

## REPLY BY H. J. CHASE.

"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 judgement."

Mr. Filmer, nevertheless, has expressed one opinion that may or may not be warranted, and in his attempt to unveil hidden facts, he has made several statements that reference to my article will show to be entirely unwarranted.

I took especial pains to make it clear that I used the word wages in precisely the same sense in which it is used by Henry George and by political economists generally—the laborer's share of the total produce. Consideration of the amounts in kind or in money received by the laborer at different periods does not settle the question of whether wages are rising or falling, because these amounts are not real wages, any more than the payment for the use of a house is real rent. How, then, can those who base their contention that wages are rising solely upon the fact that in most cases the laborer receives more money now than formerly be right, unless by accident? If to call attention to this be "treating opponents contemptuously," then I am guilty; but I don't know how to treat them in any other manner.

The statistics of cotton manufacture are Mr. Atkinson's. They were not cited by me to prove the downward, but by him to prove the upward, tendency of wages. I merely pointed out that they fail to prove this or anything else, but that they *indicate* a downward rather than an upward tendency.

I did *not* assume that the yards of sheeting constituted the operatives' wages. That is, I did not make the mistake of supposing that all the value of a yard of cloth is due to the factory processes. I pointed out, however, that more than one-fourth of the total value must have been due to the factory processes of 1830; and I asserted that the fact that the operatives got a much larger share of the total value in 1830 constitutes a very strong presumption that they got a larger share of the value added in the factory.

As to the increase or decrease of the capitalist's share, that is, interest, it makes no difference how much cotton was used by the operatives at different periods, or how expensive machinery was employed. I made no claim that "capital diminished" from 1830 to 1897. I asserted that the *return* to capital diminished, and I believe the fact to be demonstrated by the decline in the rate on money. The average rate on money for the better part of a century is a sufficiently accurate index for determining the average return on capital during the same period. I make this assertion with some little knowledge of our monetary history during the nineteenth century.

The primary division of the total produce is not and never has been more than three-fold. Whatever becomes of it afterwards, all of it goes first to laborers, capitalists and land owners, they being the only classes directly concerned with production. This being the case, how can the share of one class increase except at the expense of the shares of one or both the other two?

What does the increase of land values indicate except that land owners are able to make a larger and larger levy upon the total produce? Since they contribute nothing whatever to production, where can the increase come from unless from one or both the other shares?

All this is deductive reasoning and is merely a repetition of what is laid down in "Progress and Poverty." I tried to show that the definitely recorded decrease of the capitalist's share is too small to account for the more or less definitely recorded increase of the land owner's share, and I believe that I succeeded. That was inductive reasoning. I have no controversy with those who assert that "quantitative" (by which I suppose Mr. Filmer means "nominal") wages are higher now than formerly. It does not concern me whether they are or are not justified in their contention. I believe that under conditions of material progress the rise of rent and the fall of interest and wages can no more be prevented than the rise and fall of the tides; that the only practicable method of correcting the consequent inequality of distribution is the appropriation of rent for public purposes. In other words, I am a Single Taxer, and I was under the impression that Mr. Filmer was also. Therefor I am all the more surprised at the nature of his criticisms.

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## COMPETITION, AND THE LAW OF SUPPLY AND DEMAND,\*

(*For the Review.*)

By JAMES S. PATON.

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I have chosen this subject because it is one on which there is a great difference of opinion, and one on which there is a good deal to be said both for and against. I do not think I ever heard a Single Taxer condemn competition, or a socialist commend it, yet I cannot find a full discussion of the question by either. Competition is a struggle between two or more parties to obtain the same thing; or as much of it as possible, and different methods may be employed; we may condemn some of the methods without condemning the thing itself. Competition is the "higgling of the market," the working of what is called in political economy the law of supply and demand, supply meaning the amount of the commodity offered for sale, not the amount in existence; and demand the amount of the commodity that can be sold at some price, not all that people want, for some may want an article who cannot pay for it. Perhaps it would be better to say that there is no demand for an article that will not sell for the cost of production. People generally having wealth of any kind to dispose of, try to get as

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\*Not all Single Taxers will agree with Mr. Paton. We leave our readers to make their own comments, and shall be pleased to hear from any one who may desire to point out what he considers flaws in the reasoning of our contributor.

EDITOR SINGLE TAX REVIEW.