profit which he has taken from the laborer. This investment more and more takes the form of machinery, and this means less employment for workmen. A steam plough, he declares, is an incomparably better instrument of production than an ordinary plough, but the capital it represents would employ more men if laid out in ordinary ploughs. The relatively smaller proportion of capital available for the hire of wage-labor means that many are unable to find employment. There grows up an "industrial reserve army," whose pressure reduces the wages of those who still have work. This means growing misery, oppression, ignorance, degradation for the workers. At the same time the large factory, the large farm, are swallowing up their small rivals, industry is becoming concentrated in a few establishments and wealth centralized in the hands of a few plutocrats. The middle class disappears. Again, crises occur with ever increasing frequency and disastrous effects, proclaiming that capitalism has broken down. At last misery goads the workers to rise and seize from the few holders the ownership and control of the means of production, which the previous development has concentrated in a fashion fitted for central state control.

In brief, this analysis and forecast have not been borne out by time. If more capital goes into machinery, still more goes into wage-payment. It cannot be certain that wage earners will increase faster than this wage-fund unless it is known that the rate of increase of population is fixed and that it is larger than the rate of increase of wage-capital. No social fact is more certain than that the lot of workmen in every industrial country has greatly bettered since Marx's day. Socialist writers have been compelled to admit that the doctrine of increasing misery does not hold good. Concentration of industry has indeed been marked in many lines, but not in all, notably in farming and retail trade, and where it has occurred it has not, thanks to the joint-stock company, meant that the number of owners of property has lessened. The middle-class instead of disappearing increases in numbers and wealth. Crises are not more frequent and social insurance is grappling with many of the ills Marx pictured. The day of revolution appears no nearer than in 1850.

> *The labor theory of value is unsound in that it ignores the utility factor in value and also the factors other than manual labor on the cost or scarcity side. With it falls the surplus value theory, which, further, has weaknesses of its own. Marx's forecast of the inevitable downfall of the present system, while shrewd and penetrating in s[illegible]*