

AN ARMY OF UNSUITABLES.

The recent enlistments in Cedar Rapids for the United States army have given several people cause to make a new and deeper study of the reasons that cause men to enlist, and the general conclusion is that vanity rather than patriotism, and lack of information rather than education on the subject, is responsible for the enlistment of a lot of boys who would gladly serve five years each even on a stone pile and under the orders of their fathers, to be released from the oaths that they have taken.

These boys are altogether unfit for the life of the soldier in any country and under the best of conditions, and to send them to the Philippines is to inflict on 30 of every 100 of them the death penalty for their folly and not for any crime that they have committed. If they were farmer boys, if they had worked in foundries, machine shops, at anything that would have toughened their muscles, the case would have been somewhat different. The majority of them are of the class who never did what might be called a hard day's work. They have carried no loads heavier than their school books. They have had no style of living except on beds of the best kind, in easy chairs, at the tables presided over by their mothers, and in hammocks with companions for solace. Compelled to prepare a meal for themselves they might as well consume the material raw, and compelled to make their own quarters they might with as good effect sleep on the ground with the sky for a covering. They are totally unfit for the life to which they have been assigned by the government and there should be some one in the war department with enough courage to tell the truth and to say that if soldiers are needed the government has the right to call for soldiers and the right to command that the call be obeyed.

These boys have seen the Iowa national guard in camp. They have been made aware that feather-headed girls and women flock about the camp to do homage to epaulettes, leg stripes, swords, rifles, brass buttons, and gray slouch hats, worn with a "who cares a rap" air. These boys are close observers of these things and do not appreciate having their company pay attention to blue clothes and a swagger gait. Shallow as this reasoning may appear to the men who have forgotten that they were boys, that there was a time when a smile meant

more to them than the possession of a section of Iowa land, and that they would leave their mothers to split the kindling and do all the chores for the blessed privilege of bestowing five cents' worth of gum drops on some girl and enjoying her society until the gum drops had been consumed, this is the potent reasoning that has made soldiers of many boys who should at this time be at home spading the gardens and making preparations to assist their mothers in the cultivation of flowers about the lawn.

Now that it is too late for them the boys have seen the awful error they have committed, have arrived at the conclusion that their fathers had some sense when they advised them to stay at home, and know that a great deal of money will have to be spent and a great deal of worry undergone to secure their release. That a great many of them forged the names of their fathers to their papers seemed a light matter, for they believed that their fathers would not prosecute. It is a different matter now and they would even rather be in jail. One lad writes home that on the occasion of the visit of the wife of a petty officer to the camp a troop of "cavalry" was ordered out for her edification. This cavalry consisted of a lot of callow boys who might have ridden well broken broom sticks or hobby horses, but they were given barbarous bronchos, fresh from the reservation, and with all the instincts of the heathendom of horse flesh in their minds. As a result eight of the troop were seriously hurt. One had a broken leg, another a broken arm, several had broken ribs and the others were sent to the hospital for various reasons. But the wife of the officer had a perfectly lovely time—almost as entertaining as any ever enjoyed by the dames of Rome when newly-caught Christians were fed to the lions of the royal menagerie for their entertainment. Thus they have been cajoled into the army by the blandishments of feather-headed girls to encounter more of the same thing in the personality of some of these girls who have realized their fondest ambitions and have married men allowed by law to wear shoulder straps and real swords.

If the United States has any cause in the Philippines that should appeal to the patriotism of the country it is strange that men of mature years do not enlist. It is strange that men able and educated to form opinions of their own are not wanted. It is

strange that a great nation will dodge like a coward from incurring the liability of pensions if there is any holy cause of liberty and right at stake. But the men of mature years and sound judgment might not believe all that might be told them, and they might form conclusions of their own as to the propriety of the movement. While they would yield loyal obedience under arms they might be able to tell the truth and in a convincing way on their return home and they might interfere with the plans of the army pets and poodles in the field. They are not wanted. The callow boys of the nation, who have had experience with nothing more effective than sling-shots and air guns, are to be weighted with haversacks and Kraag-Jorgensens and sent against a mature and crafty enemy, with all the advantages of knowledge of the jungles, familiarity with the resources of the country and fitness for the climate on their side. The case is one that calls for correction and the press of the country should have the hardihood and honesty to tell the truth. If men are wanted, then send men. The United States is cowardly to send these striplings to death for the sole reason that they have no heirs to demand pensions for the sacrifice.—Cedar Rapids Evening Gazette, of April 9.

