

production the consequences of a crisis are very far reaching. It is naturally the small capitalists who are stricken first, whence it follows that during crises there is a great concentration of capital.

Just as in the first part of this discussion I proceeded on the assumption that the capitalist always attains his end, *i.e.*, gains the surplus-value, just so I have also been speaking as if the workman always sold his labor. Let us look now at the case of the man who does not succeed in selling it. In order that a contract be entered into between capitalist and workman it is necessary that labor be desired and offered. If the workman for his part cannot deliver the labor contracted for, or not enough of it, whether from sickness or from weakness, it is perhaps but a question of exchange, and the workman is abandoned to his fate. Capitalism rests upon this fact that there is a class of men, much more numerous than any other, who are deprived of everything and consequently are forced to sell their labor; otherwise no workman would care to close a contract.

Let us look at the other side of the question, when the supply of labor exceeds the demand. Those who do not succeed in selling their labor are then equally abandoned to their own resources. From what causes in the capitalistic method of production does it happen that the supply of labor is in excess of the demand? Are these causes to be found in too great an increase in the population, or in the method of production itself?

It has been shown above that the composition of capital changes incessantly. Machinery becomes more and more developed and a great part of capital is composed of machines. The introduction of