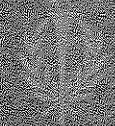


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The Open Shop

The Closed Shop

By LOUIS F. POST



PUBLISHED BY THE UNIVERSITY OF THE
JOSEPH P. TUNNEY
CINCINNATI, OHIO

9038

WORLD SINGLE COPY DEPARTMENT
185 HUGHES AVENUE

THE
OPEN SHOP
AND THE
CLOSED SHOP

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Editor of "The Public"

Originally published as a series of
editorials in "The Public," Chicago

PUBLICITY BUREAU
THE JOSEPH FELS FUND
OF AMERICA
CINCINNATI, OHIO
1912

CONTENTS

CHAPTER	PAGE
I. OPEN SHOP AND CLOSED SHOP COMPARED - - -	3
II. THE CLOSED SHOP AND THE JOBLESS MAN - - -	9
III. ORIGIN AND SIGNIFICANCE OF THE JOBLESS MAN - -	14
IV. ABOLISHING THE JOBLESS MAN BY MAKING THE EARTH AN OPEN SHOP - - -	23

The Open Shop —and— The Closed Shop

I

Open Shop and Closed Shop Compared

Most persons have come to know the meaning of the terms "open shop" and "closed shop." But greater certainty of being understood may be assured if we explain the terms once more. Their origin is unimportant. The thing to know is what they mean now.

"Closed shop," then, is the term for a shop, factory, store, or other industrial place where workmen cannot obtain employment without being members in good standing of the labor union of their trade. This is demanded by the unions. Objecting to working in co-operation with "scabs," "rats," "strike-breakers," or other non-union workmen, they insist that the shop shall be "closed" against all employees who, not already belonging to the union of their trade, refuse to join it. If the union is able to coerce the employer, or he is friendly enough to yield without coercion, this demand is granted and that establishment is consequently a "closed shop."

But if the employer will not yield without coercion, and the union is unable to coerce him, then non-unionists as well as unionists may obtain employment there and the establishment is consequently known as an "open shop."

No term has come into vogue for establishments which exclude unionists from employment. The reason probably is that few employers make this exclusion. The issue usually raised is between the "closed shop," which employs only unionists, and the "open shop," which employs unionists and non-unionists without discrimination. And the reason why employers, however

THE OPEN SHOP AND

inimical to labor organizations any of them may be, seldom insist upon excluding unionists for being unionists, is because freedom to employ non-unionists is, in present conditions, sufficiently destructive of unionism.

Both sides of the labor controversy realize that the issue of "closed shop" versus "open shop" practically involves the issue of union or no union. Consequently "open shop" or "closed shop" has become the issue over which working men's unions and employers' unions are struggling.

Without taking the space at this time to discuss the question of moral right or wrong, of freedom or coercion, of liberty or despotism, which the issue of "open shop" versus "closed shop" involves, we invite an impartial comparison simply of the probable industrial results of either policy.

Much that is being said and written about the inherent right to work is for the most part pure hypocrisy, when not crass ignorance. Those who say it and write it are usually not worth arguing with, because in their hearts and heads they don't mean it. What they do mean is that non-unionists have an inherent natural right to work—when employers want to use them to break strikes.

This idea of right to work is true as far as it goes. We do not deny it. But the broader one, that all men—not merely strike breakers in strike times, but all men at all times—have an inherent natural right to work, is still more true, because more comprehensive; and this doctrine is denied by the same speakers and writers, whenever its assertion seems hostile to the interests for which they speak and write.

Let us, then, confine this discussion strictly to the question of industrial results. What would be the effect of the "closed shop," and what the effect of the "open shop," on both working men and employers?

To avoid prejudice and the play of selfish impulses either way, we shall find it advantageous, in an inquiry involving so

THE CLOSED SHOP

much feeling, sordid and otherwise, to be as abstract as the concrete nature of the question permits. For this purpose, then, let us resolve industrial society into employers with jobs to give, working men with a life and death necessity for getting jobs, and a dragon to consume "surplus" products. And for simplicity and transparency of discussion let us suppose that the ratio of workingmen to jobs is as ten to nine, and that nine of the working men are unionists.

The figures are important only for comparison of greater with less; and the dragon may be ignored for the present.

Now, in those circumstances, what, in the first place, would be the result of the "open shop" policy strictly enforced?

Every shop would be open to the one non union man. But as there are only nine jobs, his taking a job would disemploy one of the nine union men.

This would compel the union men to support their idle member. If they did not, he would have to leave the union and underbid one of their number for his job, and the latter in his turn would have to leave the union and underbid another, and so on, until the union had been completely disrupted.

But if the union did support its first disemployed member, the wages of the unionists would be by that amount diminished and they thereby weakened in their contest with employers, whose sole object as to them is to get as much product for as little wages as possible.

As that is the employers' object, it is to be presumed that the non-unionist is getting less than the man he displaced. But if the non-unionist takes less than the unionist he displaced, an attack has been made upon wages. Yet the unionists cannot complain. As the establishment is an "open shop" they cannot object to lower wages for the non-unionist, so long as their own wages are not reduced.

After a while the shop which employs the non-unionist finds it expedient to reduce its force. Whom will it discharge? Certainly not the cheaper producer, the non-

THE OPEN SHOP AND

unionist, but the dearer, the unionist. This is not discrimination against unionism; it is discrimination in favor of economy of production.

