

...erations to  
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...high 1928 began  
...granted.  
...and others on  
...a night watch  
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...t work or get  
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...posed that "vagaries" be used "anywhere" in some other  
...particular offense.

Meanwhile Oklahoma City health authorities loaded  
...the squatter problem by ordering every family on the  
...the "squatter" section to move. Most of them, it was reported  
...to the police, "are leaving the city." "Intensify living  
...conditions" was given as the reason for the eviction order.

Murray had won; Chief Watt had saved police depart-  
...ment dignity; Oklahoma City had won, since it concluded  
...that the squatters made no use of their own unemployment  
...problem and they had been driven off; and "citizens of  
...Oklahoma City," whether jobless or not, are protected in  
...their constitutional rights—provided they have "resided  
...in their voting precinct thirty days." Neither the city  
...administration, Governor Murray, nor Oklahoma City resi-  
...dents thought it strange for a city to have its economic-social  
...problems handled by its police department.

But somehow the police solution of the problem has not  
...yet the problem solved. A new committee on unemploy-  
...ment has been appointed—this time by the mayor. At this  
...writing the committee has been in existence more than a  
...week, but as yet has not held a meeting. A new registra-  
...tion of the unemployed was thought necessary and is now  
...going forward. More than 7,500 jobless adults registered  
...during the first three days of what Walter Harrison of the  
...Times describes as a "desultory campaign" to list jobless  
...job-seekers. He estimates that "there must be at least  
...10,000 and possibly 12,000 without employment." If these

...are in fact 100,000 as the Census Bureau without employment  
...there are at least 25,000 to be given assistance out of a popu-  
...lation of 165,000. That is more than 13 per cent of the  
...population. One out of every eight persons is without  
...work."

But, insists Mr. Harrison, "we have every reason to  
...believe Oklahoma City and County is in much better condi-  
...tion than the vast majority of urban communities in the  
...nation." Urging serious consideration of the problem, he  
...declared \$400,000 to be a "ridiculously low" estimate of  
...what it will cost to take care of the needy of Oklahoma City  
...this winter. Handling the job of getting that ton will "re-  
...quire the generous use of city, county, and State funds ad-  
...ministered by an alert, efficient, special organization, with  
...complete cooperation from all branches of authority, to meet  
...this emergency. This week is not a day too early to set up  
...the elements of the big machine to handle this greatest of  
...civil jobs."

But "this week" has passed and no move has been made  
...to "set up the big machine." Some weeks ago Mr. Harrison  
...warned that the unemployed must not be "put on the dole."  
...He urged that jobless persons be made to do some sort of  
...work, if it "is only shoveling dirt from one side of the  
...road to the other." Indications are that the jobless of Okla-  
...homa City will not be given an opportunity to move much  
...dirt "from one side of the road to the other" this winter.  
...It is more probable that the police will again be handling the  
..."greatest of civil jobs" by the time the snow flies.

## Austria and Free Trade

By KARI POLANYI

*Europa, September 13*

CLASSICAL free trade seems dead as a door-nail. It  
...sounds today incredible that President Wilson should  
...have declared that the war was being fought for "the  
...removal, so far as possible, of all economic barriers." Had  
...it been fought and won on customs tariffs, the result could  
...not have been more eminently satisfactory. Austria not  
...only refused to ratify the Covenant of the League, she also  
...voted the Fordney tariff. In Europe new countries like  
...Czechoslovakia established tariffs to protect their new in-  
...dustries; old countries raised theirs to protect their old  
...ones. Fascist Italy declared on principle for high tariffs;  
...Communist Russia declared on opposing principles for still  
...higher ones. One of the largest free-trade territories of  
...the world, Austria-Hungary, was broken up and transformed  
...into a network of custom barriers. The League of Nations  
...has not only failed to achieve disarmament, it has also sig-  
...nally failed to lower European tariffs. And when the  
...Central-German plan for a customs union proposed this spring  
...to establish free trade in Central Europe, this move did not  
...meet with general approval. Quite the contrary.

