

# THE SINGLE TAX REVIEW

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Throughout the World.

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## ARE WAGES RISING OR FALLING?

(For the Review)

BY JOHN FILMER.

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This is the subject Mr. H. J. Chase discusses in the May-June number of the REVIEW. He is very positive that wages have fallen.

I have no desire to argue the question nor do I intend to express any opinion pro or con, but hope by unveiling facts hidden in those submitted by Mr. Chase to lead him to see the necessity for further investigation before pronouncing final judgment.

Mr. Chase frankly admits the paucity of evidence bearing on the subject of "Wages" and regrets that there is not a work applicable to the United States similar to Thorold Rogers' Six Centuries of Work and Wages. A work of this kind would throw much light on the question, but who would be willing to undertake so stupendous a task? Especially as, in this age of rapid movement, the question of rising or falling wages in the past may become obsolete before it could be completed.

While it is quite proper for Mr. Chase to hold a positive opinion on this or any other question and also to express it, it is to be regretted that he should allow himself to refer so contemptuously to those who do not agree with him. It does not seem to have occurred to him that both he and his opponents may be right, that these differences of opinion are in the main differences of point of view.

In support of his contention that wages have fallen Mr. Chase presents facts in relation to the manufacture of cotton sheeting at two periods far apart, viz. 1830 and 1897

As follows:

Annual money wage paid per capita .....	1830	1897
To operatives.....	\$164	\$320
Annual product per capita..... yds.	5,000	yds. 32,000
Price of sheeting per yard, . . . . .	9c.	5c.
Money worth of operatives annual product.....	\$450	\$1600

He then points out that while money in wages 1830 represented 36 per cent of the worth of the product—they represented but 20 per cent of it in 1897. And claims that therefore wages were less in 1897 than they were in 1830 by the

difference between 20 per cent and 36 per cent of the worth of the operatives product.

But did the yards of sheeting produced by the operatives at either period constitute their wages? In assuming that they did Mr. Chase has left out a most important factor in the production of cotton sheeting, viz. cotton and other materials. This omission shows conclusively that neither in 1830 nor in 1897 did the cotton sheeting produced by the operatives constitute these wages.

Mr. Chase also asserts that the "decrease of the capitalist's fraction (of the product) is a fact of definite record." But cotton and other materials essential to the production of cotton sheetings certainly come under the head of capital. And facts he supplies show that six times as much cotton was used by each operative in 1897 than in 1830. To attain this result the productive power of labor must have greatly increased and this involved the use of more complex and doubtless more costly machinery. Capital therefore instead of diminishing, as Mr. Chase claims, must have increased in the industry and during the period under consideration. The only fact that he adduces in support of his contention is, that, between 1830 and 1897 the rate of interest declined from 7 to 4 per cent per annum. But very little reflection is needed to show that a decline in the rate of interest does not necessarily involve a reduction of the "capitalist's fraction."

To account for his assumption that the operatives and capitalist's fraction are smaller than they used to be, Mr. Chase refers to the enormous increase in land-values, and claims that land owners must have appropriated some portion of the operative's and capitalist's share of the product. Land values have enormously increased. That is a matter of record and the increase during the nineteenth century may have been what he says, viz., 50 per cent per decade. But if Mr. Chase will revise his computations he will find that at the end of the nineteenth century the aggregate land-values would amount to, not six times, but about fifty seven times what they were at the beginning. But admitting this great increase to have taken place, it does not prove that the land owners have appropriated any part of wages or interest, or both.

To return to facts and figures:

In the manufacture of cotton sheeting between the years of 1830 and 1897:	
Money wages increased about . . . . .	100 per cent.
The price of sheeting decreased . . . . .	45 per cent.
The productive power of the human unit increased . . . . .	600 per cent.
Capital in the form of material increased . . . . .	600 per cent.
Capital in the form of machinery increased . . . . .	no data
The rate of interest declined . . . . .	45 per cent.

If Mr. Chase will take the trouble to co-relate these facts he will be willing to concede, I think, that he has not proved his case.

That similar changes have been taking place, in varying degree, in the industrial world there is little room for doubt. Therefore, are not those who consider wages from a quantitative point of view, justified in claiming that they are rising?]