And now the union must support another idle member during the period of stagnation (when jobs are temporarily less than nine), or have him leave the union and underbid them. In due time, however, demand for labor rises again to nine. But will the employer who reduced his force offer to pay the old wages? Why should he? What object could he have in paying more to the unionist seeking a job than to the non unionist who is already at work? He will not pay more unless coerced; and the union, with two idle members on its hands, is in no trim for coercive action. So the union strains a point and consents to the return of the union man to work at non-union wages.

But now this employer has an advantage over competitors; he can undersell them in the market. So they demand a downward revision of the wages scale. They are goodnatured about it, for they offer to arbitrate; but as they really are at a disadvantage under the old wage scale, they win in the arbitration, and the whole level of wages is reduced.

The ratio of working men to jobs, however, remains unchanged. There are still ten men and only nine jobs. If, then, the "open shop" policy continues, what is there to prevent a further reduction of wages through the same process, and then another and another, until the union collapses, and all the ten men are in a continuous unorganized, helter-skelter, cut-throat struggle for those nine jobs? Nothing.

And what of the employers? As wages fall, general purchasing power declines, for working men are great consumers, and by the time the working men are reduced to pauperism the employers, with an abundance of products spoiling on their hands, are ruined by sluggish trade.

The tendency, thus briefly and candidly illustrated, is the inevitable tendency, under prevailing industrial circumstances, of the

THE CLOSED SHOP

"open shop" policy. If the illustration is imperfect in any determinative respect, we should be glad to have the defect pointed out.

But would not the result of a strictly maintained "closed shop" policy, under conditions similar to those of the above illustrations be the very reverse? Incontestably.

In those circumstances the "closed shop" policy, generally and strictly maintained, would raise the wages of the working men and maintain an active market for the employers, and this without lessening opportunities for employment of the non-unionist.

Since the non-unionist would be locked out of every job by the "closed shop" policy, he would have to join the union. This might be an infringement of his rights, it is true, but the concrete economic result to him, and it is that and not his abstract right we are now considering, would be infinitely better than under the "open shop" system. When he had joined the union the nine jobs would, by trade union principles, be distributed so that in effect nine-tenths of each job would be done by one of the nine men and one-tenth of each job by the tenth man. This would reduce wages below the natural standard, if every man wanted to work full time; but the reduction below that standard would only be one-tenth, whereas under the "open shop" it would be down to the lowest limit of subsistence.

Of course the nine men might exclude the tenth man from membership. But that point is not involved. Trade union principles demand the admission of all workers. Even competency is not a requisite. Suppose, however, that we consider the possibility.

Remember, we are not discussing natural rights. What we are discussing is industrial results.

Suppose, then, that the union arbitrarily refuses to admit the tenth man to membership, and consequently that he cannot get employment, the "closed shop" policy prevailing. What would result? Why, the

THE OPEN SHOP AND

tenth man would die. But now there being only nine men for the nine jobs, the employers could not coerce the men, nor could the men coerce the employers. Bargaining would be on equal terms, wages would consequently be at the level of the earnings of the working men, trade would be brisk, employers would prosper, and everybody would get what belonged to him,—except what the dragon exacted, and we are not now considering the dragon.

Considered simply with reference to industrial results, is it not evident that the "closed shop" policy is preferable to the "open shop" policy?

Do we favor a "closed shop" then? Not at all.

While, under the circumstances supposed, which we believe illustrate fairly the industrial conditions of our time, we should prefer the "closed" to the "open" shop simply as a matter of industrial results, we do not prefer it as a matter of just social relations. We object to the principle of the "closed shop." But we object to it totally—not only to its use by and for working men, but also to its use in subtler ways to the disadvantage and undoing of working men.

The greatest shop on this planet, the one with limitless jobs, with jobs so limitless that there could never be more men than jobs if it were not a "closed" shop, is the earth itself. Yet the earth has by law been made and is still maintained as a "closed" shop, the gates of which can be opened only with a golden key.

Break down those gates, which enclose mineral deposits, farm sites, building sites—make this earth-shop with all its industrial possibilities, an "open" shop—and there would be continuously more jobs than men. As an industrial result there would be limitless opportunity for employment in all legitimate vocations, full earnings for wages, brisk trade for employers, and no periods of stagnation. In these circumstances there would be no further contests over "open" or "closed" shops in any of the comparatively little shops regarding which these contests rage now. With the

THE CLOSED SHOP

big shop "open" no shop could be "closed."

There would be no such contests then, because the demand for workers in all lines would be so much greater than the supply, all the time, that no working man would wish to keep out another, and every working man would be his own labor union.

When those employers and their spokesmen who now decry the "closed" shop which labor unions try so ineffectually to establish—when such men rise up with equal enthusiasm against the laws that make a "closed" shop of the earth, they may count us with them. So long as they only denounce the "closed" shop with which labor unions try to neutralize the industrial ill effects of the great "closed" shop which Nature freely offers as an "open" shop, they deserve neither support nor sympathy. While they maintain that attitude, they are not objecting to unfair things because they are unfair, they are only complaining because their own ox is gored.

II

The Closed Shop and the Jobless Man

But a question immediately arises. How shall the great shop which Nature offers as an "open shop," but which, through the influence of the employing class, is maintained as a "closed shop"—how shall this great shop be made an "open" shop?

The simple and effective plan is that of the Single Tax. This would abolish all taxes on all the products which are turned out of this great shop, and fully tax all the opportunities for jobs they offer whether the opportunities are used or not, up to the premiums they command. That is, the Single Tax would abolish all taxes on production, and all taxes on land having no selling value (whether in use or not), and would levy as high an *ad valorem* tax as it would bear upon all land having a selling value and whether it were in use or not. The

THE OPEN SHOP AND

Single Tax would thereby encourage production, while discouraging monopoly of land.

