

one of whose fundamental doctrines it refuted—has the merit of having first methodically exposed the so-called Wage-fund theory. Mr. Thornton, in the first edition of his above cited work "On Labor," adopted without acknowledgment Mr. Longe's previously published refutation of that theory, using that refutation as the basis of his own apology for Trades' Unions. And Mr. Mill, in two review-articles from his pen on Mr. Thornton's first edition, accepted with a good grace his second-hand refutation of that theory, but equally ignored its source. There seems a sort of Japanese etiquette in the matter. It is only to his own hand, aided by that of a selected and sympathizing friend, the illustrious convict can consent to owe his "happy despatch."

* If we decline to stand by, simply assisting as spectators of that Japanese etiquette, it is because we consider Mr. Longe's refutation of the "Wage-fund theory as having exploded, together with that theory, much more of the economical doctrines previously inculcated as orthodox than the most authoritative teacher of those doctrines. Mr. Mill, even now has seen fit to acknowledge. But, in mercy to the general reader, we place the following details of that exploded theory at the foot of our pages, instead of inserting them in the text.

The theory, now exploded, once looked fairly in the fact, is as absurd in a degree to which nothing could have so long blinded its promulgators but the habit of reliance on abstract reasoning unverified by recurrence to facts. We extract, as follows, Mr. Mill's own enunciation of that theory made in the act of renouncing it:—

"There is supposed to be, at any given instant, a sum of wealth, which is unconditionally devoted to the payment of wages of labor. The sum is not regarded as unalterable, for it is augmented by saving, and increases with the progress of wealth, but it is reasoned upon as at any given moment a predetermined amount. More than that amount it is assumed that the wages-receiving class cannot possibly divide among them; that amount, and no less, they cannot but obtain. So that, the sum to be divided being fixed, the wages of each depend solely on the divisor, the number of participants."

That is—we quote the words of Mr. Longe—"we are to regard capital as wealth which has been destined by its owners to the definite object of carrying on production by the employment of laborers in their own country, just as money subscribed to some charity is destined for the objects of such charity. It may have to lie idle for weeks, months, or years, while mercantile or foreign undertakings offer their 10 per cent. profits for its use. Its owners are never to change their minds. It can never be directed from its original object. It cannot be spent unproductively. It cannot be lost, either to its owner, or to the country, or to the laborers, for the purchase of

In the preceding foot-note the reader will find in brief compass the substantial refutation of the so-called Wage-fund theory—a theory which formed the foundation, down to the date of Mr. Mill's imperfect palinode, of the orthodox economic creed on the whole subject of wages of labor. Had any rash champion of plain good sense ventured at an earlier period to question the solidity of that foundation, he would doubtless have been consigned to the *limbus infantum* of immature inquirers, cut off ere they had well crossed the threshold of economic existence, or even perhaps stigmatized by Mr. Fawcett with the epithet of "practical man" or "man of business."* The modern economist has never thought he could get far enough from the old-fashioned practical man. It must be owned the latter personage was

whose labor it has been destined, while its owners were as yet ignorant in what trade, in what production, it should be actually employed."

The "aggregate capital," predestined exclusively and irreversibly to the function of wage-fund, will, it was assumed, with equally predestined certainty, be distributed to the last farthing, by the process of competition, among the different classes of laborers making up the collective entity of the "general laborer." This is the crowning absurdity of a theory absurd at all points. Mr. Longe asks—

"How could the shoemakers compete with the tailors, or the blacksmiths with the glass-blowers? Or how should the capital which a master shoemaker saved, by reducing the wages of his journeymen, get into the hands of a master tailor? Or why should the money, which a reduction in the price of clothes enables the private consumer to spend in other things, go to pay or refund the wages of any other class of laborers belonging to his own country? It would clearly be just as likely to be spent in the purchase of foreign wine or in a trip to Switzerland.

"The notion of all the laborers of a country constituting a body of *general laborers* capable of competing with each other, and whose 'general' or 'average' wage depends upon the ratio between their number and the 'aggregate' wage-fund, is just as absurd as the notion of all the different goods existing in a country at any time, *e.g.*, the ships and the steam-engines, and the cloth, &c., constituting a stock of general commodities, the 'general' or 'average' price of which is determined by the ratio between the supposed quantity of the whole aggregate stock and the total purchase-fund of the community."

* "The business man," says Mr. Fawcett, "assuming a confidence which ignorance alone can give, contemptuously sneers at political economy, and assumes that he is in possession of superior wisdom which enables him to grapple with all the practical affairs of life, unhampered by theories and unfettered by principles."—"The Economic Position of the British Laborer," p. 1.