, he also contributed greatly to the study of the history of economic thought in Japan and was involved in the foundation of the Society for the History of Japanese Economic Thought. In his later years he often mentioned in conversation with me his desire to develop a slightly more systematic version of Mill's theory of profit, but his many administrative duties and battle with illness prevented him from bringing this project to fruition.

### <Explanatory Notes>

1. Text in [ ] in Sugihara's writing was inserted by the translators.
2. Some references that Sugihara mentioned in the original text have been omitted from this translation.

## I Mill the Naturalist

I had been a fan of Sawako Ariyoshi's *Fukugō Osen* (*Complex Contamination*) since it was first serialized in a newspaper. But when I read through the entire work after it was published as a book it once again made a strong impression on me, and taught me many things about the frightening nature of agricultural chemicals, synthetic detergents, and automobile exhaust.

Around the middle of this novel, the author gives the following "lecture" as an aside to the main narrative. In Britain an interest in bird watching and gardening was considered an important qualification for a gentleman, and "by having an interest in gardening, British gentlemen did not forget the land. They carefully monitored the relationship between the microorganisms in the soil and the plants that grew above it, and were continuously investigating the interactions between flowers and insects, fruit and wild birds, and all of these things and human beings." "In Britain, where intellectuals were aristocrats, the study of natural history flourished . . . and in their broad field of study naturalists noticed that concerning the mutually beneficial relationships between plants and animals, between animals and other animals, and between plants and other plants, there were things in the natural world that remained beyond human understanding."

In contrast to Britain, in Japan's headlong rush toward modernisation fields of study like natural history that require a lot of time and money were not able to develop. Ariyoshi suggests that this may be one of the causes of tragedies such as Minamata and Kanemi Yushō disease, and then offers the following

conjecture. If the study of natural history had progressed in Japan as it had in Britain, wouldn't the cause of cats going crazy in Minamata and a million chickens being stricken by illness in northern Kyūshū have been brought to light immediately, allowing something to be done about it before the damage reached human beings? But in Japan "there is no fuss until people die, and by then it's too late." The feelings of anguished regret flowing out of the author's pen make their way into our hearts as well.

In relation to these circumstances in Britain, I'm reminded of things I saw and heard while I was living in London. Even in the middle-class family with whom I was staying as a foreign student, taking care of the garden was an important hobby, and most houses were home to well-kept dogs and cats. As is indicated by the fact that observing living creatures in the wild is one of the important elements of a Boy Scout's training, even in the city an interest in the natural environment is cultivated in young people. In the parks found all over London, a city with a markedly large percentage of green space compared to other major city centres, people are able to enjoy encounters with nature. Reading this passage in *Fukugō Osen* made me realise that nature melting into the lives of the citizenry in this way formed the foundation upon which the study of natural history was established in that country.

If the relationship between human beings and nature has thus taken root in the historical traditions and social structure of Britain and permeated the awareness of its people in their daily lives, this will presumably not only have led to the creation of a field of study called "natural history," but will also have been reflected in the view of nature held by this nation's writers and thinkers who have attempted to gain profound insight into how human beings ought to live. When I think about things in this light there is one figure in particular whose image enters my mind: John Stuart Mill, a man whose bronze likeness can still be seen in one of those London parks today.

My choosing the London School of Economics and Political Science (LSE) when I went abroad to study Mill was in part because this university houses the correspondence between Mill and Harriet Taylor, but it was also because Mill was connected, albeit indirectly, to the origins of the University of London, an umbrella institution that includes the LSE. A university to which the citizens of London could send their children while they continued to live at home, that devoted its energies to the new fields of study of the social and natural sciences without putting an undue emphasis on the traditional humanities, and where students who did not subscribe to the state religion could freely obtain degrees without being subjected to religious prejudice—philosophically radical individuals like Jeremy Bentham and Mill's own father played active roles in the movement to establish this kind of new university in London. Mill's

father was a member of the university council, and his friends Hume, Austin, and Grote were connected to the university as a member of the council, professor of law, and member of the council and professor of philosophy respectively. It was natural that Mill too would have a strong interest in this university, derisively nicknamed “Cockney University” and “the Godless Institution” by conservatives, and support its development.

Walk South from the LSE for a few minutes and you reach the River Thames. Mill’s statue can be found in a park beside this river called “Victoria Embankment Gardens.” I felt a kind of affinity for this park where you can look up at Mill’s face, and often went there to take a break from my work in the library. In addition to the likeness of Mill, the park is also home to statues of the poet Robert Burns and William Edward Forster, a contemporary of Mill’s who organised Britain’s primary education system. There is also a fountain in honour of Henry Fawcett, a Professor of Economics at Cambridge University who was heavily influenced by Mill, but the people soaking up the sun on the park’s benches do not seem to have much interest in any of these memorials.

My being drawn to this park by the thought that Mill was enjoying the seasonal colours of its flowers along with ordinary citizens was a result of knowing that he loved nature throughout his life, and had a particular interest in plants. Mill had been subjected to his father’s spartan intellectual education regime from the age of three, and so presumably did not have much time to spare for the appreciation of nature, but being able to spend several months with his father at Bentham’s cottages in the Surrey hills and Devonshire and traveling with his father and Bentham to Oxford and Bristol became some of the most important memories of his youth. Regarding the latter, Mill writes in his *Autobiography*, “In this journey I saw many things which were instructive to me, and acquired my first taste for natural scenery, in the elementary form of fondness for a ‘view.’”

Most pivotal in the opening of Mill’s eyes to nature, however, was the roughly half a year he spent living in France with members of Bentham’s brother Samuel’s family. How fun and full the days he spent there away from his father’s doting was can be seen in the entries he made in his diary—while traveling he wrote constantly to his father to report a daily record of his studies (an abridged Japanese translation can be found in *J. S. Miru Shoki Chosakushū I (Collection of Early Writings of J. S. Mill I)*, pp. 30–57). Enticed by the beauty of the mountains he encountered on a journey to the Pyrenees in May of 1820, Mill acquired a lifelong interest in mountain climbing. He collected samples of plants and insects everywhere he went, but was particularly passionate about the former, having received guidance from George, the eldest son of Samuel Bentham, who was six years his senior and went on to become a famous bot-

anist. He did not lose interest in botany after returning to Britain, and continued to contribute to journals in that field. Mill died in Avignon on May 7th, 1873 after having contracted erysipelas, but right up until his symptoms appeared he had been going into the nearby fields and mountains to collect plants with Jean-Henri Fabre, a younger friend who would later become a famous entomologist. Mill had been planning to produce an illustrated guide to the region's flora, and Fabre had promised to help with the section on cryptogams.

So Mill possessed this aspect of being a naturalist, and, as Ariyoshi suggests, this was perhaps a typical trait for a British intellectual, but how exactly did his interest in nature and attitude toward life affect his economic thought? That is the question that concerns us here. If natural history is the most British of the natural sciences, then surely it can be said that economics is the most British of the social sciences. While inheriting the British tradition of economics from his father, at the same time Mill also acquired a desire to advance this field of study in a new direction, and made a public push for this in his major work, *Principles of Political Economy*. Notably, in this text he put forward a view of the relationship between nature and human beings that differed from that of the economics of the past. Before presenting this, however, I must first take a step back and lay out how the relationship between nature and human beings was understood in the classical British economics formulated by Adam Smith.

## II Smith and Malthus

The full title of Smith's *Wealth of Nations* is *An Inquiry into the Nature and Causes of the Wealth of Nations*, and in the very first sentence of the text he states the essence of his own opinion on the nature and origins of the wealth of nations.

The annual labour of every nation is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes, and which consist always either in the immediate produce of that labour, or in what is purchased with that produce from other nations.

There are several things that should be noted here. First, Smith sees the essential nature of the wealth of a nation—not of capital—as being the necessaries and conveniences that support the lives of its citizens. The book on economics Smith devotes most effort to criticising in the *Wealth of Nations* is Thomas Mun's *England's Treasure by Forraign Trade* (1664). Thomas Mun was one of the leading mercantilist political economists. The mercantilists thought of a na-

tion's wealth as being its treasure in the form of gold and silver. This approach therefore placed great emphasis on foreign trade as a means of increasing this treasure, and since, particularly in countries such as Britain, the only way to increase gold and silver was for foreign trade to flourish and push its balance into the black, the promotion of trade became an important national policy. As is clear from what he says at the end of the sentence quoted above, Smith himself by no means denied the importance of foreign trade. In Smith's case, however, foreign trade was important not because it increased Britain's treasure but because it was one method of securing the necessities and conveniences of life for its citizens, and it is important to note that at the foundations of this divergence lay differences in how the two men thought about wealth—the same wealth that served as the line of demarcation between economics and other areas of human life.

Second, I would like to draw the reader's attention to the fact that the modifying clause "which it [the nation] annually consumes" has been attached to these materials of daily life. This clause can be seen as emphasising the contrast between wealth that, since it is comprised of necessities and conveniences, is something that is constantly consumed in daily life, and wealth that, as treasure, is something to be hoarded. And since something that is consumed annually must also be produced annually, the adjective "annual" is also applied to labour. Smith thus saw the basic framework of the economic domain in the cycle of the production and consumption of wealth as the materials of daily life, or, in other words, in the process of the reproduction of wealth. As this view of economics had already been laid out by François Quesnay, a member of the Physiocrat school, Smith presumably learned a great deal from him. We should be mindful of the fact that the defining characteristics of this view are spelled out at the very start of Smith's text.