This plan has been criticised upon the supposition among other things, that it would not help the "jobless" man.

One of these critics, Paul Thieman, an editorial writer on the *Denver Post*, has stated the objection so well that his form of it may be taken as typical.

In making his criticism, Mr. Thieman had the not unusual editorial experience of falling into a Single Tax briar bush. He inadvertently referred to land as wealth; and thereupon his mail began to swell with letters "from vigilant Singletaxers, asking him if he didn't know any better than to confuse those entirely different things.

Mr. Thieman did know better, and he frankly admitted his slip of the pen, at the same time reading his critics and others a lesson on the "cant of -isms."

The lesson was a wholesome one. Yet his critics might have asked in reply if it is cant to insist upon the use of distinguishing terms for different ideas. For instance, we should not accuse a mathematician of cant if he insisted, in discussions of his "ism," upon discrimination in the use of mathematical signs. Without such cant, if it is cant, the worst confusion of thought inevitably results. The thinker confuses himself.

A notable example may be found in socialistic economics. By making the term "capitalism" include private ownership of land (which is a natural object), along with wealth (which is an artificial object)—objects which are as different from each other economically as are fish swimming in the ocean from fish frying in a pan—the socialist so confuses his reasoning as to attribute to private ownership of wealth and land together, social conditions that clear analysis would trace to private ownership of land alone.

But what concerns us more than Mr. Thieman's use of terms is his misapprehension of the relation of the Single Tax philosophy to what he aptly calls "the jobless man," of whom he writes that in the

THE CLOSED SHOP

city he "is 'jobless' because he hasn't found anybody to hire him. And he can't go to farming because he has no farm to farm. And, even if he could occupy any unoccupied land he chose, whereon to cultivate crops, he has no money to buy tools and horses and seed, or build a house to live in. Perhaps he doesn't know how to farm. And, even if he does, it may be winter time, and farm laborers not in demand.... The 'jobless' man is not a theory but a fact. Pennilessness is not a theory but a fact. But the theorizing means that thousands and thousands of minds are bent on the problem, How shall every man have employment?"

That question is really the crux of the whole economic problem.

How shall every man have employment? By making jobs continuously as plentiful as workers. So much is obvious.

But how shall this be done? It doesn't have to be done. It is already a fact.

Nature makes it so. She always made jobs as plentiful as workers; she does it now; she always will do it. This is only another form of the statement that the aggregate of human wants always at least equals the aggregate of labor power. Nature endows man with wants at least equal with his power to satisfy wants.

Why, then are there "jobless men"? Because we tolerate obstacles between jobs and workers.

One of the greatest of these obstacles is the kind of taxation that makes trade unnecessarily difficult.

The more difficult trade is made, the less readily do specialized producers exchange what they make for what they want. The consequent reaction checks effective demand; and, as one man's demand is another man's job, any check upon effective demand obviously diminishes available jobs.

The abolition of obstructive taxes would enormously increase the accessible supply of jobs.

But the fundamental obstacle between jobs and workers, the obstacle which must be removed or the benefits of the removal

THE OPEN SHOP AND

of all others would soon be lost, is the monopoly of land.

This term is of course used comprehensively. It means not only farming land, but all other natural resources as well; and not resources in the fertility sense alone, but in every other sense. It includes therefore, farming land of all kinds, mining land of all kinds, town and city building sites of all kinds; of course, also, the air and the water; and besides these, all other forms and forces outside of man himself and such temporary forms as men are able by their knowledge and skill to give to natural substances. For illustration, a marble quarry would fall within the category of land; but a statue from the quarry, and the energy and skill that carved it, would be in different categories—the statue in the category of wealth, and the artist's skill and energy in the category of labor.

So understood, land is obviously Nature's storehouse of jobs.

Nothing can be done without land. Not only can no one work at farming, but no one can build houses, construct machines, edit newspapers, practice law, teach school, or do anything else without using land of some kind to some extent. And not alone for his own immediate use does he demand land; but for every little tool and every great machine, for every piece of material, every book, every sheet of paper, every drop of ink, and for the very clothing he wears at his work and the food he eats, does he make demands upon land, upon land of vast extent and of many kinds—farming, highway, and city lands—all of which must be resorted to by the workers who supply him with the tools, materials machinery, etc., that he requires. Every act of any working man necessitating the consumption of goods or use of tools, operates as a demand upon other workmen to keep up the world's supply of such goods and tools; and this demand can be met only as men of all vocations have access to land of all kinds.

Absolute prevention of access to land, if that were possible, would put an end to all jobs; partial prevention restricts jobs;

THE CLOSED SHOP

freedom of access would make jobs limitless. Access to the land of the world is the key to the economic problem of the world, for the land of the world controls the jobs of the world.

But Mr. Thieman sees for the "jobless" man no hope in the freeing of unused land, because the jobless man is without tools, horses, seed, and other capital for utilizing this land even if it were open to him. Isn't this a superficial view? Can it survive intelligent and candid thought?

To free unused land to the "jobless" man means more, much more, than freeing a particular kind of unused land to an individual worker or a particular class of workers. It means the freeing of all kinds of unused land to all kinds of workers.

