

which a reaction, quicker or slower, of capital against a rise of wages takes place in old, settled countries. Ricardo has justly remarked that machinery is in constant competition with labor, and can often be only introduced when the price of labor has reached a certain height, but the appli-
ance of machinery is but one of the many methods for increasing the productive powers of labor. This very same development which makes common labor relatively redundant simplifies on the other hand, skilled labor, and thus depreciates it.

The same law obtains in another form. With the development of the productive powers of labor the accumulation of capital will be accelerated, even despite a relatively high rate of wages. Hence, one might infer, as Adam Smith, in whose days modern industry was still in its infancy, did infer, that the accelerated accumulation of capital must turn the balance in favor of the working man, by securing a growing demand for his labor. From this same standpoint many contemporary writers have wondered that English capital having grown in the last twenty years so much quicker than English population, wages should not have been more enhanced. But simultaneously with the progress of accumulation there takes place a *progressive change in the composition of capital*. That part of the aggregate capital which consists of fixed capital, machinery, raw materials, means of production in all possible forms, progressively increases as compared with the other part of capital, which is laid out in wages or in the purchase of labor. This law has been stated in a more or less accurate manner by Mr. Barton, Ricardo, Sismondi, Pro-