The third and most important point, however, is that Smith asserted "the fund which originally supplies" all wealth is the annual "labour" of the citizenry. He goes on to write that since it is labour, and only labour, that determines the wealth supplied to the nation, there are two circumstances that decide what portion of wealth is given to each individual citizen.

... first, [it is determined] by the skill, dexterity, and judgment with which its labour is generally applied; and, secondly, by the proportion between the number of those who are employed in useful labour, and that of those who are not so employed. Whatever be the soil, climate, or extent of territory of any particular nation, the abundance or scantiness of its annual supply must, in that particular situation, depend upon those two circumstances.

According to Smith, the first is the more important of these two circumstances, and he begins with the factors that lead to an improvement of the productive powers of labour, developing his famous theory of the division of labour in Book I. He then moves on to the second point, embarking on an analysis of capital after concluding that it is what determines the number of workers productively employed in useful labour. This is carried out in Book II, and taken together Books I and II form the theoretical portion of the *Wealth of Nations*.

Is it really the case, however, that wealth can be provided by labour alone? One need not recall William Petty's famous phrase "Labour is the Father and active principle of Wealth, as Lands are the Mother" to observe that human beings can only produce wealth when they operate upon and are supported by nature. Smith himself does not ignore this point. He takes up "the soil, climate or extent of territory of any particular nation" as noted above. At the same time, however, Smith holds that it is the human side of things rather than these geographic, climatic, and natural conditions that is most important; the crux of the matter, he asserts, is the productive powers of the labour that governs and utilises this natural environment. This was Smith's way of thinking that grounded his belief that even countries such as Britain (or his home nation of Scotland) that were not blessed with favourable natural conditions could become wealthy, and also lay behind his pointing to labour—not to agricultural labour directly tied to the land like the physiocrats, but to labour in general—as the original source of wealth in the opening lines of the *Wealth of Nations*.

1776, the year in which the *Wealth of Nations* was published, fell within the period during which the industrial revolution was beginning in Great Britain; in other words, this text was published during an era in which the capitalist modernisation that had been underway since the 16th century was entering the process of "taking off" even more rapidly. Smith himself, as he uses a pin factory as his example in his explanation of the division of labour, did not reach the point of taking up the great industry that lay at the heart of the industrial revolution. Nevertheless, he had ample foresight of the fact that humanity was entering a period of development without historical precedent. This is illustrated by his emphasising the invention of machines brought about by the division of labour as one of the important results of this process that would increase the productive powers of labour, and from this vantage point he theoretically systematised the way of thinking condensed in the opening lines of his book quoted above. Smith believed that the main actor undertaking the work of promoting the wealth of nations while increasing humanity's capacity to rule over nature was industrial capital—not the commercial capital exemplified by the East India Company in which Thomas Mun had played an important role, but the industrial capital that pursued profits through organising large numbers of workers em-

ployed in factories and producing large amounts of goods—and this industrial capital had already developed to the point that it no longer required guidance and support from the state; through the development brought about by its free activity it would engender an expanding reproduction of wealth by itself, and as a consequence of this would ultimately realise an improvement in the standard of living of the nation's population as a whole. Self interest, guided by the invisible hand, serves the public end—this optimistic liberal economic view has its roots in the belief that humanity's decisive supremacy over nature can be secured through unlimited development of the productive powers of labour. Following Smith's text, this way of thinking strengthened and spread throughout the 19th century amidst the rapid development of the industrial revolution.

A text questioning these views espoused in the *Wealth of Nations* was published in the same city, London, twenty-two years later in 1798—Thomas Robert Malthus' *An Essay on the Principle of Population*.

The immediate targets of the criticisms made in the *Principle of Population* were the British intellectuals agitating for political reform in response to the French Revolution, particularly Godwin and Condorcet. Malthus, with his view tinged with a “melancholy hue” (Preface) that there are limits to human progress, attempted to throw cold water on their optimistic belief that the only impediments to humanity's advancement were irrational social systems and their faith that if these systems could be reformed this progress could continue without limit. The substance of Malthus' argument, as is well known, was that “population, when unchecked, increases in a geometrical ratio. Subsistence increases only in an arithmetical ratio,” and “this natural inequality of the two powers of population and of production in the earth, and that great law of our nature which must constantly keep their effects equal, form the great difficulty that to me appears insurmountable in the way to the perfectibility of society” (Chapter 1). What is less well known is that later in the same text (Chapter 16) Malthus also criticises Smith's approach based on this way of thinking.

According to Malthus, “the professed object of Dr Adam Smith's inquiry is the nature and causes of the wealth of nations. There is another inquiry, however, perhaps still more interesting, which he occasionally mixes with it, I mean an inquiry into the causes which affect the happiness of nations or the happiness and comfort of the lower orders of society, which is the most numerous class in every nation.” These two questions are indeed deeply related. That is, we can presumably say that if the wealth of a nation increases, the happiness of the lower classes in that nation will tend to increase along with it. Smith, however, binds these two questions together too tightly, ignoring instances in which “the wealth of a society may increase (according to his definition of ‘wealth’) without having any tendency to increase the comforts of the labouring part of it.”

Malthus says health and access to the necessities and conveniences of life are premises of proper human happiness, and proceeds to argue this point as follows.

Since workers will become more comfortable if their wages increase and they are able to obtain more of the goods used in daily life, it is a good thing if an increase in materials leads to an increase in funds for the payment of wages, which in turn leads to an increase in demand for labour and ultimately an increase in wages, and this is indeed how Smith sees things. But what he overlooks is that “it will not be a real and effectual fund for the maintenance of an additional number of labourers, unless the whole, or at least a great part of this increase of the stock or revenue of the society, be convertible into a proportional quantity of provisions.” In other words, if new investment is made only in manufacturing, then even though wages may rise this will be accompanied by an increase in the price of food, resulting in nothing more than a nominal gain for workers. “The increase in the price of labour, therefore, which we have supposed, would have little or no effect in giving the labouring poor a greater command over the necessaries and conveniences of life.”

Along with pointing out, in contrast to Smith’s view in which all of the goods used in daily life are taken together, that among these goods the provisions (foodstuffs) that are “products of the land” possess a special nature, Malthus asserts that the effects of new investment on the lives of working people will differ drastically depending on whether this investment is made in manufacturing or agriculture, and criticises Smith for not making this distinction. It is clear that at the root of this criticism of Smith lies Malthus’ adoption of his population theory described above. Human life fundamentally regulates the relationship between population and food, and the rate of increase of the former is greater than that of the latter. While there is not yet any explicit statement of the “law of diminishing returns” in the *Principle of Population*, Malthus already had the fundamental idea that there were limits to humanity’s command over nature, as is indicated by his parenthetical remark in Chapter 6 that when the increase in food production required to meet the needs of a growing population is obtained through improving the use of existing agricultural land the capacity for this kind of supplementation “will be gradually diminishing.” This way of thinking was obviously incompatible with that of Smith, who strongly emphasised the supremacy of labour over land and humanity over nature.

Mill adhered to the Ricardian tradition on many points of economic theory, and as a result took up a position in opposition to Ricardo’s opponent Malthus, but it is evident from his theories of production and dynamics, presented in Books I and IV of his *Principles of Political Economy* respectively, that when it came to how to think about the relationship between nature and humanity his

views were more in line with those of Malthus than those of Ricardo. The fact that the *Principles of Political Economy* came out half a century after the *Principle of Population* meant that Mill was well aware of the fact that during this interval the productive powers of human beings had made astounding progress, not only in agriculture but also in manufacture, but nevertheless he was in agreement with Malthus. So how exactly did Mill view the relationship between humanity and nature in the *Principles of Political Economy*? Before addressing this point [see Volume 1 of *The Works of Shiro Sugihara*], I would first like to examine “Outlines of a Critique of Political Economy,” an essay published by a young Friedrich Engels in 1844.

### III Engels and Malthus

While in his “Outlines” Engels argues against Malthus’ population theory on many points, he also recognises its contribution to the discourse, writing, “Thanks to this theory, as to economics as a whole, our attention has been drawn to the productive power of the earth and of mankind; and after overcoming this economic despair we have been made for ever secure against the fear of over-population.” Let us begin with Engel’s arguments against Malthus’ statement that there are limits to the productivity of land no matter how much human effort is brought to bear.