THE UNEARNED INCREMENT IN BUSINESS.

The following articles, one from a leading Western and the other from a leading Eastern financial publication, are significant of a growing recognition in financial circles of essential economic, business and moral differences between investments in monopoly values and in legitimate capital values.

WHERE THE BLAME ACTUALLY RESTS.

Editorial in the August, 1901, issue of Finance, "a review of the financial, industrial and development interests of the great West," published in St. Louis.

Some little time ago the United States Investor, of Boston, one of the greatest financial journals in the world, in considering editorially the cause of what are commonly called periods of bad times, said:

The speculative advance in land values alone explains the period of bad trade which regularly succeeds a period of good trade throughout the industrial world. As already stated, this advance in rents is not brought about by the will of land owners, who are no more responsible for it than other people. It is none the less of the nature of a lockout against capital and labor. And in these days of rapid material progress it produces results more disastrous than were possible in quieter and less

progressive times. If our perceptions were not dulled by familiarity, how astonishing and unnatural it would seem that many thousands of willing workers, able and anxious to produce wealth, should remain in enforced idleness. These men desire wealth. The earth is full of it. The price to be paid for it is labor. These men are offering the price, but there is no opportunity for them to satisfy their wants. When many thousands of men of all trades and occupations are seeking work, and cannot find any, it is certain that the ultimate cause can only be that labor is shut off from land somewhere. It may be on the other side of the earth. It may be in Europe, or in the United States, or both. Somewhere the first check has been given to production by speculative advance in land values, and the effect, a check in demand, has propagated similar checks in a thousand occupations, till the final result is felt in widespread depression, commercial failures, and involuntary idleness. It is said that 1,000,000 work people are constantly out of work in this nation, even in moderately good times. These involuntary idlers produce no wealth. Their enforced idleness entails a greater loss on the nation than the cost of a huge standing army. It is not necessary to suppose that were every obstacle removed which prevents free access to land, these idlers would all become miners or herdsmen, or farmers; but it can hardly be doubted that a sufficient number of them would do so to give employment to others and to create a demand for more. And their employment would not fail to bring advantage and profit to every merchant, manufacturer and tradesman in the nation. A correct view of the causes which produce alternate periods of good and bad trade is of interest, not only theoretically, but materially and financially, to every investor, to every capitalist, and to every workman in the nation. Apart from any theory or theories, it is clear and undeniable that throughout the industrial world speculative advance in rent or land values invariably precedes a season of commercial depression. That the former is the main, invariable cause of the latter is scarcely less clear, and is the only rational conclusion that can be drawn.

To this concise statement the American Land and Title Register the recognized land speculators' representative, replied editorially as follows:

While the above is very well as far as it goes, it clearly does not cover the whole ground. It is during the "speculative advance in land values" that banks loan out their funds as far and often beyond what good judgment would warrant. There always comes an end to expansion. An elastic rubber band can stretch only so far without breaking. At the height of the expansion there is always someone to sound the alarm. Then begins the scramble to get under cover. The banks aid the crisis by refusing loans to-day that they would have taken yesterday. Loans on call are called. Money is refused on good realty security, and the banker who thinks he is doing everything possible to make his position secure is really doing everything possible to bring down the financial temple about his ears. If he be making himself secure, he is doing it at the expense of some brother banker, and his every act breeds alarm and distrust. Then follows the panic; and the long period

of clearing away the wreckage. The only way these periodical panics can be avoided is for either the government to issue all money, and thus be in a position to checkmate a stringency by increased issues, or for the bankers themselves to have a central controlling body which shall supervise the conditions at large and prevent overloaning, or at least take a position where the public can be assured that realty collateral shall be good for loans to some extent at all times and under all circumstances. It is too much power for any class of men to possess to be able to say to those who have made large investments in real estate: "We did loan to you on this security, but we cannot do so any more." Such action demonetizes property, and wherever it has occurred holders of "the best security in the world" have suffered loss and often been brought to bankruptcy. It is only when realty is largely refused as collateral that industries collapse and the contingent of idlers becomes noticeably large. This is because most industries rest on products of the soil, and when banks show that they are afraid to trust to these for indemnification, it is not to be expected others will have much confidence in land. When a bank refuses realty collateral and says: "We would prefer your note with one other good name," it means simply that the bank requires extraordinary security. A man's all is pledged to his "paper," all he possesses and all that he may possess in future; and when two or three personalities are required to a loan, it is making the loan about as safe as anything subinary can be made.