The "jobless" man not a farmer would neither have to go upon farming land without farming capital nor want to go there at all. The obstacles between the aggregate of jobs and the aggregate of workers being removed, all jobs would demand all men, and each man would take the job for which he was best adapted. If he had capital he would have the benefit that ownership of unmonopolized capital gives and no more; if he had no capital, he would get, for utilizing the capital of others, his full earnings as a civilized worker in a civilized industry of his own choice. And the obstacles between the aggregate of jobs and the aggregate of workers would in fact be removed, if trade were freed from taxation, and land, the one necessary condition of all industry, were freed from monopoly. Land monopoly is "the dragon" of industrial society.

Mr. Thieman turns toward the true solution of the labor problem when he points to the "jobless" man as the cause of unwholesome economic conditions, and asks how to provide jobs for all. The Single Tax answers his question, but he fails to recognize the answer because he neglected to consider it thoughtfully.

The Single Tax answers him by proposing to abolish obstructive taxes, thereby enabling workers to exchange their various products with the greatest ease of which

THE OPEN SHOP AND

they are capable. This would enable the workers in each trade to swap products freely for small tools and for interests in large ones, whereby they would in effect make their own tools and procure their own capital in the natural way—by producing it. The Single Tax answers Mr. Thieman further, by proposing to take annually for common use the annual value of land of every kind that is so scarce as to be at a premium. Thereby it provides a public revenue which, while robbing no one and obstructing no jobs, would destroy all incentive to the appropriation of land except for immediate and full utilization.

With all appropriated land fully utilized, the aggregate of jobs for workers would be limited only by the aggregate of human wants; and with no obstructions to trade, every job would find the man it needs and every man the job he seeks. Such is the ideal of the Single Tax. It would abolish the "jobless" man by abolishing the obstacles of industrial taxation and land monopoly which now separate workers from the jobs that, but for those obstacles, would abundantly exist.

Origin and Significance of the Jobless Man

Socialistic criticisms of the Single Tax are essentially the same as Mr. Thieman's. Conceding the primary necessity for land as an implement of production, Socialists argue nevertheless that land alone, though it were abundant and free wherever working men live and work, would not be enough to make the working class economically independent. The burden of their criticism is that the working class would remain a helpless subject of capitalistic exploitation unless the artificial as well as the natural implements of such production were freely accessible.

In genuine solicitude for the condition of the working class, the Socialist does not go beyond the Singletaxer. It is quite as much the desire of the latter as of the

THE CLOSED SHOP

former, or of any other earnest agitator for better adjustments of industry, that the working class shall not be exploited.

But the Singletaxer believes that the exploitation of labor results from monopoly of land. What he demands, therefore, as the fundamental industrial reform, an industrial reform that would make all other useful reforms easier, and without which other industrial reform is impossible or in the long run ineffective, is the eradication of land monopoly.

That the Single Tax view in this respect is the correct one, is evident upon reasonable observation and thought.

Why is it that the working classes can be subjected to industrial exploitation? They are not owned bodily, as the slaves were. They bargain in apparent freedom. To what alchemy, then, does the capitalist resort in order to exploit them.

Is it true, as Socialists say, that the working classes submit to exploitation because they cannot work without machinery, and, having none of their own, must beg a capitalist on his own terms for permission to use his? Is their will thus overcome by their necessities? This is surely a lame explanation, for it fails to explain why the working classes are without machinery of their own.

Machinery is not an accumulation of the past. It is in the course of constant production, and is produced by the working class itself. Destroy all the machinery in the world to-day, and the working class, if left free to produce and trade, would soon replace it with better machinery. Why is it that the working classes have no machinery of their own when they themselves, considered as a whole, make all the machinery there is? The obvious answer is that the wages of labor are too low to enable working men to retain much, if any, proprietary interest in the machinery they produce. It is their poverty that makes them dependent, and therefore subject to exploitation.

But this obvious answer raises another question. Why are the working classes poor? why are the wages of labor low?

THE OPEN SHOP AND

Not because the working class is an idle class. The very terms put such an explanation to the blush. Is it then, because they do not produce more than their meagre wages? But they do produce more; if they did not, there would be nothing for the leisure class. Wages are low and the working class poor because the working class does not get all it produces. Somehow, some way, its earnings are depleted by tribute.

This fact is expressed by Socialists in their theory of "surplus value." They believe, that is, that the working class, considered as a whole, produces value in excess of what its members receive in wages.

With the intangible and elusive thing called "value," we need not quarrel. Value is neither food, nor clothing, nor machinery, nor anything else which satisfies human wants. But the underlying idea of Socialists is that "surplus value" represents a surplus of what the labor class produces—a surplus in the sense, that is to say, not of an excess over what the working class wants, but in the sense of an excess over what it gets.

With this underlying idea of surplus value the Singletaxer will agree. The labor of the working class as a whole does yield a surplus of consumable and usable things, including machinery; and this surplus is the tribute to which the earnings of the working classes are subjected and by which their wages are depleted.

A question still remains. What is it that diverts this surplus from those who produce it? That question is at the heart of the economic controversy between Socialists and Singletaxers.

Socialists account for the diversion of surplus products from the working class, by referring to "capitalism." But "capitalism" is an indefinite term. Since land has value which is capitalized, and machinery has value which is capitalized, it is customary to refer to ownership of either by the one term "capitalism." If there were slaves, they also would have a value for capitalization, and we should refer to their value by the same term. This is well

THE CLOSED SHOP

enough for the mere commercial purpose of comparing valuable with nonvaluable things, or the more valuable with the less valuable. But it is hopelessly misleading when all the economic qualities of each is to be compared with those of the others.