“The productive power at mankind’s disposal is immeasurable. The productivity of the soil can be increased ad infinitum by the application of capital, labour and science.” This is the core of Engels’ claim, and he elaborates on its content as follows. Let us accept for the moment Malthus’ assertion that the expanse of land is limited. Let us moreover also accept his claim that while the labour power that can be applied to this land increases along with the population, the increase in what is harvested is not commensurate with this increase in labour. Do we not still have the third factor, “science—whose progress is as unlimited and at least as rapid as that of population”? In other words, “science increases at least as much as population. While the latter increases in proportion to the size of the previous generation, science advances in proportion to the knowledge bequeathed to it by those who came before, and thus under the most ordinary conditions also in a geometrical progression.” “What progress does the agriculture of this century owe to chemistry alone—indeed, to two men alone, Sir Humphry Davy and Justus Liebig! . . . it is absurd to talk of over-population . . . so long as no more than one-third of the earth can be considered cultivated, and so long as the production of this third itself can be raised sixfold and more by the application of improvements already known.”

Engels’ assertion that there is no limit to humanity’s ability to command

nature, as is apparent from these passages, was based on the developments in science and technology that had occurred after the publication of the *Principle of Population*. Given this potential possessed by human beings there is no need to restrict the growth of the population; what is needed is a transformation of current systems and institutions in order to convert this potential to reality. Engels writes about the necessity of this transformation in the “Outlines.”

We derive from it [Malthus’ theory] the most powerful economic arguments for a social transformation. For even if Malthus were completely right, this transformation would have to be undertaken straight away; for only this transformation, only the education of the masses which it provides, makes possible that moral restraint of the propogative instinct which Malthus himself presents as the most effective and easiest remedy for overpopulation.

What Engels wants to say here is that even if we accept Malthus’ claims they inevitably lead us to the necessity of systemic transformation. Under the new system that will be constructed there will be no need to limit the growth of the population, because the rapid increase in productive powers under this system will mean no such problems ever arise. Engels discusses this point in a manuscript entitled “Principles of Communism” written in 1847.

[Once private property has been abolished] the expanded production, which for the present order of society is overproduction and hence a prevailing cause of misery, will then be insufficient and in need of being expanded much further. . . . Big industry, freed from the pressure of private property, will undergo such an expansion that what we now see will seem as petty in comparison as manufacture seems when put beside the big industry of our own day. . . . The same will be true of agriculture, which also suffers from the pressure of private property and is held back by the division of privately owned land into small parcels. Here, existing improvements and scientific procedures will be put into practice, with a resulting leap forward which will assure to society all the products it needs.

Highly advanced means of labour alone will be insufficient to achieve this tremendous development of industry and agriculture; in order to take advantage of them “the capacities of the men who make use of these processes must undergo a corresponding development.” But since a communist society will “make it possible for its members to put their comprehensively developed faculties to full use,” sufficient improvement in the capacity of human beings as the agents

of productive power will become possible. By depicting the society of the future in this way, Engels leaves no room for population restriction as a practical issue.

So what about Marx? As was mentioned above, when Marx began studying economics he learned a great deal from Engels' "Outlines," but here the question is whether or not he agreed with Engels when it came to the latter's critique of Malthus and the view of the relationship between nature and human beings it contained. One opinion is that he did not; there are those who claim there were major differences between Marx and Engels when it came to the views of humanity and history that lay at the root of their respective economic theories. In this approach, Engels' "Outlines" and Marx's "Economic and Philosophic Manuscripts of 1844," or Engels' "Principles of Communism" and the *Communist Manifesto*, which was composed by both Marx and Engels but ultimately edited by Marx, are compared, and the emphasis on the progressive role of capitalism in having greatly developed productive power through the industrial revolution and the assertion that the mission of communism was to satisfy the desires of humanity by taking up this productive power and further developing it are seen as particular to Engels, while Marx's thought is seen as being of a different nature to this emphasis on productive power, science and technology, and objectivity; the "consistent naturalism or humanism" described in the "Economic and Philosophic Manuscripts of 1844," in particular, is seen as being characterised by its transcendence of the purely modernist view that the development of human control over nature equals progress. [See Sugihara's *Marukusu Engerusu Bunkenshō* [*Selected Writings of Marx and Engels*], 1972, Volume 1 of *The Works of Shiro Sugihara*, IV "Marukusu Engerusu Mondai (The Marx/Engels Question)"].

This is an extremely important issue in the interpretation of Marx, and must be carefully examined in regard not only to a comparison with Engels but also from the perspective of Marxism and the modern era, but here I can do more than bring it to the reader's attention. What should be noted here is that Marx and Engels were in complete agreement when it came to censuring the ideological character of Malthus' *Principle of Population* as one that absolves the capitalist system of responsibility, saying, "the truth is that the pressure of distress on the lower classes of a community is an evil so deeply seated that no human ingenuity can reach it" (Chapter 5), and were indeed also of the same mind in pointing out the unscientific nature of the law of diminishing returns that supported Malthus' theory in practice. Marx was also harshly critical of Book I "Production" in Mill's *Principles of Political Economy*, a text that praises Malthus for illuminating how the fundamental relationship between human beings and nature transcends any given system and emphasises the great significance of the law of diminishing returns as something that has deeply affected

social and political matters throughout history. In his *Grundrisse* Marx writes, “Note the fatuousness of all bourgeois economists, including e.g. J. S. Mill, who considers the bourgeois relations of production as eternal, but their forms of distribution as historical, and thereby shows that he understands neither the one nor the other,” and in Chapter 51 “Distribution Relations and Production Relations” of Volume 3 of *Capital* he has Mill in mind when he writes, “The view which regards only distribution relations as historical, but not production relations, is, on the one hand, solely the view of the initial, but still handicapped, criticism of bourgeois economy. On the other hand, it rests on the confusion and identification of the process of social production with the simple labour-process, such as might even be performed by an abnormally isolated human being without any social assistance.” So what exactly was the nature of the theory Mill had developed? Let us begin by looking at Book I of his *Principles of Political Economy*.

#### IV Nature and Humanity

In the “Preliminary Remarks” of his *Principles*, Mill sets up the topic of production as follows. The production of wealth, that is, the extraction of the necessities and conveniences of human life from the materials of the Earth, is clearly not something that can be accomplished however human beings would like, but rather requires various necessary conditions to be met. Political economy assumes these conditions are given by natural science and “common experiences,” and, “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.”

Mill’s theory of production, the entirety of which is presented in thirteen chapters, can be subdivided into three parts. The first part discusses the requisites of production (Chapters 1 to 6), the second productivity (Chapters 7 to 9) and the third increases in production (Chapters 10 to 13), with the most important content presented in the final two chapters. I will focus on Chapters 12 and 13.

In the first part on the requisites of production, Mill identifies the two requisites of labour and “natural powers.” He asserts the vital importance of the distinction between natural powers the quantity of which is limited and those that are practically infinite in supply. He once again emphasises the particular significance of the fact that land, the natural requisite of greatest importance to society, is limited, and he then goes on to discuss labour as a requisite of pro-

duction. Mill asserts that the labour carried out directly on land has a special nature. This special nature, which Mill later explains in detail, is the cause of many important effects. Mill then addresses capital—the products of labour used for reproduction—as another requisite of production in addition to the primary requisites of labour and natural powers.

Next, Mill moves on to “the second great question in political economy: on what the degree of productiveness of these agents depends.” He begins by enumerating “natural advantages” such as fertile soil, a good climate, underground resources, being located close to the ocean, and so on as “the most evident cause of superior productiveness,” but since the effects of natural advantages do not extend to human circumstances, Mill cites the “energy of labour,” first-rate skills and knowledge, and the intellectual level, integrity and stability of society as a whole as more important requisites for increasing productivity. Finally, as the most important circumstance, Mill addresses the cooperation or combination of labour, and discusses in relation to it various issues concerning the scale of production.

In the third part, addressing increases in production, Mill asserts that since producers want to increase their means of consumption and the number of consumers is increasing, this stimulus will normally cause a trend toward an increase in production. He writes, “Nothing in political economy can be of more importance than to ascertain the law of this increase of production; the conditions to which it is subject: whether it has practically any limits, and what these are.” Viewing this law of the increase of production as one that must be determined by the laws of each of the requisites of production (labour, capital, and land), he then goes on to carefully examine whether or not the increase of each requisite is limited. From this inquiry he concludes it is clear that neither labour nor capital will give rise to any impediment to the increase of production, and turns his attention toward the third requisite, land. The amount of land is indeed limited, as is the productive capacity of any given plot, and it is these limitations that are the true constraints on increases in production; asserting that this question “involves the whole subject of the causes of poverty in a rich and industrious community,” in Chapter 12 Mill then lays out the law of diminishing returns from land.

What Mill focuses on in his explanation of this law which holds that “in any given state of agricultural skill and knowledge, by increasing the labour, the produce is not increased in an equal degree” is that, firstly, in reality there is a trend in “habitual antagonism” to this law which prevents its realisation in practice, sometimes “even during long periods.” Mill calls this countervailing trend “the progress of civilisation,” and he uses this “general and somewhat vague expression” because, in addition to the obvious “progress of agricultural knowl-

edge, skill, and invention,” improvements in the means of transportation and industrial technology also operate in the same manner, albeit indirectly, and these countervailing factors include a wide range of elements as is seen in the contributions to increased labour productivity made by the reform of systems of land ownership and the spread of education. Secondly, the law of diminishing returns also applies to the mining industry, and indeed here applies more directly and with fewer countervailing factors than in the case of agriculture. Thirdly, while through these sorts of countervailing factors the realisation of this law may be “suspended, or temporarily controlled,” this by no means does away with the law itself; it is impossible for human beings to ever fundamentally escape from a state of affairs in which “all natural agents which are limited in quantity are not only limited in their ultimate productive power, but, long before that power is stretched to the utmost, they yield to any additional demands on progressively harder terms.”

