

Thurman Arnold and Post-War Prosperity

By H. ELLENDORF

Good, in connection with Arnold
Speake-style.

Thurman Arnold, Assistant Attorney General of the United States, had an article in May 30th issue of the Saturday Evening Post, entitled: "This War Will Save Private Enterprise." Introducing the article the editors had an explanatory note to the effect that Mr. Arnold is one of the best qualified men in America to size up the economic after-effects of the war.

The gist of the article is, that whereas some hold the belief that in the post-war period America will be faced again and even to a larger extent than before the war with a condition of more men than jobs, Mr. Arnold believes that the contrary will be true.

He bases his belief on: 1. Greatly expanded plant facilities; 2. Greatly expanded skills of labor and management; 3. That whereas in the pre-war period monopoly of natural resources stratified and checked industrial activity, in the post-war period the greatly expanded plant facilities of America will compel competition not only within an industry but in industry against industry.

To buttress his statements he cites that in 1920, three copper companies controlled 25 per cent of America's copper production; in 1940 these three companies controlled 80 per cent of America's copper production, and he makes a guess that in the post-war period these same companies will have increased their control to more than 90 per cent. A rather startling admission, but he glosses it over with the statement that this will be offset by the competition copper will have to meet from new alloy metals and from plastics.

Throughout Mr. Arnold's article runs the thought that in America we have had "free enterprise" and "free competition," and that when the Allies win the war, our production will be so efficient that all can have prosperity. In other words, greater efficiency of production will

solve America's problem of poverty amidst advancing wealth, or, to put it more scientifically—the power in civilized society which creates a condition of more men than jobs will be done away with through increased industrial efficiency.

As regards "free enterprise" and "free competition," the truth of the matter is that the seeds of poverty were brought over and planted on American soil with the first settlement at Jamestown, Va., in 1607. Contrary to popular belief, and Arnold's also, this seed was not uprooted by the Revolutionary War. It kept right on growing and had reached its full maturity when the present war broke out.

"Free enterprise" and "free competition" presuppose a society of economic equals, where none has special privilege over another. Such a society has never existed in America.

After the Revolutionary War, the king of England lost all title to the lands comprising the thirteen original states. The thirteen states became vested with title to all land within their boundaries except those of private citizens who had acquired title either from the king of England or his predecessors, or from Colonial Governors.

The Constitution of New York State had this clause: "All grants of land within this state, made by the king of Great Britain, or persons acting under his authority, after the fourteenth day of October, one thousand seven hundred and seventy-six, shall be null and void; but nothing contained in this constitution shall affect any grants of land within this state, made by the authority of the said king or his predecessors, or shall annul any charters to bodies politic and corporate, by him or them made before that day . . ."

The joker in this New York State Constitution is this: Since nearly all large landholdings were acquired by fraud, bribery or favoritism—the

Constitution made these titles good. Of course one might ask as did Herbert Spencer: "How long does it take for what was originally a wrong to grow into a right?"

The thirteen original states legalized fraudulent titles to land, giving a fortunate few a special privilege to live by the labor of others. The same aristocratic crowd, with a few loyalist exceptions, that dominated affairs before the Revolution, dominated afterwards. The few were rich, the many poor. While school histories convey the impression that in America "free enterprise" and "free competition" held full sway, real American history makes such belief untenable. Here is some real American history.

On April 29, 1870, Congressman W. S. Holman of Indiana delivered a speech in Congress against a bill (S.No.396) granting lands to aid in the construction of a railroad and telegraph line from Portland to Astoria and McMinnville in the State of Oregon. This bill involved the granting of nearly a million acres of public land and was one of a series of more than one hundred and seventy bills involving the appropriation of 250 million acres of public land.

Said Congressman Holman, addressing the Speaker of the House: "Sir, my point against this bill is that it is part of a general policy; that it is the first bill of a series which proposes to appropriate hundreds of millions of acres of public lands, sought to be forced through this House by combinations which have grown stronger day by day, by combining interests—not public interests, but the interests of private fortune—for the selfish aggrandizement of a few at the expense of the whole people. I protest against this monopoly of the public lands in the name of every laboring man in America. I protest against it in the name of every laboring man who comes with his wife and children to our shores,

fleeing from the curse of land monopoly in the Old World to rest under the shelter of equal laws in the New. I protest against this policy in the name of the shadowy future, the generations that are crowding upon us, for whom your policy will ripen like the fruit upon the Dead Sea, giving them a land teeming with opulence—opulence and corrupting luxury for the few, for the great multitude, poverty . . .

"I protest against this policy because it is at war with every just idea of republican government. It strikes a subtle and fatal blow at the just equality of our people; it is the appropriating to individual citizens what belongs to the whole people . . . I protest against it, sir, if I may do so without irreverence, in the name of the common Father of us all, whose justice and benevolence and mercy are outraged by granting to men who do not labor the bountiful gift of His providence, and robbing the laboring man of the fertile fields which would have yielded to his free and hopeful labor the best fruits of the earth.

"I protest against it in the name of humanity, which it outrages by an

unjust discrimination, and of the right of man to labor and enjoy the fruits of his labor without dividing with the crafty or being robbed under the color of an unnatural law. I protest against this, the most hateful of the aristocratic policies of the effete monarchies, favoritism in government, oppressing multitudes for the benefit of the few. I protest against it in the name of the whole people, who demand from their government equal and exact justice for all."

In 1882 at Cooper Union, New York, Father McGlynn, famous Catholic priest, delivered an address in which he pointed out that the real difference between America and the countries of Europe was not in America's political system but rather in its fertile public land. He predicted that when this public land was gone America would take on all the economic aspects of the countries of Europe. His prediction came true prior to the present war. The people of America keep their clocks and watches accurate by getting time from the U.S. Naval Observatory. The U.S. Naval Observatory gets its correct time from the stars in the

heavens—for "the stars are fixed in their courses."

In Mr. Thurman Arnold's economic world "the stars are not fixed in their courses." On this earth, on this revolving sphere, everything from microbe to man is governed by nature's law of cause and effect. In Mr. Arnold's economic world there are no basic laws for guidance—all is guesswork.

The things that Mr. Arnold is guessing about are thoroughly covered in the Introductory chapter of "Progress and Poverty" by Henry George under the caption: "The Problem." The following quotation from that chapter illustrates why a Georgist cannot find merit in Mr. Arnold's article.

"And, unpleasant as it may be to admit it, it is at last becoming evident that the enormous increase in productive power which has marked the present century and is still going on with accelerating ratio, has no tendency to extirpate poverty or to lighten the burdens of those compelled to toil. It simply widens the gulf between Dives and Lazarus, and makes the struggle for existence more intense."