Slaves are men; machinery is an artificial product which exists only as men make it and preserve it; and land is a natural object which exists regardless of men. These three classes of things are so radically different, each from both the others, that it is utterly impossible to reason about their essential characteristics and relations, if all or any two are included in a common term. It is like reasoning about numbers without distinguishing numerals.

To decide, then, that "capitalism" accounts for the surplus product of labor, is to decide nothing whatever as to the relative power over the working classes of land ownership and of that factory ownership upon which socialists lay their emphasis. For land tenure might be the cause of the surplus, and the factory system have nothing to do with it; or the factory system might be the cause, and land tenure have nothing to do with it; or both together might be the cause. The whole controversy is left undecided when "capitalism" is regarded as the cause, if capitalization of natural elements be not distinguished from capitalization of artificial products.

To explain intelligently the cause of the surplus product of labor these three things must be kept distinct: the workman, his natural environment (the earth), and his artificial implements. And when this is done, the truth becomes clear, that the surplus which the labor class produces and the leisure class gets, is attributable not to capitalism with reference to artificial implements, but to capitalism with reference to the earth.

Though artificial implements be capitalized, yet if liberty be maintained as to person and land, no divertible surplus would appear and no factory serfdom could result. If, however, it is the earth that is

THE OPEN SHOP AND

capitalized, a surplus product appears and factory serfdom follows.

The surplus would, in that case, increase faster than the increase of productive power; and, with increasing progress, poverty would deepen and the factory serf become a pitiable and familiar object.

Why?

The single taxer explains that the germ of the surplus product of labor is the rent or premium for scarce and superior parts of the earth. Capitalize this rent, and you create a disposition in progressive localities to buy land in the expectation that its premium-bearing qualities will increase; that is, that it will become more desirable, or more scarce, or both, and therefore more valuable.

This expectation is often disappointed in individual instances, more often perhaps than it is realized; but the general effect is the same. The forestalling of land makes land scarcer in the market and therefore more valuable. For if progress gives promise of continuing, expectations of the increasing capital value of land overleap the possibilities of actual progress. This simply means, what is patent to common observation, that under the spur of prosperity land values rise faster than progress advances.

Investors in land bring on a conflict of interests between land monopolizing and land using. This conflict, by lessening opportunities for work, checks effective demand for products; which further lessens opportunities for work, and thus puts a further check on effective demand. Meanwhile this process of action and reaction brings forth the "jobless man," and from that moment the surplus product increases. It keeps on increasing, in these circumstances, until nothing is left to workers on the lower levels of labor but a bare living of the poorest kind. The surplus product—not actually paid land-rent alone, but also and in much greater measure, tribute from the great body of workers whose wages are scaled down and down by the underbidding of the "jobless man,"—steadily increases, and great prosperity and arrogance rise up

THE CLOSED SHOP

in the midst of misery, dependence and factory serfdom.

The surplus product tends to absorb the whole product of labor above a bare living for the lower levels of workers. It is composed in part of actually-paid rent for land, and in larger part of the so-called "capitalistic fleecings of labor," those fleecings which are possible when, and only when, the earth is a "closed shop."

The cause of it all is monopoly of land—the making of the earth a "closed shop." When and where land is monopolized, progress increases its value, and thereby makes its utilization increasingly difficult.

It is not for lack of machinery, which the working class itself produces, that the working class is exploited by the owners of machinery; it is for lack of available free land to compete with valuable land and relieve the congested condition of the labor market. An exemplification of this idea may be found in the greatest work of the great socialist, Karl Marx. In the thirty-third chapter of his book, "Capital," Marx refers to an incident narrated in Wakefield's "England and America," and says:

"Mr. Peel, he moans, took with him from England to Swan River, West Australia, means of subsistence and of production to the amount of £50,000.' Mr. Peel had the foresight to bring with him besides, 3,000 persons of the working class, men, women, and children. Once arrived at his destination, 'Mr. Peel was left without a servant to make his bed or fetch him water from the river.' Unhappy Mr. Peel, who provided for everything except the export of English modes of production to Swan River!"

But what peculiarity of English modes of production was it that Mr. Peel had not exported to Swan River? He had exported £50,000 worth of capital, and 3,000 people of the English wage working class. Why, then, did he not use his capital to exploit the labor of those working people as he might have done in England? What was there lacking of English modes of production? Marx says there was lacking "the correlative" to the capitalist—"the

THE OPEN SHOP AND

wage worker, the other man, who is compelled to sell himself of his own free will." But there were 3,000 wage-workers there; why were they not compelled to sell themselves?

Every intelligent reader must anticipate the answer. There is but one and it is conclusive. It was because those wage-workers were now in the midst of free land. The one feature, the only feature of "English modes of production" which this Mr. Peel had not exported to Swan River, was land monopoly.

To the citation of this and similar instances by single taxers, socialists object that as the conditions were primitive, land was the most important factor, but that in modern industrial conditions labor is so minutely specialized that the mechanism of production has become more important to the working class than land.