In the last chapter dealing with production, Chapter 13, Mill refers to these circumstances as the “niggardliness of nature” and asserts that it is from this that the need to limit the population emerges.

It is in vain to say that all mouths which the increase of mankind calls into existence, bring with them hands. The new mouths require as much food as the old ones, and the hands do not produce as much. . . . After a degree of density has been attained, sufficient to allow the principal benefits of combination of Labour, all further increase tends in itself to mischief, so far as regards the average condition of the people. But though improvement (the above-mentioned “progress of civilisation”) may during a certain space of time keep up with, or even surpass, the actual increase of population, it assuredly never comes up to the rate of increase of which population is capable: and nothing could have prevented a general deterioration in the condition of the human race, were it not that population has in fact been restrained.

Mill ends Book I by concluding that the necessity of population restriction cannot be remedied by the importing of grain through free trade or the exporting of people by immigration.

There are several arguments I would make concerning the theoretical character and contemporary significance of Mill’s view of production. To begin with, I would point out that Mill is addressing in Book I of his *Principles* the problem of human beings versus nature not as a problem particular to economic systems that differ in their relationships of property such as capitalism and socialism, but rather as a problem that has maintained a constant presence at the root of

historical changes. And while humanity has certainly made attempts to solve this problem, and indeed it can perhaps be said that the development of human history—the “progress of civilisation”—itself has occurred through these efforts, the character of the problem is such that what lies at its core, the “niggardliness of nature,” is impossible for us to eradicate. There is indeed discussion of particular social systems such as corporations and self-employed farmers in Book I, and the question of whether the costs of war should be financed by taxation or the issuance of government bonds is raised. But these issues appear only as examples in explaining the problems in the relationship between human beings and nature that transcend such systems, and are in no sense themselves the crux of the matter being addressed.

It may be alleged that this is merely a facade or pose, and in fact the real aim of this theory of production is to attempt to make the capitalist system immutable by pinning particular problems specific to this system on eternal problems that transcend all such human systems. Marx makes this kind of criticism in the text noted above and in his friend Johann Eccarius’ *A Working Man’s Refutation of Some Points of Political Economy Endorsed and Advocated by John Stuart Mill* (1867), written with Marx’s collaboration. In this book there is a clear articulation of this view regarding the theory of population restriction arrived at as a conclusion of Mill’s theory of production. At least to Mill himself, however, the necessity of population restriction within this theory of production was by no means applicable only to systems of private ownership in which distribution is unequal, such as capitalism, but also held true when it came to societies in which “all the means of production are publicly-owned and products are equally distributed.”

Marx also emphasises the fact that, since human life can only exist in a relationship of substance metabolism with nature, various natural conditions fundamentally limit the productivity of labour, and in particular points out that the destruction of the “conditions necessary to the lasting fertility of the soil” is fatal for human beings (*Capital*, Book I, Chapter 13, Section 10). In previous interpretations of Marx, however, whether in order to elucidate the distinctive character of historical/dialectical materialism in contrast to geographic/climato-logical materialism or because excessive emphasis has been placed on Marxist critiques of defences of the status quo, there seems to have been a trend toward dismissing or taking lightly the fundamental constraints imposed on humanity by natural conditions. Today we have to think about the reality of our “one and only, irreplaceable Earth” as a literally global problem with dimensions that transcend issues of “East and West” or “North and South.” As Mill considers the importance of the natural conditions that have carried such weight throughout human history—in connection to true human progress that transcends simply

economic progress—his theory of production seems capable of providing important insights, even when we are attempting to bring Marx's thought into the current era. And in this theory of production Mill raises not only questions of human reproduction of material goods, but also human reproduction of human beings, and his presentation of these as fundamental issues that transcend any social system is also worthy of consideration, even from a Marxist perspective.

In the first section of his long essay entitled "Yuibutsushikan ni kansuru Jikoseisan (Liberation from Historical Materialism)" (*Shakaimondai Kenkyū (Social Issues Studies)*, vol. 82, August, 1927), Hajime Kawakami, relying mainly on *The German Ideology*, offers the production of materials necessary for daily life, the increase of the population, and the promotion of desire as three moments of "the production of life" that form the starting point of historical materialism, and examines the questions of how to position family relationships within relationships of production in relation to population and how to incorporate human awareness into historical materialism in relation to desire. I suspect that if Kawakami had pursued these points a bit further he would have revived his interest in Mill's *Principles of Political Economy*, from which he had been drawn away by his Marxist leanings.

In any case, the theory of production in the *Principles of Political Economy* is not confined to Book I but is also taken up in Book IV. In contrast to Books I through III that deal with static or immutable socio-economic laws, Book IV, "Influence of the Progress of Society on Production and Distribution," considers "the economical conditions of mankind as liable to change, and indeed . . . as at all times undergoing progressive changes," and lays out the laws concerning these changes with a particular focus on their ultimate tendencies. This discussion takes place over seven chapters in all, but the section of greatest importance in relation to production is the theory of "stationary states" discussed in Chapter 6. Having developed a theory of diminishing rates of profit in line with Ricardo in which the population increases → the demand for food increases → the price of food increases as a result of the law of diminishing returns → wages increase → rates of profit fall, Mill, who up until Chapter 5 had considered the economic progress of humanity in broad outline, now begins to examine the "stationary state" that results when this decline in profits reaches its limit.

Conventional political economists had acknowledged that a stationary state must necessarily exist as the endpoint of a progressive state, and noted the "irresistible necessity that the stream of human industry should finally spread itself out into an apparently stagnant sea," but in his *Principles* Mill became the first to devote a whole chapter to the stationary state and discuss its particular characteristics while contrasting it with the progressive state. Why did he [Mill]

venture to write such a chapter? He argued that when it came to the majority of political economists since Smith, “the tone and tendency of their speculations goes completely to identify all that is economically desirable with the progressive state, and with that alone,” and they view the stationary state with “unaffected aversion.” In contrast, Mill himself was “inclined to believe that it would be, on the whole, a very considerable improvement on our present condition.” Chapter 6 “Of the Stationary State” was thus his attempt to explain his reasons for this positive evaluation.

In a passage in the *Wealth of Nations* (Book I, Chapter 8) also quoted by Mill, Smith compares the three states of a society as follows.

It deserves to be remarked, perhaps, that it is in the progressive state, while the society is advancing to the further acquisition, rather than when it has acquired its full complement of riches, that the condition of the labouring poor, of the great body of the people, seems to be the happiest and the most comfortable. It is hard in the stationary, and miserable in the declining state. The progressive state is in reality the cheerful and the hearty state to all the different orders of the society. The stationary is dull; the declining, melancholy.

Mill opposes this view of Smith’s, and forcefully argues that stagnation in wealth and population does not mean stagnation in progress and improvement in the true sense of the word. In this case, Mill’s perspective is based on a conception of human progress that is not economic progress.

Mill argues as follows. When the majority of conventional political economists conclude that “struggling to get on . . . trampling, crushing, elbowing, and treading on each other’s heels . . . are the most desirable lot of human kind” they are confusing a necessary state in the progress of civilisation for the ultimate ideal state of human life. “While minds are coarse, they require coarse stimuli”—victory in war in antiquity and the middle-ages and obtaining wealth in the modern period have served as goals to mobilize human energy, and planning for production and accumulation is important for states in order to preserve their independence and security. “Most fitting, indeed, is it that while riches are power, and to grow as rich as possible the universal object of ambition, the path to its attainment should be open to all, without favour or partiality. But the best state for human nature is that in which, while no one is poor, no one desires to be richer, nor has any reason to fear being thrust back by the efforts of others to push themselves forward.”

Mill gives a detailed description of this state of affairs as follows.

... a well-paid and affluent body of labourers; no enormous fortunes, except what were earned and accumulated during a single lifetime; but a much larger body of persons than at present, not only exempt from the coarser toils, but with sufficient leisure, both physical and mental, from mechanical details, to cultivate freely the graces of life, and afford examples of them to the classes less favourably circumstanced for their growth.

Mill thinks that for human beings the strict restriction of population and implementation of policies of fair distribution are most important and necessary during the transition from the developed nations of the day toward this ideal state. As a policy of fair distribution he gives limiting the amount of money that can be gifted or inherited as an example. "This condition of society, so greatly preferable to the present, is not only perfectly compatible with the stationary state, but, it would seem, more naturally allied with that state than with any other." He then asserts that stagnation in the growth of capital and population does not mean stagnation in human improvement; not only is there ample room for development of all sorts of intellectual culture, moral and social progress. Since people's minds will no longer be occupied with worrying about their own success and schemes for getting ahead, the potential for the improvement of human technology will be greater than before, and "even the industrial arts might be as earnestly and as successfully cultivated, with this sole difference: that instead of serving no purpose but the increase of wealth, industrial improvements would produce their legitimate effect, that of abridging labour."

