

# Toward a New Economy

[Oklahoma Books and Authors]

## Three significant new books show the need of production economy instead of a system based on artificial scarcity

THE war has precipitated an economic revolution in the United States, a revolution that appeared to be impending before the war but which probably would have been a slow and painful operation under peace conditions. The operation is still painful, but it is so swift that the patient is hardly conscious.

Three books published last month—one by an alumnus of the University and two from the University of Oklahoma Press, are significant guideposts pointing the way to the kind of economy that this nation is now adopting as the only kind that will win the war—an economy of production as opposed to the economy of scarcity that was still the controlling system at the time of Pearl Harbor.

The books are vastly different, yet they all get at the same problem from different angles. They are:

*Old McDonald Had a Farm*, by Angus McDonald, '33ba, '34ma, published by Houghton Mifflin, Boston, Massachusetts. \$2.75.

*Forward to the Land*, by Elmer T. Peterson, University of Oklahoma Press. \$2.75.

*Democracy and Free Enterprise*, by Thurman W. Arnold, University of Oklahoma Press. \$1.00.

The story of Old Man McDonald, who was Angus McDonald's father, is largely the informal, anecdotal biography of a rugged, strong-minded Oklahoma preacher who believed that the only real wealth came from the soil and that anyone who mistreated the soil was sinning against God as well as man.

The story is a crushing rebuttal—if one is needed—against the thesis of *Grapes of Wrath*, for it is the factual account of how a family left the town life to which it was accustomed and built a run-down "rock and air farm" near Sallisaw into a rich, wealth-producing agricultural unit.

Old McDonald believed that there was no difficulty so great that he couldn't solve it by hard work. Drouth, erosion, floods, insect pests, poverty, crop failures—all the manifold misfortunes that can come to a farmer starting from scratch on an Oklahoma farm were but temporary discouragements to be conquered by more and more work.

It is a case history that illustrates vividly what the economists mean by saying that production is the only real wealth. Old McDonald, though a sharp trader for a horse or a calf, was inherently suspicious of money. Money, to him, was only the means of acquiring more land and more production facilities. Practicing the same kind of religion that he preached in the little country churches around Sallisaw, he demonstrated the possibilities in balanced agricultural production with a minimum use of money. He improved his soil without conservation checks from the government; he avoided planting cotton, not because of AAA checks for restricting acreage, but because it didn't fit his balanced program; and he raised his own feed and his own food, so that he didn't have to buy them.

► *Forward to the Land* is written by Elmer T. Peterson, associate editor of the *Daily Oklahoman* and *Oklahoma City Times*, former editor of *Better Homes and Gardens*, and a frequent contributor to national magazines.

This book takes the thesis of better farming, which was a sort of religion or instinct with Old Man McDonald, and brings it up to date with a convincing description of how the people of the United States are, on the whole, falsely adjusted to the land. Mr. Peterson, after four decades of study of the land and close contacts with the people who live on it, sees the need for a march forward to a new soil economy—rather than the familiar nostalgic longing for a return to pioneer conditions.

The point which Mr. Peterson emphasizes throughout is the "conflict between moneyways and soilways—between unscientific mercantile farming and scientific, balanced, decentralized techniques of what is called 'live-at-home farming.'"

There is a special virtue in the latter type of agriculture, because it is the only occupation in which a man can produce all his own necessities by his own independent efforts, without the interchange of money.

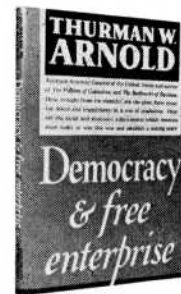
Farming with money as the chief objective, he says, "lends itself to politics, regimentation, maladjustment, unbalance, skimming the cream of the soil, clinging to an outmoded marketing formula, destructive mechanization, cash-cropping, malnutrition, quick profit, erosion, and general waste of resources."

Live-at-home farming, on the other hand, "lends itself to individual free enterprise, preservation of 'the American way,' decentralization, constructive mechanization, utilization of the low-price-and-high-living-standard principle, adequate nutrition, intelligent and forehanded land use, and the



THURMAN W. ARNOLD'S

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This is what has chiefly occupied Congress for the last month. Mr. Arnold's appearances before Senate investigation committees and his charges against labor union practices, and against the Standard Oil Companies butyl rubber production agreements with I. G. Farbenindustrie—have been front page news.

A University of Oklahoma Press book—the publishers have had their biggest advance sale in years. Just published.

