

savings mean a relatively low plane of social existence. A parsimonious people are never progressive, neither are they, as a rule, industrially efficient. It is the man with many wants—not luxurious fancies, but real legitimate wants—who works hard to satisfy his aspirations, and he it is who is worth hiring. Let economists still teach the utility and the necessity of saving, but let the sociologist as firmly insist that to so far practise economy as to prevent in the nineteenth century a corresponding advance in civilisation of the working with the other classes is morally inequitable and industrially bad policy. I am not sorry that the American does not save more. Neither am I sure but that if many working-class communities I have visited on the Continent were socially more ambitious, there would not be less danger from Radical theories. One of the most intelligent manufacturers I ever met told me a few years ago he would be only too glad to pay higher wages to his working people, provided they would spend the excess legitimately and not hoard it. He knew that in the end he should gain thereby, since the ministering to new wants only begets others.¹ If there are theoretic economists who still hold that “a demand for commodities is not a demand for labour,” they may be reminded that a paradox is not necessarily true. In fact, this particular paradox is seen to be sustained by a combination of slipshod reasoning and moral prejudice. The growing opinion of economic students is veering round to register in theory the firm empirical judgment from which the business world has never swerved, that a high rate of consumption is the surest guarantee of progressive trade. The surest support of the “economy of high wages” is the conviction that it will operate as a stimulus to industry through increased consumption. The working classes, especially in the United States and in England, show a growing tendency to employ their higher wages in progressive consumption. Upon the steady operation of this tendency the economic future of the working classes, and of industry in general, largely depends.

¹ E. R. L. Gould, *Contemporary Review*, January 1893.