From these views Mill espouses we can extract the following social philosophy.

(1) Given that the law of diminishing returns is one of the fundamental assumptions of Mill's economic theory, it is natural that he would assert that the growth of the population beyond a certain point is economically harmful. He also emphasises this in his discussion of the stationary state, and from the perspective of distribution policy raises population control as "one indispensable means" for the lasting improvement of the standard of living of the lower levels of society. What is noteworthy, however, is that Mill does not stop there but goes on to argue that population restriction is necessary from a human perspective that transcends this economic point of view. He writes, "A population may be too crowded, though all be amply supplied with food and raiment." Why? Because "solitude, in the sense of being often alone, is essential to any depth of meditation or of character; and solitude in the presence of natural beauty and grandeur, is the cradle of thoughts and aspirations which are not only good for the individual, but which society could ill do without," and if an area is too densely populated this solitude will become hard to come by. Furthermore, the

development of nature will be taken to an extreme in order to provide food for this population, and there will be “nothing left to the spontaneous activity of nature.” For Mill this would be unbearable. “Nor is there much satisfaction in contemplating the world . . . with every rood of land brought into cultivation, which is capable of growing food for human beings; every flowery waste or natural pasture ploughed up, all quadrupeds or birds which are not domesticated for man’s use exterminated as his rivals for food, every hedgerow or superfluous tree rooted out, and scarcely a place left where a wild shrub or flower could grow without being eradicated as a weed in the name of improved agriculture.” Mill emphasises that for human beings it is most important to keep nature in its uncultivated, unaltered form. He argued that even if there were a remaining margin by which wealth and population could be increased, human beings should enter into a stationary state to keep nature untouched. “If the earth must lose that great portion of its pleasantness which it owes to things that the unlimited increase of wealth and population would extirpate from it, for the mere purpose of enabling it to support a larger but not a better or a happier population, I sincerely hope, for the sake of posterity, that they will be content to be stationary, long before necessity compels them to it.”

Mill is counted as one of the creators of the theory of a proper population. But for Mill what is proper does not refer to economic matters, but rather a much broader criterion: human improvement.

(2) As he states in the passage quoted above, even in what Mill calls the “stationary state” the improvement of industrial technology is by no means stagnant. What distinguishes it from the conventional state is that technological improvement is no longer useful only to the increasing of wealth, but is now undertaken in order to attain its original effect of reducing labour. In a stationary state the members of the society in question lead full economic lives, and since their main focus is not to improve their economic situation but rather “to cultivate freely the graces of life,” the purpose of improving industrial technology lies in creating more time for them to have the leisure to do so. In the “Preliminary Remarks” to the *Principles* Mill writes, “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.” Here lies Mill’s fundamental thought about human labour. When human beings can freely use their surplus labour and time in various fields to develop the many kinds of talents they would entertain, for the first time they become able to realise their own improvement. If so it can be said that his way of thinking shared a common thread with that of Marx, who maintained that to human beings true wealth is time they can spend as they like, all economies are ultimately economies of time, and the reduction of the time spent on

labour is the fundamental condition required for the liberation of humanity.

Mill not only promoted this view to the general public through his book, but made concrete efforts to apply it to society in practice. One example of this was his arrest in 1823 on charges of distributing pamphlets on birth control to labourers, and another was his involvement with the Land Tenure Reform Association in his later years. I will now discuss these activities that manifested his view of nature.

## V The Land Reform Association

In his *Autobiography*, written in 1870, Mill puts down his pen after recounting his unsuccessful campaign of 1868, and concludes with the following passage.

Since that time little has occurred which there is need to commemorate in this place. I returned to my old pursuits and to the enjoyment of a country life in the south of Europe, alternating twice a year with a residence of some weeks or months in the neighbourhood of London. (After noting that he has published many articles in periodicals, given several speeches, and published the *Subjection of Women*, he writes,) I have commenced the preparation of matter for future books, of which it will be time to speak more particularly if I live to finish them. Here, therefore, for the present, this memoir may close.

But there were only three years left to him. The future books for which he was preparing, such as 'Socialism' and 'On Religion,' were never completed. Although Mill writes he only continued his scholarly work and "returned to . . . the enjoyment of a country life," in fact he was engaged in a practical movement to reform the land ownership system. Mill had stated in the *Principles of Political Economy* his view that Britain's land ownership system was designed to maintain the political and economic power of aristocrats/landowners and that reforming it was the foundation of the just improvement of society, and in the autumn of 1869, along with others of a similar view, he ignited a public debate on this issue and began preparations for the creation of the Land Tenure Reform Association as an organisation to serve as the basis of a movement for the reform of the existing laws. He had originally served as head of the founding committee with the intention of becoming just a regular member once the organisation had been formally established, but through playing a central role in writing the organisation's platform ended up continuing his leadership of the "Association" as its chairman after its formal inauguration in 1870.

Meanwhile, the First International, under the theoretical leadership of

Marx, was also taking up the issue of land. In 1869 the Land and Labour League was established in London on the basis of the resolution about public land ownership passed at the third congress held in Brussels in 1868 and the fourth congress held in Basle the following year. Some of Mill's acquaintances like George Orger were in the leadership of the First International, so he would have heard about these developments immediately, and in a letter to Henry Fawcett dated October 24th, 1869 he wrote as follows.

I do not know whether to be glad or sorry for the separate organisation which has been started by some leaders of the working classes for a much more radical alteration of the land laws. The furious and declamatory violence of their Resolutions and some of their speeches, seems to shew that they would have been a very intractable element in the other Association and that it is well rid of them. One thing I see clearly; that there will be more difficulty than ever in preserving the commons. The working class speakers are filled with exaggerated ideas of the value of the waste lands for cultivation, and apparently do not care at all for the preservation of natural beauty.

This seems to have been one of Mill's strong complaints about the Land and Labour League, and in a letter to Andrew Reid—an ally of Mill's who was also one of the founders of the Land Tenure Reform Association—dated two days earlier he also opposed the cultivation of “waste lands,” writing, “I wish a great part of them to remain in their native wildness & natural beauty. There is little enough beauty in our common life, & we cannot afford to sacrifice what we have.”

With this in mind, let us now examine the ten articles of Mill's “Programme” for the Land Tenure Reform Association.

The first three articles advocated (1) removing legal and fiscal impediments to the transfer of land, (2) abolishing the law of primogeniture, and (3) restricting to the greatest extent possible “the power of Tying up Land.” Mill stated that the aim of these policies, along with constraining the power of the classes that parasitise the land, was to promote the transfer of land from the lazy to the industrious. In the fourth article Mill advocated taking up “unearned income,” that is, the increment of increased rent caused by increases in population and wealth, through taxation. In other words, he insisted on the public appropriation of rent. The next two articles stipulate that the state should sometimes purchase private land being sold on the open market and lease it under appropriate regulations to co-operative associations that have shown sufficient proof of “spontaneity” and promise of efficiency (5) or to “small cultivators” (6). In the

next two articles Mill calls for land that is currently publicly owned and “waste” to be kept for public use and not handed over to the private ownership of individuals.

On the one hand, Mill’s land reforms assembled in this Programme stood in stark contrast to the views of other economists in the Ricardian tradition, such as John Ramsay McCulloch, who believed that the primogeniture system had to be maintained in order to preserve the peace and order of society. On the other hand, however, they were also incompatible with the comprehensive, thoroughgoing transition to public ownership of land proposed by the Land and Labour League. The reforms Mill advocated assumed private ownership and made this system their foundation, so the state promotes the commoditisation of land even in cases in which it intervenes in the land market and always pays compensation when acquiring land for itself. And since the land the state owns is not to be managed by the state itself but loaned out to cultivators and Labour associations, in practice various forms of management, including capitalist agriculture and agriculture carried out by individuals or co-operative associations on land leased from the state, are to coexist and compete with each other. Mill believed this kind of competition was a good thing.

Mill took an extremely negative view toward state managed or municipally managed agriculture. He made the following statement at a speech given in May of 1871.

I have so poor an opinion of State management, or municipal management either that I am afraid many years would elapse before the revenue realised for the State would be sufficient to pay the indemnity which would be justly claimed by the dispossessed proprietors. It requires, I fear, a greater degree of public virtue and public intelligence than has yet been attained to administer all the land of a country like this on the public account.

Even when it comes to agriculture, presumably the competition between large scale capitalist management, small scale individual management, and co-operative association management will gradually foster the growth of management that combines both a public nature and efficiency, and ultimately cause the form of management best suited to these conditions, that undertaken by co-operative associations, to win out. Shouldn’t this approach also be promoted in the policy domain? These were the predictions and expectations of Mill’s view.

One important point remains as a characteristic of Mill’s way of thinking. He presents it in the final two articles of the Programme. It is of a piece with his view of nature in the section on the stationary state in the *Principles* discussed

above, and takes up the points emphasised in his letters to Fawcett and Reid that place him in opposition to the Land and Labour League. Here are articles IX and X in their entirety.