Indeed, the war has proved absolutely disastrous to  
...free trade. In Central and Eastern Europe, especially in  
...Austria, where the war originated, the tragedy of free trade  
...was keenly understood. Austria-Hungary had never before

...been so centralized and unified politically as during the war,  
...and yet under the surface she was economically quietly disin-  
...tegrating under the pressure of war and blockade. Hungary  
...practically put an embargo on food-stuffs and some agricul-  
...tural raw materials to prevent their export to Austria.  
...Austria retaliated by similar measures in respect to various  
...manufactured articles; goods were isolated from their home-  
...lands; provinces cut itself off from provinces; the great em-  
...pire of the Hapsburgs, very nearly self-sufficient in time of  
...peace, broke up into economically isolated regimes, jealously  
...protecting their own products, united only by the coercive  
...power of the central military authorities. Not import pro-  
...hibitions at all but embargoes on exports were then the origin  
...of trade restrictions. The post-war period began. Deprecia-  
...tion of currencies became a new barrier to trade—this time,  
...at least, in the opposite direction, hindering imports into  
...and pushing exports from the countries suffering from in-  
...flation. The result in other countries is danger of being  
...flooded by dumped goods was that they imposed anti-dump-  
...ing duties in defense of their own wage and profit levels.  
...Retaliation followed, although protective tariffs were often  
...in reality independent measures having retaliation only in  
...their excuse. Usually there is the law of inertia. In Eng-  
...land all measures of a protectionist character—McKenna  
...duties, key industries, anti-dumping, safeguarding—are the  
...direct heritage of the war.

But inertia is not a sufficient factor in itself, and the

...Moore's review  
...p. 84):  
...shown what  
...infer unhelp-  
...it also shows  
...the scope

...and outlook. Professor Keynes is somewhat discursive in his  
...manner and ranges over a wide variety of related topics. He  
...has some wise words to say about the despairing attitude of  
...some of our contemporaries when confronted with the fruits  
...of the scientific method and some debatable remarks to make  
...about the nature of man and about free will. In fact he at-  
...tempts to show that man is not exactly continuous with nature  
...and his effect

### "COMMON GROUND"

A work on economics

by

customs tariffs more than a suspicion. Free trade has never meant merely the absence of protective tariffs. It has meant the free flow of capital and labor, and equality of opportunity for human beings all over the world irrespective of the state and its authority. For a long time, at least for a whole generation, we have been getting farther and farther from this. Tariffs are only one of the impediments, and not by any means the greatest, in the way of free interchange of capital and labor, just as they are only one of the many characteristics of an independent economic entity today. Modern economic entities have very much more than protective tariffs in common with one another. It is not tariffs at all which prevent capital or labor from migrating; it is the clef which all prevailing state activity is increasingly widening between one economic unit and the other. The one new development of our times is all-round state activity. Social services, health and unemployment insurance, labor exchanges, factory laws, open and secret subsidies, grants and bounties to industry, export schemes and trade facilities, grants in aid of public works or communal housing, freight rebates for many industries, state aid for banks and big enterprises—and often made dependent by the state upon the readiness of the enterprise to engage a number of employees, to maintain wages at a fixed level, or to keep down the price of its product—these make national economies more and more different from each other. National economies become separate entities even if they do not become unities at the same time. Capitalist state activity may transform them into a very chaos, but each chaos will be separate and different from the others. The migration of labor has been held up quite as much by the existence of unemployment insurance in Europe as by the American immigration-restriction laws. In Eastern Europe foreign capital has often been "nationalized," that is, the nationals of the different countries have enjoyed very pronounced preferences in the matter of management of the foreign capital invested in their country. This is only an extreme instance of the more general tendency of all national and nationalized state governments to foster the great industries, especially those connected with armaments, by every means in their power. In many new states the government of the day is by far the biggest customer in the home market, and political pressure is naturally brought to bear upon it to place all orders at home. Above all, that terrible consequence of the war and the peace treaties, political insecurity, is the great deterrent of funds and investments from abroad, restricting considerably any flow of capital and often of labor too.

Customs tariffs were once merely a commercial policy; today they are part and parcel of the whole economic fabric of a country, indissolubly bound up with the fine balance of unmercantile taxes and counter-taxes granted to groups and individuals. The burden of social services are sometimes the cause, though more often perhaps only the pretext, of the raising of customs duties to an industry or branch of industry, which today means more and more this, or that industrial trust or combine. Moreover, the twelfth century has in Europe made the working class into a political power, and the instrument with which this was achieved was trade-union organization by state. In consequence, the political influence of the masses, which was formerly that of a *corpus*, has become more and more that of producers. It may well have been the government's duty in favor of the

products of an industry which may help that industry to carry more easily the costs of social services.