This objection, that land is of minor importance to the laboring class in industrial conditions of great specialization, was anticipated by Henry George in his elaboration of the Single Tax philosophy. An extract from the first chapter of his "Progress and Poverty" indicates his point of view:

"The fundamental truth, that in all economic reasoning must be firmly grasped, and never let go, is that society in its most highly developed form is but an elaboration of society in its rudest beginnings, and that principles obvious in simpler relations of men are merely disguised and not abrogated or reversed by the more intricate relations that result from the division of labor and the use of complex tools and methods. The steam grist mill, with its complicated machinery exhibiting every diversity of motion, is simply what the rude stone mortar dug up from an ancient river bed was in its day—an instrument for grinding corn. And every man engaged in it, whether tossing wood into the furnace, running the engine, dressing stones, printing sacks, or keeping books, is really devoting his labor to the same purpose that the prehistoric savage did when he used his mortar—the preparation of grain for human food. And so if we reduce to their lowest

THE CLOSED SHOP

terms all the complex operations of modern production, we see that each individual who takes part in this infinitely subdivided and intricate network of production and exchange is really doing what the primeval man did when he climbed the trees for fruit or followed the receding tide for shell-fish—endeavoring to obtain from nature by the exertion of his powers the satisfaction of his desires. If we keep this firmly in mind, if we look upon production as a whole—as the co-operation of all embraced in any of its great groups to satisfy the various desires of each, we plainly see that the reward each obtains for his exertions comes as truly and as directly from nature as the result of that exertion, as did that of the first man."

In that view of the matter, Raymond Robins' story of an actual experience in Nome becomes most impressive as an exemplification of the power of land capitalism over human laborers, and the effectiveness of free land in producing economic freedom.

As Mr. Robins' story runs—in substance only, and not in its interesting details—there had been a time in Nome when the lowest wages were eight and nine dollars a day, not at gold mining only but in all employments. But as mining opportunities came to be monopolized and population grew, wages fell until they were down to the minimum of subsistence, which for that place and time was three dollars a day. The "jobless man" had come. And then were seen in little at Nome all the phenomena of wealth and arrogance in the midst of poverty and dependence with which we are so familiar in the bigger world. The wages system in its direful sense was in full swing.

But on one memorable day a disemployed miner who could get no work either at mining or at anything else, for the labor market was glutted, despondently threw his pick into the tideswept sand at the seashore, and as he listlessly pulled it out he saw upon it signs of gold. The seashore was not far from Nome, and below tide water it was free ground. He worked that

THE OPEN SHOP AND

day on this rich beach, and of his earnings, which were something like \$20, he got all. There was no surplus product. His labor was not fleeced.

The next day the word had gone around, and other claims on this seashore were staked. But, unlike the land back of the tide water, this land could not, under the law, be monopolized; every claimant had to use it himself or let some one else use it. And there was plenty of it. As word of the wonderful discovery spread, the glut of the labor market ended and wages at Nome rose to \$12 and \$15 a day, which was about what a man could make washing the sands at the shore.

Now mark this: Only disemployed miners were obliged to go to the beach in order to get that till then unheard of rate of wages. Miners in other mines stayed where they were and had their wages raised. Clerks in stores and waiters in restaurants stayed where they were and had their wages raised. The free and profitable employment at the near-by seashore absorbed "the surplus labor" as we call it, and employers, owners of machinery, were obliged to pay at least as much as could be washed from the sand, or lose their help. The economic condition had been reversed. Instead of ten men and only nine jobs, as before, there were only nine men and ten jobs. The earth at that point had ceased to be a "closed" shop and become an "open" shop, and the "jobless man" had consequently disappeared. The power of what in Nome corresponded to the "factory lord" in our larger society, was gone.

With that simple change of the relations of the working classes to the earth, the power of the "factory lord" would be gone everywhere, and to bring about that change is the object of the single taxer.

In his view, if taxes on industry were abolished and land "capitalism" were taxed by value ratio, not only would industrial exchanges be unimpeded and unclogged by taxes and taxing methods, but, just as with the golden sands of the seabeach at Nome, all unused land, nearby as well as far

THE CLOSED SHOP

off, would welcome the worker. Not merely the isolated worker would this land welcome, but working men as a whole, as an industrial force. In these circumstances, as at Nome, all wages would rise to the full earnings of each worker. The only surplus product then would be the premiums on superior locations, and this surplus would go into the common treasury.

IV

Abolish the Jobless Man by Making the Earth an Open Shop

When Henry George had in "Progress and Poverty" demonstrated that the poverty and consequent dependence of working men is the inevitable natural effect of monopolization of land, he looked for a method for abolishing land monopoly and thereby freeing labor—a method which, without being revolutionary, should be effective. "It is an axiom of statesmanship," he wrote, "which the successful founders of tyranny have understood and acted upon, that great changes can best be brought about under old forms," and "we who would free men should heed the same truth." He therefore proposed to avoid a collision with established customs and habits of thought, by allowing land tenures and titles to remain just as they are in form, and permitting men to continue buying and selling, bequeathing and devising what they may please to call "their land." The only change he proposed, a change in essence and not in form, was the taking of land rent for common uses and the common good, by concentrating taxation upon valuable land in proportion to its value.

"We already take some rent," he argued; "we have only to make some changes in our modes of taxation to take it all." Nor did he regard it as necessary, in order to do this, to increase land value taxation arbitrarily. All he considered necessary was to abolish other taxation. For, as he truly stated, just as we abolish other taxes—

THE OPEN SHOP AND

taxes on personal property, on vocations, on landed improvements, etc.—we shall necessarily increase taxation on land values, thereby transferring rent to the common treasury, and consequently destroying all incentive to monopolize land by holding it out of use for a rise in value.

Accordingly George reduced his practical proposition to this simple formula: "Abolish all taxation save that upon land values."

That formula is what has come to be known as "the Single Tax." In proposing it, George characterized it, and not extravagantly, as the simple yet sovereign remedy that would raise wages, increase the earnings of legitimate capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crime, elevate morals, taste and intelligence, purify government, and carry civilization to nobler heights.