IX. That while it is expedient to bring a large portion of the present Waste Lands under cultivation for the purposes and on the principles laid down in the preceding articles, it is desirable that the less fertile portions, especially those which are within reach of populous districts, should be retained in a state of wild natural beauty, for the general enjoyment of the community, and encouragement in all classes of healthful rural tastes, and of the higher order of pleasures; also, in order to leave to future generations the decision of their ultimate uses.

X. To obtain for the State the power to take possession (with a view to their preservation) of all Natural Objects, or Artificial Constructions attached to the soil, which are of historical, scientific, or artistic interest, together with so much of the surrounding land as may be thought necessary; the owners being compensated for the value of the land so taken.

Saburō Shinomiya sees in article IX “an inclination toward a human ecology, rather than an ecological approach in the sense of a view of the natural environment that sees human beings as the same as other aspects of biology” (*J. S. Miru Taikeijosetsu (Systematic Introduction to J. S. Mill)*, Minerva Shobō, 1974). In contrast to the side of Mill as a champion of liberalism trying to stamp out remaining feudal institutions that emerges in other parts of the Programme of the Land Tenure Reform Association, these two articles are indeed suffused with Mill’s naturalist sensibilities. Here we can clearly see one of the characteristic approaches found in Mill’s thought: while in no way denying the importance of the perspective of economic progress, he never detaches economic progress from other dimensions of human improvement in a broader sense. He views it [economic activity] as one of the various relationships that exist between human beings and nature.

## VI Freud and Mill

The “Chapters on Socialism” Mill was planning to publish in his later years were left unfinished at the time of his death, but as was noted in Section V, these posthumous manuscripts were published by Helen Taylor in the magazine *Fortnightly Review* in 1879, six years after his death. They were translated into French the same year and German the year after, and received a strong response both in Britain and overseas. The translator of the German edition was Sigmund

Freud, who became famous as the creator of psychoanalysis.

In order to explain how Freud, at the time a twenty-four year-old researcher in the physiology department of the University of Vienna, came to translate Mill's "Chapters on Socialism," I need to say a few words about the German edition of the complete works of J. S. Mill in which this translation was included.

The German edition of Mill's complete works was composed of twelve volumes—the "Chapters on Socialism" were included in the final, twelfth volume—and was published between 1869 and 1880 by Fues, a publisher in Leipzig. Mill was very happy about this project and supported its progress. After his death Helen assisted the editors, and the "Chapters on Socialism" were included at her suggestion. Among the continental European nations, Germany was a country particularly unfamiliar to Mill, so why was the first collection of his complete works published there? Theodor Gomperz, a professor of philosophy at the University of Vienna, edited the German collection and was behind the effort to publish it.

Returning to Freud and the "Chapters on Socialism" he translated, according to Ernest Jones' *The Life and Work of Sigmund Freud* (in three volumes 1953, abridged edition 1961), it seems that Freud came to translate this text as the replacement for a friend of Gomperz who had originally been assigned to translate it but had died suddenly. Freud knew Gomperz's wife as a patient at the medical school, and was asked to translate this text. In addition to "Chapters on Socialism" he also agreed to translate essays on issues concerning labour and women.

Apart from pecuniary remuneration, it is not entirely clear what Freud may have gained from doing this translation job that was outside his normal field of expertise. In Europe at that time, however, in the midst of the "Long Depression" that had begun in 1873, socialism was not merely an intellectual or theoretical topic, but rather the focus of great popular interest as a practical issue related to the labour movement and politics [political matters]. We can assume no small number of people with such interests drew insight from Mill's posthumous manuscripts. In his preface to the second edition of the *Principles of Political Economy* (1849) Mill remarks on the importance of the debate over socialism, noting that he would have liked to have expanded the chapter that addresses this topic, and as he states that "a full appreciation of Socialism, and of the questions which it raises, can only be advantageously attempted in a separate work," for those already familiar with his thoughts on socialism added in succeeding revisions of the *Principles* this posthumous work that conveys what might have been included in such a "separate work" is essential reading. It was purely by chance that Freud ended up overseeing the translation of this important unfinished text.

## VII The Origin of Comparative Economic Studies

In recent years the existence of a field of study called “economic system theory” or “comparative economic studies” has become widely known, even in this country. Courses with this title are taught at many universities, and various writings and lectures are published. Though the name of the field may be the same, the content differs considerably depending on the author or lectures; this is still a new field, and since it is an interdisciplinary pursuit combining economics, sociology and political science, what is undertaken under its umbrella can be quite diverse. Even if the methodologies, systems, and perspectives employed differ, however, the foundation from which all efforts in this field emerge is consistent insofar as they all take as a given the competitive coexistence of capitalism and socialism, and address the question of the future of this state of competitive coexistence through the comparative analysis of these two systems.

Comparative economic studies first emerged in the 1930s. This was an era with the following characteristics, and together they can be seen as having generated interest in this field of inquiry. First, the communist system of the Soviet Union established after the October 1917 revolution had faced a difficult formation process under the harsh conditions of low national production capacity and besiegement by capitalist powers, but entering the 1930s the foundations of this system had at last solidified. Those on the side of capitalism were forced to recognise the existence of an economic system with totally different fundamental principles. Once they acknowledged this other system, they then had no choice but to consider the question of how to respond to it. And for a capitalism that had suffered a heavy blow following the Great Depression, the socialist system was not merely something whose existence had to grudgingly be acknowledged, but rather a rival system whose characteristics were worth studying in the context of the existence of Soviet Union because it was an economic system said to be theoretically free from depression and mass unemployment. The study of communism, which until that point had been oriented toward political and military perspectives, began to be taken up from the viewpoint of economics.

Second, government intervention in the economy was being pursued as a necessary measure to overcome the economic crisis, and among supporters of capitalism concerns arose that once this state control began it would gradually expand until capitalism was no longer capitalism, or at least to the point that what was good about capitalism had been killed off. Countries like Germany, Italy and Japan did in fact aggressively pursue nationalistic economic management in the 1930s, a turn of events that further exacerbated these fears in Britain, France and America. This led to the examination of the questions of

what exactly capitalism was and whether or not its essential nature was compatible with state control. Economics as it stood at the time, however, could not provide any answers. Based on the assumption of the institutional framework of the capitalist system, economic theory had emphasised the analysis of reciprocal relationships of various economic quantities on the basis of relationships of exchange, but now this initial assumption itself had become the topic of debate. When those who thought about capitalism reflectively, casting a critical eye to the foundation of the capitalist economic system, became concerned with the economic study of socialism, this new field of inquiry, that is, comparative economic studies, emerged.

When discussing this early stage of comparative economic studies, there are three books that come to mind: British economist Arthur Pigou's *Socialism Versus Capitalism*, published in 1937, *Comparative Economic Systems: Capitalism, Socialism, Communism, Fascism*, co-authored by William Negele Loucks and John Weldon Hoot and published at around the same time in America, and *Capitalism, Socialism and Democracy*, the late-career magnum opus of Joseph Schumpeter, who had moved from Germany to America, published in 1942. Loucks and Hoot's book, the first proper overview of this field, has been reprinted many times. The books by Pigou and Schumpeter, both great works of scholarship, make use of the fundamental ideas present in their authors' most prominent texts, *The Economics of Welfare* and *The Theory of Economic Development* respectively, and provide rich resources for those engaged in the comparison of economic systems.

It is also claimed, however, that the origins of comparative economic studies can be traced back beyond the 1930s into the previous century. For example, in the entry on "comparative economic studies" in his *Keizaigaku Jiten (Dictionary of Economics)*, 2nd edition, 1979, Yoshirō Tamanoi, while on the one hand citing Mill's "Chapters on Socialism" and stating that attempts at a comparative economic systems theory "in fact can be traced back a step further than Pigou to J. S. Mill in the middle of the 19th century," on the other hand also writes that "the first great work to bring the capitalist free market economy as a historical economic system," Marx's *Capital*, "takes a different approach from modern economics, establishes the recognition of different economic system at the start point, and to this extent can be positioned as the classical text that forms the starting point of comparative economic theory." I agree with this view of Mill and Marx as pioneers of comparative economic system theory for the following reasons.

First, since comparative economic studies attempts to place the economic structure of the societies in question at the centre of the comparison of social systems, anyone investigating this topic must have a firm grasp of economics

and the ability to conduct economic analysis. This understanding of economics, moreover, must not be one that is fixated on one particular existing system, but rather one that acknowledges the existence of various types of economic systems and the fact that one type of economic system may transform into another, or, in other words, an understanding that recognises the diverse and historical nature of economic systems. Both Mill and Marx were well versed in the theory of the classical school, the leading school of economic thought of their day. Both were critical of classical economists who saw the contemporary economic system of private ownership, founded on the axis of relationships of production between capital and wage labour, as eternal and unchanging, and both tried to construct an economics that could position capitalism among various economic systems, analyse it objectively, and explicate its characteristics.