Take again cartels. Here also customs are only one item in a tremendous protectionist machinery—so item, it is true, closely linked up with the whole. International cartels are as a rule a very much greater impediment to trade than are customs duties. The latter only hinder trade, while cartels often prevent it altogether. Now international cartels are based on national ones; national cartels, again, are generally based on customs duties, which secure for the weakest unit of the cartel a remunerative price at the cost of the consumer. Yet it is not true to say that cartels could not exist without tariffs. They would be merely more expensive to set up and less profitable in the long run. In the case of the most important cartels, for example, the International Steel Cartel, the duty was imposed in Germany explicitly in order to facilitate the creation of a national cartel which was to merge in the international one, the whole arrangement being regarded as vital to Franco-German understanding. As a matter of fact, it was not. How far, however, most of our continent have already departed from free trade if governments link up peace and customs tariffs in this manner! A return to free trade, in the classical meaning of the term, without changes of a sweeping character is altogether impossible on the Continent today. State and communal activity in every sphere of economic and social life, out-of-work relief and public works included, the restriction of immigration and the trade unionism party based upon it, international organization of trade, the growing political influence of the working classes, the new forms of the state as reflected in Fascist Italy and Soviet Russia—they are all involved. Some of them no doubt should be scrapped; but whether you think they should or should not, you cannot have free trade back on easier terms.

Austria is a typical instance of the irresistible force of this protectionist process. From a free market of some fifty-six million persons, some fifty millions were lost to Austria by the treaty. What remained of her was a small, mainly industrial region, which has to purchase its foodstuffs on the world market by exporting manufactured goods—the typical export country. There is, indeed, hardly any other land in Europe which exports a greater part of its industrial products than Austria; the percentage is nearly 40. In the first years of her new existence, lamished Austria was rescued by artificial nutrition, later depreciation of the currency restricted imports and stimulated exports, stabilization of the currency in 1922 started Austria as the country in Central Europe destined to be the very champion of free trade. *Scrap customs tariffs and the economic problem of Austria is indeed the same day.* As a matter of fact, for several years she represented, as it were, the free-trade conscience of Europe. Look at her now. By a piecemeal raising of duties in the course of years she has ceased altogether to be a free trade country. Customs duties on total imports attain now some 13 per cent—not less than the average in the ill-fated protectionist countries around us.

The one specific factor which speeded up this development was the Eastern European agrarian crisis. It forced up agricultural tariffs in Germany, and consequently in Austria, to formerly unheard-of levels. (The smother sort of solidarity between agrarians and industrialists was in practice on the Continent even before the war), and thereby a

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the free running wash of John Marin, for example, but water-color carefully blotted and used. His rhythms are frequently light, spare, and graceful. Subtle, pearly tones, delicate, cool colors, and combinations of color, figure very largely in his work.

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based on tariffs for manufactured articles to an equal extent. The agrarian crisis is at present the strongest factor for working for customs tariffs in Central and Eastern Europe. Central Europe is taking the lead by establishing protective tariffs against the grain surplus of Eastern Europe; Eastern Europe retaliates with protective tariffs on manufactured articles as a bargaining asset. The result is a foregone conclusion: the organized interests in both groups of countries agree to stabilize both agricultural and industrial tariffs on a maximum level. The agrarian problem in Europe is of course widely different from that existing in the United States, where farming is more or less regarded as a business. With us it is that condition of life to which God has called the peasantry; it is neither an occupation nor a business, it is a tradition. Growing grains on small patches of land which have been for generations, sometimes for centuries, in the possession of one family is called agriculture in Europe. It would be of no more avail to the typical peasant to keep accounts of profits and losses than it would have been to a medieval husbandman. He sits on the land like the lichen on the rock. Free importation of grain would tear out at a single pull this artificially nourished overgrowth; we have the foundations of society, deprive it of its conservative trappings, and make the working class politically supreme. This is the social and economic background of the idea of *reciprocal preferences* which was so closely bound up with the Austro-German customs-union plan, shattered to pieces at the last meeting of the League Council at Geneva. The regional-preference plan is, in short, this: Consider the grain-exporting states of Eastern Europe (Hungary, Rumania, and Jugoslavia, eventually also Bulgaria and Poland) as forming one group, the grain-importing states of Central Europe (Austria, Czechoslovakia, Germany) as forming another group. Would not a regional understanding between these two groups naturally lead to a much more rational organization of trade than exists at present? A regional agreement between the two homogeneous groups for lower industrial tariffs on the one hand and for lower agrarian tariffs on the other would realize a measure of free trade in this large territory.