The statement of the case by the United States Investor is somewhat bald, and indeed little attempt was made to make it analytical, the subject being too comprehensive for editorial treatment in that manner, but its premises are none the less sound, while those of our respected contemporary, the Register, are on the shifting sands and the panaceas that it suggests are childish. It has become a custom with those who uphold land speculations to charge the bursting of the land booms, and the periodical collapses of business generally, to the banks, but when we consider the subject from the standpoint of true banking the charge is unjust and cannot be maintained. Land speculation does shut out capital and labor and therefore it hurts banking in the end, notwithstanding that banks may transact a considerable amount of business with land speculators and opportunity monopolizers while there is what is called an active realty market.

The Register, by its own admissions, where it states that "It is only when realty is largely refused as collateral that industries collapse and the contingent of idlers becomes noticeably large," tends to prove the correctness of the assertion that land speculation shuts out capital and labor. Banks want to make

loans. They always desire to make loans. It is in loans that the profits of banking entirely lie. When they decline to make loans upon the basis of a certain location value claimed, it is because they know that the valuation is speculative and prohibitory. They decline to furnish capital through the medium of loans, and since labor is not permitted to apply itself by itself to the speculatively held opportunity, or in any way, without first paying the tribute, capital and labor are locked out. Capital is idle, labor is idle, the production of wealth is stopped, though both capital and labor may be anxious to go on with the work.

Land speculation demands from capital and from labor a tribute of all that the speculator thinks these can stand. Upon what grounds this tribute is levied has never been made clear upon any economic basis, refuge being usually taken to precedent, and to the confusion of what is actual capital and what is merely inert or predatory monopolization. When speculation has run its length and seeks to enforce a tribute from capital and labor which these cannot bear, then comes the collapse. To offer as a panacea for these disturbances, these periods of "hard times," the idea of banks continuing to loan money to land speculators upon the increasing valuations which the speculators put upon their holdings is simply inane. There would be no limit to their demands short of all the wealth in the country. Banks are supposed to loan upon actual value, carefully scrutinized and considered. When this value is in a location the amount of the value must be determined by the amount of returns it will yield to the economic factors capital and labor, by the legitimate market demand for the location. When the speculative value far exceeds this natural basis, and to neither of these values, by the way, does the speculator contribute anything, banks certainly cannot be expected to loan on the former. Banks cannot be blamed for scaling down these loans. Indeed, all that the banks can be charged with is an already too great leniency with them.

For the government to issue unlimited money to "tide over" these disastrous periods brought on by land speculation and opportunity monopolization would not only upset legitimate banking and assist in defrauding capital and labor, but would logically lead to the same end as the

proposed unlimited loaning by banks upon speculative valuations. Just so fast as the loans were made and the emergency money was set loose, so the speculative valuations would go mounting upward.

DISTRIBUTION OF THE NEW WEALTH.

An article in the issue of April 19 of the United States Investor, published in Boston, New York, Philadelphia and San Francisco.

Ground Rent as a Means of Diverting Wealth from Labor and Capital.

This nation is enormously richer than it was even ten years ago, but the masses of the people are no richer, and the struggle for existence is harder. They create more wealth every year, but it is spirited away from them. What becomes of it? The answer is clear and positive. It goes chiefly to increased ground rent. In every progressive community, in every land where wealth is increasing, the bulk of the increase goes to rents. This economic fact is not generally considered, but it is becoming recognized more and more every year. Years ago Prof. Cairnes pointed out this important fact when speaking of the tremendous increase in the wealth of the English nation. He said: This enormous increase in the wealth of the nation has gone neither to capital nor to labor nor yet to the public at large, but to swell a fund ever growing, even while its proprietors sleep, the rent roll of the owners of the soil."

