that wages are paid out of capital, the other that wages are paid not out of capital but out of the product. On the one side we have the followers of the Wages Fund doctrine as expounded by Mill and Fawcett or as rehabilitated by Cairnes, on the other as typical American writers are Mr. F. A. Walker and Henry George. The truth or falsity of either of these two opposing ~~views~~ positions can ~~be~~ only be established by a careful under-standing of the modern system of production and the processes under which it is carried on. This service has been well rendered by Professor Böhm-Bawerk who perhaps more clearly than any other modern economist has set out the actual nature of the productive process as it is carried on today. He shows clearly that the process is one of finished goods continually emerging from a series (sometimes very long, sometimes short) of unfinished goods in various stages of production, that by far the greater part of the total wealth of a community consists at any given time in the large quantity of goods in unfinished condition or as Professor Taussig has interpreted ~~it~~ "goods in an inchoate state." The laborers who are working on these unfinished goods must be subsisted from finished goods, in other words