A measure of free trade, *free trade*—we cannot ask for more. Free trade as a slogan of international concetrive was only a substitute for larger economic units. The historical function of free trade was the abolition of provincial barriers to trade, the establishment of the United States of America, of United France, United Italy, United Germany. When no further step toward still larger units was possible on a national basis, the emphasis of free trade shifted to the international; the abolition of customs tariffs between states, the establishment of bilateral commercial agreements and most favored-nation clauses—the characteristics of pre-war free-trade practice. We have shown how the war and the treaties, working-class emancipation, and modern state action have started a wave of protectionism all over Europe. Does that mean that the essence of free trade, the submission of the world's labor with its highly favorable concomitant effects has at last spent its force? Not at all. Instead of indiscriminate international freedom of interchange free trade is working back to the old lines of creating larger free-trade territories, larger than the old national states. Integration is proceeding anew. The United States is the main free-trade territory in the world today. New Russia follows

next. The British Empire has been since the war working as its parts most closely. All three are unmissably growing toward, whether we like it or not. The Central and Eastern European agrarian crisis is working for freer trade in this vast territory.

The question is today: how can we have freer trade between these territories? The western Central and Eastern Europe organized into a new economic unit—a grotesque union between Germany and France is the key also to this question—the easier and the better this all-including problem can be tackled. Russia is definitely seeking an agreement with Western Europe and America, and wishes to organize trade with them on a large scale. But what about Europe and America? Russian customs duties are indeed prohibitive, but the foreign-trade monopoly makes them illusory; exporters to Russia sell to the foreign-trade commissariat, not to individual Russian consumers; the amount of the duties does not affect them. Between Europe and the United States it is different. Customs tariffs may become here just as great an impediment to trade as the Soviet foreign-trade monopoly. But while Communist Russia is increasingly organizing trade between itself and the rest of the world, the capitalist United States is fast abolishing trade between itself and Europe.

## In the Driftway

A FRIEND of the Drifter's is building a house in the country. It is an extremely modest house, but rooms on one floor with an open attic above. Designed for a woman or younger young who will live in it sometimes alone, it is equipped with such labor-saving devices as a small country house can have—no extra steps to climb, no water to fetch from a well, a modest furnace instead of the more picturesque and troublesome stove and open fire. The tenant frankly expects to do her meals in the pleasant kitchen. But it is a house on the edge of an orchard and just above a brook; the design is copied from such older New England farmhouses nearby; the new pine woodwork is unpainted and warmly amber in color. The Drifter has wandered in and out of the house himself a number of times, listening to the comments of visitors and workmen. And with no prejudices of his own about houses one way or another, for this small new house he has heard nothing but praise.

THE general approval is not entirely explained by the charming situation, the good sense shown in construction and planning, or the agreeable appearance of the rooms now they are completed. The contractor brought his wife up to show her the house while it was building, although he is engaged at the same time on several other dwellings. The carpenter brought his wife also; two or three of their neighbors dropped in and looked around, and five day or so their women-folks in turn made a tour of inspection and departed, half in satisfaction and half in envy. City dwellers, used to penthouse apartments in which they have every comfort and cost that large rents can buy, were hard in their delight. The pattern of their remarks followed the comment of the

le, but water-  
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one, but invariably with a keen appreciation of their humor and foibles. Indeed, many of the freshest, most original perceptions of the chance beauties of whatever grain-elevators, churches, office-building rivets and fronts, are to be found in the

### THE GROUP THEATRE PRESENTS THE HOUSE OF CONNELLY

By PAUL GROESBE

Under the direction of the Theatre Guild

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