

Fourth Part:
**The Effect of Material Progress
on the Distribution of Wealth**

Chapter 18

Dynamic Forces Not Yet Explored

WE HAVE REACHED a conclusion of great significance. We have shown that rent—not labor—receives the increased production of material progress. Further, we have seen that labor and capital do not have opposing interests, as is popularly believed. In reality, the struggle is between labor and capital, on one side, and landownership on the other.

But we have not fully solved the problem. We know wages remain low because rent advances. Still, that is like saying a steamboat moves because its wheels turn. The further question is, what *causes* rent to advance? What is the force or necessity that distributes an increasing proportion of production as rent?

Ricardo and others focused only on population growth, which forces cultivation of poorer lands. But this principle does not fully account for the increase of rent as material progress goes on. Nor are all the conclusions drawn from it valid. There are other causes that conspire to raise rent. If we trace the effect of progress on the distribution of wealth, we will see what these are and

how they operate.

Three changes contribute to material progress: (1) increased population; (2) improvements in production and exchange; and (3) improvements in knowledge, education, government, police, and ethics (to the extent they increase the power to produce wealth).

The latter two have essentially the same economic effect, so we can consider them together. But first, we will consider the effects of increasing population by itself.