In this country, our yearly production of wealth is almost inconceivable, and one-third of it goes to increase

The Rental Value of Land.

This is a natural economic law which all the socialists and all the governments on earth are powerless to destroy. This law operates automatically, silently, and is therefore little observed and likely to be overlooked by those who do not look beneath the surface of things and inquire into causes. The amount of increase in land values every year would be incredible if it were not made evident beyond contradiction by plain figures in public documents. In this city of Boston the assessed value of land exclusive of buildings has increased 40 per cent. during the last ten years. In other cities it has probably increased at an even greater rate. In 1891, the land in Boston was taxed on a valuation of

\$381,299,825. During the next ten years, up to 1901, the assessed value has increased by \$165,946,775, making the taxable value in that year, \$547,246,600.

Be it observed that this is the assessed value of land alone, not including one dollar of improvements. The increased value of buildings and improvements has been made by the outlay and enterprise of the land owners, but the owners did not create a single dollar of the increased land values. This increase in value of \$165,946,775 in ten years has been made by the people who live in Boston and those who visit and trade and do business in Boston. Every man who walks the streets helps to create this land value. The landlord, as landlord, creates not a cent of it. It is

Purely a Commercial Product

but it is increasing every year. The increase in one year, 1901, compared with 1900, was \$14,313,100. During the same year the increase in the assessed value of buildings was \$8,235,700, something over half as much as the increased value in land. The eight million dollars' increase in value of buildings was made by the will and energy of the owners, and resulted from the combined agency of capital and labor. But the fourteen million dollars' increase in land values did not depend on the will of the owners at all. It did not cost them one thought, or one effort, or a single cent of outlay. The value went on increasing while they slept. It is purely an increased value presented by the community to private individuals.

This private appropriation of public wealth has been established by long custom and is sanctioned by statute law, and prevails in almost all civilized communities. We have adopted this custom in this nation in imitation of the old nations of Europe. If it did not prevail in this country, and if the commercial wealth in land values which the community as a whole, has alone produced, were not appropriated by private individuals the city of Boston would not need to raise a dollar of other taxation. Its ground rents alone greatly exceed its national, state and municipal taxes. The same conditions exist in every city throughout the union. Throughout the nation the aggregate ground rents greatly exceed and are probably more than double the entire revenues of every description.

And year by year a larger and larger amount of the wealth production of the nation goes to increase land values. When the question is asked, What becomes of the tremendous amount of wealth produced every year by

American Labor and Capital?

the answer must present as its principal item the diversion of one-third of it to increase ground rents, which have not been earned by their beneficiaries. No solution of the wealth problem can be even approximately correct which overlooks this important fact. Men who bother their heads to account for the distribution of such wealth, and talk as if it went to improve the condition of laborers and producers, are far at sea. The yearly increase in wealth production does not greatly benefit either capital or labor. Mr. Carnegie, to the contrary, notwithstanding. It goes chiefly to increase the appropriations of privilege, and chief of all, the legal privilege of the ownership of the soil. In the city of Boston is one property which a hundred years ago was worth less than \$100,000, and the improvements were worth more than the site. To-day the site value alone is estimated to be worth \$1,500,000. Not a dollar of this wealth has been produced by the owners. It is a free gift presented to them by the people of Boston, and every year thousands of dollars are added to the unearned increment.

Many thousands of similar properties in all the cities of the nation furnish the key by which the true answer can be given to the question, Where does the wealth go to? Ground rent and similar legal privileges, like a huge sponge, absorb more than one-third of it, and capital and labor scramble for the rest. A solution of the problem of wealth distribution would be approximately correct which estimated that of all the wealth produced by the nation one-third goes to labor, one-third to capital and one-third to privilege. There can be no marked and permanent improvement in the material condition of the masses of the people till due consideration is given to this great diversion of wealth to individuals who have not earned it.

THE LAND QUESTION IN GERMANY.

The following letter from one of the ablest and most active land reformers of Germany, Mr. Adolph Damaschke, was written for and read at the recent Jefferson