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## Forward to the Land

By Elmer Peterson

AN IMPORTANT and highly readable new book from the University of Oklahoma Press which points the way to a new adjustment of the American people to the land—an adjustment which Elmer Peterson believes can be made with full utilization of technology, but without drifting into the now discredited collectivism of Germany, Italy and Russia. He shows the futility of artificial controls on farm prices and production, and puts his faith in the basic common sense of the American people who stay in close touch with the soil.

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adoption of an extremely important cushion against depression cycles."

The leaders of the farm bloc are obsessed with the mercantile aspects of farming, Mr. Peterson contends, whereas they should be concerned with helping the farmer keep his wealth (his production) on the farm.

"There is a definite and highly significant relationship between soilways and the low-price system — between subsistence farming and inexpensive shirts and plows," writes Mr. Peterson.

"Soilways, in a large sense, include all production, comprising the *real* wealth of the world. The central and unifying fact is that *abundance is wealth.*"

Mr. Peterson avoids sweeping generalizations against moneyways, but rather advocates accelerating the movement that has already begun for decentralization of industry and of extreme urbanization, with the objective of giving factory workers and other city dwellers an opportunity for closer contact with the soil.

Neither does he condemn mechanization of farms, which, properly used, can greatly reduce farm drudgery and increase production. "What we need," he says, "is a neoruralism—a new soilways program that will join the best elements of the old pure democracy with the inventions, enlightenment, and advanced positions of the new technology.

"When the machine process develops in a normal manner, with continual adjustments made necessary by quantity and low-price production, the machine is the best friend of the soilman. It fits his scheme of things, which is ever abundance. It is a fundamental part of human progress in which the soil, as emblem of all production, bears fruit for use and not for profit."

Mr. Peterson assails the recent governmental trend toward state capitalism and general federal ownership and operation of industry as being a sort of defeatism supported by urbanized politicians and liberals who are so caught up in the complexities of moneyways that they throw up their hands in despair and see no way out except by still more collectivism.

"Democracy," he says, "despite contrary rhetoric of a few high priests in ivory towers, definitely is a way of owning property. Take away property and the aspiration to own it and you will surely destroy liberty."

► *Forward to the Land and Old McDonald Had a Farm* make a strong case against the system of artificial price control in agriculture.

Now comes Thurman Arnold, the anti-trust prosecutor in the Department of Justice, a member in good standing of the New Deal family, and in his courageous book *Democracy and Free Enterprise* lashes out at the evils of artificial controls, not only in agriculture but also in industry and in organized labor.

"For years," he says, "our economic system and that of the British had been over-

whelmingly concerned with preserving the security and the income of established and dominant groups. These groups stifled new productive enterprise in order to protect themselves against competition. They limited their own output to prevent what they called 'a surplus.' They failed to expand their productive capacity because they feared expansion might lead to future competition or future surpluses. They were afraid of industrial plenty, which alone can give a nation wealth in peace or strength in war."

Equally critical of the farm leaders who bolstered prices artificially, the industrial leaders who formed monopolies to stifle competition and keep their prices up, and the labor leaders who have resisted more efficient methods of production that would eliminate certain jobs, Mr. Arnold declares that all such restraints on free enterprise should be removed.

His thesis is particularly interesting to Oklahomans, as he points out that the industrial and financial East has treated the South and West as colonies, stifling any competition that threatened the domination of the East, and keeping local independent enterprise under a constant handicap.

As a remedy he proposes, not the "planned economy" panacea of many ivory tower liberals, but the breaking up, one at a time, of restraints on production and the distribution of goods. Legislative action, he believes, should be limited to dealing with specific evils, rather than establishing general governmental control.

"In the long run the most efficient production and distribution of goods will come from private initiative in a free market," he writes.

There is an ominous warning in the book, a warning that each powerful group in our economy is busy now planning its strategy to protect itself against the post-war "overproduction" that it fears.

While he sees this organized opposition to free production as a serious menace, Mr. Arnold also concedes that the war demand for full production of basic materials may force so many people into the production of things useful alike in peace or war that the monopolies will not be able to dominate the situation after the war.

"To make this hope come true, we need to continue during the war the long-run economic policy of the Sherman act," he writes, "to prevent existing private groups from getting sufficiently into control of our vast war production to shut it down when the war is over.

"If the war can blast the theory of scarcity out of our economy; if we have two tons of steel and aluminum and copper and zinc where we had one before, and two yards of cloth and two bushels of grain and two hundredweight of meat where we had one before, where is the loss that offsets the obvious gain? Out of this war there may grow a production economy rather than a restrictive price economy."