Second, since comparative economic system theory addresses economic systems at a national or state scale, and moreover looks at how they function as a whole, it must on the one hand consider the legal institutions that support these systems and the states that play a role in maintaining them, and on the other hand also examine the behaviour and motivations of the human beings who are active within them. This means that this discipline requires a comprehensive inquiry with a broad field of view that situates economies within societies and examines them in relation to all facets of life. In other words, only someone capable of wrestling with issues of economies and societies and economies and human beings can take up the complex topic of economic systems, and both Mill and Marx were political economists who did not stop at being political economists but were also social scientists on a broader scale.

Third, if one is to compare economic systems one must have criteria of comparison. Since this is a comparison of economic systems, criteria such as balanced growth, fair distribution of income, and appropriate distribution of labour and resources seem plausible. Balance is indeed better than imbalance, and it is obviously the case that fairness is better than unfairness and appropriateness is better than inappropriateness. When it comes to what exactly “balance,” “fairness” and “appropriateness” mean in concrete terms, however, once again criteria are required. And having reached this point we cannot avoid the issue of value judgments entering the picture.

When we judge a system by one value or one criterion, our inquiry doesn't stop there. Say we have determined that system B is better than system A. The question then becomes whether a transition from A to B is possible, and if so by what methods it should be accomplished. A solution to the problem of what course to take in realising the transition from A to B must be found. Here, too, the issue of value judgments presumably arises.

In this case, the criteria for the value judgment must not simply be the

scholar in question's preconceived subjective beliefs; they must be based on a view of history and humanity that engages with the issue of what forms the baseline of human improvement or constitutes the fundamental desire of human nature, and this view of history and humanity must in turn be grounded in the results of social science on these topics. Someone who takes up the questions of society and economics and economics and humanity from a fundamental viewpoint must surely be called not just a social scientist but a "thinker." Mill and Marx, even among the many prominent thinkers of the 19th century, were the figures best suited to the task of blazing a trail for the field of comparative economic system theory. Their most important works, the *Principles of Political Economy* and *Capital*, are an immensely valuable legacy when it comes to the development of this field of inquiry.

It is interesting that both men wrote about comparative economic studies in their later years as though to supplement their earlier major works, in both cases leaving us an important text on the subject. In Mill's case it was the posthumous "Chapters on Socialism," and in Marx's case it was a text normally referred to as the "Critique of the Gotha Program," a document based on Marx's comments on the draft program of the Social Democratic Workers' Party of Germany. In the next section I would like to briefly consider the points at issue in Mill's and Marx's views on comparative economic studies based mainly on these two texts. More precisely, I would like to examine those of Mill in contrast to those of Marx.

### VIII The Question of Labour

Throughout *Capital* Marx addresses various economic systems other than capitalism, namely village communities, slavery, feudalism, and a communist society of the future (which he describes as "a community of free individuals, carrying on their work with the means of production in common, in which the labour power of all the different individuals is consciously applied as the combined labour power of the community" (*Capital*, Part 1, Chapter 1)). He compares each of these economic systems to capitalism while discussing their characteristic traits. By doing so, Marx wanted to make clear the characteristic contradiction of capitalism, which is that while capitalism realises economic progress and political liberty it also realises extreme alienation of human beings, and economic systems other than capitalism were not themselves the target of his inquiry. Marx thought it was largely irrelevant to talk about future social systems, so there is little substantial discussion of them even in *Capital*. His "Critique of the Gotha Program," however, contains a detailed, concrete passage on the nature of communist society. It has been noted that excluding *Capital* this text presents

the most thoroughgoing development of communism in all of the writings left to us by Marx.

What we notice, firstly, is that the system of the production and distribution of wealth within this socialist society is addressed from the perspective of the human beings living in it, and, as a result, while these passages focus on economic structures they are not limited purely to economics. Marx writes, for example, that the first stage of a communist society is “in *every respect*, economically, *morally*, and *intellectually*, still stamped with the birthmarks of the old society from whose womb it emerges” (emphasis added), and that legal “right can never be higher than the economic structure of society and its *cultural* development conditioned thereby” (emphasis added). Marx included domains of human activity referred to as the “superstructure” in historical materialism, such as law, culture, and morality, in his field of view when thinking about these issues. This kind of broad perspective was also employed when addressing economic structures, that is, the “substructure” in historical materialism, and the result can indeed be described as a “comparative economic studies” approach.

Secondly, communist society is divided into a first stage “just as it *emerges* from capitalist society” and a second stage in which it has “*developed* on its own foundations” (emphasis in the original), and it is significant that Marx takes up the problems that are to be faced in line with the development of the social system. What Marx is emphasizing here is that in the first stage, “when it [a communist society] has just emerged after prolonged birth pangs from capitalist society,” while the reform of basic relationships of production has been accomplished, with the corresponding leap forward in productive power not yet having occurred and people’s consciousness and way of life still bound by “bourgeois limitation,” it is a mistake to ignore these realities and adopt policies that try to realise an ideal society all at once; on the contrary, what must be pursued is management of the economy that is suited to this stage of development. Within this “stage theory-type” approach, Marx makes use of the broad field of view noted above, adopting, in other words, a stance of considering economic issues in relation to the entire domain of activity of the people living in the society in question.

Thirdly, and for me this is the most interesting and important point, Marx’s criterion when he compares economic systems, that is, the criterion of whether labour, the most essential human activity, performs an active function in human self-formation, is also clearly applied in his theory of communism. According to Marx, in the first stage of communism each person’s working time—not each person’s need—functions as a scale for determining how much means of consumption they will receive. Put more precisely, while the social need for greater productivity is met in the form of improved labour productivity contrived by di-

rectly linking the amount of labour done to the amount of distribution received, at this stage human beings are still conducting production and distribution adapted to a state of affairs bearing a bourgeois birthmark in which the amount and content of their labour are forced on them from the outside. In contrast, at the second stage of communism in which productivity and humanity are more fully developed, labour becomes a real human activity and human alienation is completely overcome for the first time. Regarding this stage Marx writes as follows.

In a higher phase of communist society, after the enslaving subordination of the individual to the division of Labour, and therewith also the antithesis between mental and physical Labour, has vanished; after Labour has become not only a means of life but life's prime want; after the productive forces have also increased with the all-around development of the individual, and all the springs of co-operative wealth flow more abundantly—only then can the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banners: From each according to his ability, to each according to his needs!

Let us now turn to Mill's "Chapters on Socialism" while keeping this assertion of Marx's in mind. In addition to the "Introductory" chapter, the "Chapters on Socialism" are composed of the following four chapters.

- (1) "Socialist Objections to the Present Order of Society"
- (2) "The Socialist Objections to the Present Order of Society Examined"
- (3) "The Difficulties of Socialism"
- (4) "The Idea of Private Property Not Fixed but Variable"

In the "Introductory" chapter, Mill asserts that the path to the working classes participating in politics having been opened for the first time by the second electoral reform act of 1867 means that these classes, namely, the classes "who have next to no property of their own, and are only interested in the institution so far as it is a public benefit," will participate in the debate over the system of property that forms the core of the existing economic and social system, and says that when it comes to this debate the working classes have ample right to demand conclusions that make sense from their perspective as people whose comfort and position is not guaranteed by the current property system and who have no interests apart from abstract justice and general welfare. Mill concludes the "Introductory" chapter by asserting that to this end it is necessary to consider all proposals for social reform with the "same candour," regardless of who is making them.

After presenting the aspects of the existing system criticised by socialists,

drawing mainly on Louis Blanc's *The Organisation of Labour* (1839), *Social Destiny* (3rd edition, 1848) by the Fourierist Victor Considerant, and Robert Owen's *The Book of the New Modern World* (1836–44), in (1), Mill then comments on these critiques in (2), and the conclusions he reaches, discussed below, suggest that in his later years his view of the reality of capitalism was quite optimistic. As is also clear if we examine what Mill added when revising the *Principles of Political Economy*, this point is grounds for believing that in his later years he retreated from a theory of socialism per se.

The present system is not, as many Socialists believe, hurrying us into a state of general indigence and slavery from which only Socialism can save us. The evils and injustices suffered under the present system are great, but they are not increasing; on the contrary, the general tendency is towards their slow diminution. Moreover the inequalities in the distribution of the produce between capital and labour, however they may shock the feeling of natural justice, would not by their mere equalisation afford by any means so large a fund for raising the lower levels of remuneration as Socialists, and many besides Socialists, are apt to suppose. There is not any one abuse or injustice now prevailing in society by merely abolishing which the human race would pass out of suffering into happiness. What is incumbent on us is a calm comparison between two different systems of society, with a view of determining which of them affords the greatest resources for overcoming the inevitable difficulties of life. And if we find the answer to this question more difficult, and more dependent upon intellectual and moral conditions, than is usually thought, it is satisfactory to reflect that there is time before us for the question to work itself out on an experimental scale, by actual trial. I believe we shall find that no other test is possible of the practicability or beneficial operation of Socialist arrangements; but that the intellectual and moral grounds of Socialism deserve the most attentive study, as affording in many cases the guiding principles of the improvements necessary to give the present economic system of society its best chance.