Curiously enough, in spite of George's explanations in extraordinarily lucid English, a notion has taken root that there is something mysterious, revolutionary, untried and doubtful about the Single Tax. But, in fact, its mechanism is in common use and its effects have been demonstrated.

The state would not own and lease land under the Single Tax, as some imagine. It would merely tax land in proportion to its value, just as is now done with the real estate tax, except that improvements would be exempt.

The Single Tax would create no new machinery; the machinery for it already exists and is in operation. The Single Tax would neither complicate nor extend this machinery; it would simplify and reduce it.

Nor is there anything revolutionary about the Single Tax. With the existing machinery of government and taxation to start with, nothing would be done but continue this operation with reference only to one of the present subjects of taxation. As personal property and improvements went upon the free list, taxes on land values would rise. What is there in this to be called revolutionary?

THE CLOSED SHOP

And how can it be said that the machinery of the Single Tax is untried or doubtful when its machinery would be the present machinery, in no respect altered except by having its scope of operations narrowed and its functions to that extent simplified? Inasmuch as the mechanism of the Single Tax would be the simplest form of the present mechanism of taxation, further simplified, its operation is not untried and cannot be doubtful.

As to the effect of the Single Tax, that also is no longer doubtful; for it has been adopted in degree, and in commensurate degree it has demonstrated its effectiveness. In sixty or more localities in New Zealand, and in some of the Australian States, it has been in practical operation for several years for local purposes, and everywhere with successful results. Its proved tendency is to promote the improvement of land, which increases a demand for labor, and to discourage the mere monopolization of land, which restricts demand for labor. The same tendency is demonstrated by similar applications of the principle in Canada.

The manner in which the Single Tax is being introduced in those British communities indicates the ease with which it may be adopted anywhere. Not being revolutionary in character, it necessitates no revolutionary conditions in order to introduce it. All that is necessary is permission for localities to adopt it or reject it for local purposes, in their discretion, a right which those communities enjoy. That right accorded, the rest is only a matter of keeping on. The communities that adopt it will prosper more than those that do not, as has been the case in New Zealand, Australia and Canada; and under that influence a general tendency in favor of it will set in, leading on to its general acceptance.

The political difficulties in the way of introducing the Single Tax are evidently less than those that confront any other labor reform. This has been demonstrated, not only in New Zealand, Australia and Canada, by the extensive adoption there of the Single Tax for local purposes, but also in

THE OPEN SHOP AND

Germany, where it is coming into vogue both as a municipal and an Imperial tax, and in Great Britain, where scores of cities, led by Glasgow, are urging Parliament to accord municipalities the privilege of adopting it, and the Liberal party has become sponsor for the Single Tax principle.

If a definite outline of the steps necessary to establish the Single Tax in operation the United States were asked for, this response could be offered:

First—Secure authority from the States, to their subordinate local governments, to exempt personal property and improvements from local taxation at their own option. In some States this could not be done without amending the State constitution; but amending the constitution is all that would be necessary in any State, and in most States even this would not be necessary.

Second—Secure the local exemptions thus allowed wherever possible by local referendum.

Third—As the experiment of making these exemptions proved beneficial in particular localities, others would follow their example, and a tendency in this direction would be thereby created which would culminate in the exemption of personal property and improvements from all taxation, State as well as local, and the general concentration of taxes on land values.

Fourth—Assuming actual experience to be productive of satisfactory results—and if it were not the tendency would recede—a favorable national sentiment would appear, the inevitable result of which would be the adaptation of the same principle of exemption and concentration to the fiscal requirements of the Federal government.

When the demand for the Single Tax had, through satisfactory experience, reached this point, of course our "tariff for the protection of American labor" would be abandoned, and with it the whole trade-obstructing system with which custom house methods have cursed American industry. Some working men might be disposed to shed a tear in advance over this

THE CLOSED SHOP

ultimate destruction of tariff protection. But what use would American labor have for tariff protection, or any other kind of economic protection, when a condition prevailed in which there were all the time, throughout the country, more jobs than workmen?

That there would be more jobs than workmen as the inevitable and continuous result of the general adoption of the Single Tax, is clear enough upon reflection.

As personal property and improvements were exempted from all taxation, the arbitrary cost of producing these things would be to that extent diminished and the market for them thereby enlarged. This would mean an increase of demand for personal property and landed improvements; and an increase in that demand would mean an increased demand for labor, for personal property and landed improvements are produced only by labor.

Further: As personal property and improvements were exempted from all taxation, the burden of taxation would fall in increasing degree upon valuable land. Such of this land as was adequately improved would be unaffected except by a fairer distribution of its taxes. But how much land is adequately improved? Very little. Most of the improved city lots are not adequately improved, and vast areas of coal and iron mines are inadequately utilized. Consider, then, the effect, upon all inadequately utilized land, of exempting improvements from taxation and shifting the tax burden to land values.

Since adequate improvement, in the case for instance of city lots, and adequate utilization, in the case for instance of coal and iron mines, would entail no increase of taxes, and taxes upon the building opportunity and the mining opportunity would be as high if the opportunity were not utilized fully as if it were, isn't it evident that the owner's incentive would be overpowering to build or utilize it himself or to make a quick sale to some one who would? And what would that mean but increased demand for labor—a tendency toward more jobs than workmen?