In (3), Mill considers the visions of a future society put forward by various socialists, and this chapter becomes both quantitatively the longest of the four and qualitatively the richest in insights pertaining to what might be called “comparative socialism studies”—the shortest chapter, (4), seems to have little notable content. Here, as in the distinctions made in the *Principles of Political Economy*, Mill divides socialism in a broad sense into communism, which takes an absolute view of equal distribution, and socialism, which accepts distribution

in accordance with ability (and thus ultimately some degree of equal distribution), while at the same time also distinguishing between gradual, decentralised socialism that develops out of independent units at the scale of villages or cities and grows to influence the entire nation, and a revolutionary, centralising socialism that overthrows the old system all at once and takes control of all of the nation's means of production in a centralised, unified manner. Among all of the approaches he examines, Mill has the greatest sympathy for and places the greatest emphasis on Fourierism, just as is the case in the *Principles*. In (3), Mill writes as follows.

The principal of these [socialist systems other than communism] is Fourierism, a system which, if only as a specimen of intellectual ingenuity, is highly worthy of the attention of any student, either of society or of the human mind. There is scarcely an objection or a difficulty which Fourier did not foresee, and against which he did not make provision beforehand by self-acting contrivances.

Mill rates Fourierism highly because it is socialism in a narrow sense that is grounded “upon a less high principle of distributive justice than that of Communism,” a gradual, decentralised socialism rather than a revolutionary, centralised socialism, and as a result “requires less from common humanity than any other known system of socialism.”

As Mill states here, the great problem taken up by Fourier is “how to make labour attractive.” In the existing system labour is painful and something to be loathed, but in response to the question of whether labour is in its essence a sacrifice destined to be painful for human beings, Fourier says it is not. It is possible to transform labour into something attractive, and only by realising this can human beings achieve true happiness. Fourier insists that socialism is what aims at this realisation. Referencing *Considerant*, Mill presents the substantial measures to be taken to this end in greater detail than in the *Principles of Political Economy*. As Mill shows great sympathy toward Fourier's fundamental concern with the issue of labour, there are some similarities between Mill and Marx in their criteria of comparative economic studies, insofar as Marx, as mentioned above, argues that the issue of labour is of essential importance to human beings.

But there is a major difference we must not overlook when we compare Mill's socialism with Marx's communism. While Marx amply acknowledged that the economic and cultural development that occurs after the establishment of a socialist system will be gradual, and it is not as though an ideal society will be realised overnight, there is no assertion that the process of transition from

capitalism to socialism must be gradual—a claim that is one of the central points of Mill’s assertions on this issue. As a result of this difference, Marx’s evaluation of Fourierism is the opposite of Mill’s positive assessment: he is harshly critical of it, saying that a system in which the distribution of what is produced is conducted between the three elements of capital, labour, and ability is socialism in name only.

When we look at the differences between Marx and Mill in this way, what stands out most prominently is Mill’s theory of competition, and it is here that one of the defining characteristics of Mill’s socialism is to be found.

## IX The Question of Competition

In his *Autobiography*, Mill says of Chapter 7 “On the Probable Futurity of the Labouring Classes” of Book IV of the *Principles of Political Economy* that it is the “chapter of the Political Economy which has had a greater influence on opinion than all the rest.” Mill himself saw it as extremely important, revising it to reflect new realities on the ground and clarify its arguments in later editions of the text. One example of this is the addition of a new passage at the end of this chapter in the 3rd edition (1852).

The preface to the 3rd edition is the most important of the prefaces added to successive editions from the 2nd to the 7th (the final edition printed during Mill’s lifetime in 1871), and the following passage from it has become well known as a summary of Mill’s fundamental attitude toward the question of socialism. This stance was basically retained without alteration in his late-career “Chapters on Socialism.”

It appears to me that the great end of social improvement should be to fit mankind by cultivation for a state of society 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. Whether, when this state of mental and moral cultivation shall be attained, individual property in some form (though a form very remote from the present) or community of ownership in the instruments of production and a regulated division of the produce will afford the circumstances most favourable to happiness, and best calculated to bring human nature to its greatest perfection, is a question which must be left, as it safely may, to the people of that time to decide. Those of the present are not competent to decide it.

Mill then adds the following three notes concerning the revised edition of the text: (1) he has supplemented the “The Futurity of the Labouring Classes”

to incorporate the important events relating to the co-operative associations in France that had occurred since the first publication of the *Principles* in 1848; (2) by doing so, he has tried to further clarify the trend toward social transformation of which these co-operative associations are the first step; (3) the attacks on competition levied by those who argue in favour of these co-operative associations are exaggerated or simply mistaken, and he has therefore tried to separate the consideration of such associations from these exaggerations and misapprehensions. The new passage [appended to Book IV, Chapter 7] in the 3rd edition mentioned above was added for the sake of (3).

In this new passage, Mill begins by pointing out the mistake of socialists who blame competition for all existing economic ills. They are forgetting that competition prevents the harm caused by monopolies and lowers the price of the goods consumed by workers. Mill is not saying that there are no problems caused by competition, nor does he ignore the envy and enmity it engenders among those in the same profession. "But," he writes, "if competition has its evils, it prevents greater evils . . . even in the present state of society and industry, every restriction of it is an evil, and every extension of it, even if for the time injuriously affecting some class of labourers, is always an ultimate good." In his "Chapters on Socialism," too, after introducing Louis Blanc's view that "competition is for the people a system of extermination" in (1), Mill then develops a detailed counterargument in (2) in which he asserts that socialists "see half of its [competition's] effects, and overlook the other half." Why does Mill place such an emphasis on competition? Why does he think it essentially operates to the benefit of workers? When we pursue these questions we arrive at Mill's fundamental view of human development and society. This in turn ties into his rejecting revolutionary, centralised approaches and respecting those that are gradual and decentralised in his "Chapters on Socialism." Mill's concluding statement in Book IV, Chapter 7 is as follows.

It is the common error of socialists to overlook the natural indolence of mankind; their tendency to be passive, to be the slaves of habit, to persist indefinitely in a course once chosen. Let them once attain any state of existence which they consider tolerable, and the danger to be apprehended is that they will thenceforth stagnate; will not exert themselves to improve; and by letting their faculties rust, will lose even the energy required to preserve them from deterioration. Competition may not be the best conceivable stimulus, but it is at present a necessary one; and no one can foresee the time when it will not be indispensable to progress. Even confining ourselves to the industrial department,—in which, more than in any other, the majority may be supposed to be competent judges of improvements,—it

would be difficult to induce the general assembly of an association to submit to the trouble and inconvenience of altering their habits by adopting some new and promising invention, unless their knowledge of the existence of rival associations made them apprehend that what they would not consent to do, others would, and that they would be left behind in the race.

Mill also addresses behavioural factors of those in charge of management, and compares private ownership societies to communist societies in regard to this point as follows. Under the existing system, all benefits that arise out of the difference between the best and worst management accrue to the manager, so they have a strong personal motivation to make the business as efficient as possible. Presumably, however, this motivation does not exist in communism. "In the case of most men the only inducement which has been found sufficiently constant and unflagging to overcome the ever-present influence of indolence and love of ease, and induce men to apply themselves unrelaxingly to work for the most part in itself dull and unexciting, is the prospect of bettering their own economic condition and that of their family; and the closer the connection of every increase of exertion with a corresponding increase of its fruits, the more powerful is this motive." While this may not be an issue in socialist systems, such as Fourierism, that adopt a principle of distribution in accordance with ability and achievement, it becomes problematic in a communism that adopts a thoroughgoing principle of equality. "Communitic management would thus be, in all probability, less favourable than private management to that striking out of new paths and making immediate sacrifices for distant and uncertain advantages." But this kind of aggressive economic activity, pioneering ventures that often comes with a risk of failure, "is generally indispensable to great improvements in the economic condition of mankind, and even to keeping up the existing state in the face of a continual increase of the number of mouths to be fed."

What lies at the root of Mill's claim is, on the one hand, a recognition of the need to ceaselessly "struggle against poverty" in the face of the limitations imposed by the external conditions of nature as the fundamental character of human economic activity, and on the other hand, an understanding that within human nature there is a tendency to shirk or flee from adventure, change, and hardship. Mill then argues that competition is the most effective mechanism by which human beings can combat this internal nature and confront external nature. It is important to utilise this mechanism of competition even in a new society, and only by doing so will the problem of "making labour attractive" with which the Fourierists are wrestling be solved; this can be seen as the main point of the assertions Mill makes in his "Chapters on Socialism."

If this kind of principle of competition is utilised in socialism—in which

case the freedom of individuals to choose work suited to their own nature is preserved—then along with the desire to work increasing and an attendant rise in productive power, at the same time improvements in the standard of living and the shortening of working hours will also be realised through the implementation of population control on the basis of each individual's own understanding, and this will become the foundation for making labour attractive. At the same time, the principle of competition will not be confined merely to the economic sphere; spreading throughout all fields of human activity, it will develop to an even greater extent in these other domains of human endeavour. Unlike capitalist societies in which competition is mainly found in the financial or business sectors, in this new society people will compete with each other in the cultural sphere and in terms of human development. Since human freedom and development are the most important values for human beings, it was Mill's strong belief that competition, in whatever form it may take, would remain as the driving force of social progress.

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