THE OPEN SHOP AND

Still further. If much valuable land is improved or utilized inadequately, much more is not improved or utilized at all. Every city, town, and village affords an example. The valuable vacant lots far outnumber those that are improved. Why this condition? Because the owners are confident of an increase in land value, and they withhold their land from use so that they may reap the wages of labor without laboring. What is the effect of this condition upon industrial affairs? That the land has a market value proves that industry needs it; the higher the value the greater the need. That it is nevertheless unimproved or unutilized proves that labor is deprived of jobs to the extent to which that land offers opportunities for jobs. And how would this condition be affected by taxes that would be no less if the land were unused than if it were fully used, by taxes that would take virtually its whole annual value, by taxes that would not fall at all upon improvements nor upon the materials, tools, and processes of making improvements? The question answers itself. So much of this land as was immediately needed would come into immediate use and the rest, practically exhaustless, would, with land monopoly thus held in check, be freely available as needed.

With valuable vacant land, and inadequately improved utilized land, coming and continuing under adequate improvement and utilization, and all land not immediately needed responding to the demands of industry as they arose, the present condition of more men than jobs would be superseded by one of more jobs than men. The labor question would then settle itself quickly and justly, on the basis of nothing for idlers and full earnings for workers.

The objection that working men cannot utilize land, no matter how rich and abundant and free it may be, because they are without machinery, has been already considered; but a few words may profitably be added here.

That working men are dependent upon machinery, as well as upon land, is true only of individual working men in a glutted

THE CLOSED SHOP

labor market. It is not true of labor as a whole, nor of individual working men in a labor market where the supply of jobs exceeds the demand for jobs.

Labor as a whole is dependent upon land alone, the sole source of all supplies and the location of all activities. The individual laborer is dependent, on the one hand, upon the ease of access to land by labor as a whole, and, on the other hand, upon the demand of laborers generally for such contributions of work as he is capable of making to the tasks of the whole. No matter who the laborer may be in civilized industry—from machine builder to machine user, from ship captain to coal heaver, from architect to hod carrier, from foreman to apprentice, from merchant to clerk, from farmer to manufacturer, from teacher to actor, or lawyer or preacher, from any servitor of his fellows to any other, in any occupation or on any grade—the condition of honest prosperity is the same with them all: it depends upon the demand of their fellow men for their services, upon the supply of honest jobs. When there are more men than jobs, industry is depressed; when more jobs than men, industry thrives. And land monopoly, and in the last analysis land monopoly alone, lessens the supply of jobs.

Consider, then, the effect of a system of taxation which would encourage the use of desirable land and discourage its appropriation without full use.

In farming regions, for instance, farm hands with a little capital would go to farming for themselves. They would not be forced into the ranks of hired men by prices for near-by land so high as to exhaust their little capital merely for the land, and by the difficulties and uncertainties of migrating to far distant free land. These men, becoming employers instead of hired men, would ease the glut in the labor market, not only by lessening by one each the supply of workers bidding for jobs, but still further by increasing the number of jobs bidding for workers.

Men with small capital in other occupations would become independent workers in

THE OPEN SHOP AND

their respective trades more easily than now, for the difficulties of access to business opportunities would be reduced; and as with the farm hand, they would lessen the supply of workers seeking employment and increase the supply of employers needing help.

The intensity of industrial bidding being shifted in these and other ways, from bidding for work to bidding for workers, wages would tend upward and purchasing power be thereby increased.

With increase of purchasing power among workers, would come a general increase of demand for products from workers; this would still further increase the demand for workers to help produce, which, in turn, by further augmenting purchasing power, would further increase demand for products and consequently for workers.

All this would tend to increase wages until they had risen to the level of earnings. This upward tendency of wages would add to the number of hired men with capital enough to go into business for themselves, and, as they did so, they in their turn would lessen the market supply of workers seeking jobs and increase the market supply of jobs seeking workers.

Thus by action and reaction the present conditions of an increasing supply of workers seeking jobs and a relatively diminishing supply of jobs, a condition fundamentally due to land monopoly, would be reversed; and under the new conditions, resulting from the abolition of land monopoly, there would be a relatively diminishing supply of workers seeking jobs and a relatively increasing supply of jobs seeking workers.

Nor would working men be obliged to wait until the Single Tax reform was thus complete before benefiting by it. As the reform advanced, its benefits would be commensurately realized. Henry George has proposed a remedy for industrial mal-adjustments which, in this respect alone, is superior to all revolutionary remedies. The benefits of socialism, for instance, though all its advocates claim for it were

THE CLOSED SHOP

admitted, cannot be realized in any degree at all until after socialism has triumphed. But with the very beginning of the application of the single tax remedy, from the moment taxes were so laid as to weaken land monopoly, the tendency toward an increase of jobs relatively to job hunters would set in, and relief in the labor market glut would be felt. From this point on, the advantages of the reform would be felt step by step as the reform progressed.

With the earth a "closed shop" there is no other alternative for working men than to suffer a steady downward tendency of wages or to enforce "closed shop" rules upon all places of employment. The employer who resists this, while using his influence to make a "closed shop" of the earth, is either ignorant or unfair. But if the earth were an "open shop" there would be no longer any reason for any "closed shop." With the earth an "open shop" there would at all times be more jobs than job hunters, and the sole motive among working men for demanding "closed shop" conditions would be gone. With the earth an "open shop" every worker would be his own trade union, and employer and employe, recognizing their identity of interest both as producers and consumers, would be united against their common enemy—the monopolist. With the earth an "open shop" we should have a just industrial peace.

The earth can easily be made an "open shop" by means of the Single Tax.