

LAMONT SAYS DEBTS CHOKES WORLD TRADE

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added, "have been sweepingly criticized for arranging such loans. In certain cases criticism as to lack of care in investigation and method has undoubtedly been justified. But the general movement was a natural one, forced on the investment community by reason of our national policy of buying abroad as little as we can, and attempting to force on the foreigners all the goods we can possibly sell them."

After describing the collapse that followed, Mr. Lamont declared that the panic of fear had subsided, that normal processes were getting under way and that things gradually were beginning to straighten themselves out.

"The deflation of commodities seems almost at an end," he continued. "Hard work begins to fill up the gaps. The fingers of a new dawn stretch their tips above the horizon. There are signs of betterment decidedly more tangible than mere hope."

Discussing other causes of the present situation besides economic warfare, Mr. Lamont said part of the trouble was due to governmental extravagance, pointing to the unbalanced Federal budget and the New York City situation, with the city's funded debt grown in ten years from \$1,100,000,000 to \$1,800,000,000, and its annual budget increased from \$330,000,000 to \$631,000,000.

The "alibi" of some Americans that our troubles were due to the panic in foreign countries, he said, was hard to sustain, since "Europe's crisis in the Spring of 1931 came eighteen months after the American collapse of October, 1929."

"Others," he continued, "have found still a different scapegoat. It is Congress, and behind Congress the American people, which for years has insisted upon the foreign governments paying us the perfectly just but impossible war debts. We have held to the idea that these great overseas payments, representing in general nothing except exploded shot and shell, shall be paid every year, \$250,000,000 each year, an unnatural stream of payments, choking the channels of world trade."

"It was perfectly reasonable that the allied powers should expect and demand that Germany should pay sufficient to repair the physical damage wrought by her armies in Belgium and Northern France. But the bill has not been paid in full, nor can it ever be so paid. Similarly, the people are asking: Will it ever be possible for the unwieldy war debts, undertaken no doubt with reasonable expectation on both sides that they would be discharged, ever to be paid in full at Washington?"

But the trouble cannot be laid to any one person, or group of persons, or any one government, he continued; it must be charged against the war and its repercussions. He did not believe the capitalistic system had broken down and must be thrown into the discard. A worldwide plan of economic organization he regarded as utopian. While the capitalistic system had shown signs of weakness, it was still sound. He did not believe any economic system that could be devised could withstand the folly shown by mankind since 1914 any better than has the capitalistic system.

The world is now on a threshold of a new stage of progress and American

must lead the way, he continued, adding:

"Our primary remedy for present difficulties is not in the change of economic systems. It consists in an enlightened public opinion which will demand of our rulers that they seek peace, economic as well as political, and pursue it."

Sir James Salter said economic planning was needed because mankind, while it had mastered nature so that for the first time in history all its needs could be provided for, had failed in the field of human relationships under the present capitalistic or competitive system.

He made it clear that he would not replace the present system by one of complete State regulation, as in Russia, but would rebuild our economic system "so that individual enterprise may retain its vitality, but so function that it is consistent with the full utilization of our productive capacity and with a satisfactory distribution of its output." Collective planning was needed, he went on, in monetary, investment, commercial, production and world-governmental policies.

In replying to the criticisms of the modern university for its utilitarian teachings, Professor Gay said:

"It is not easy for the university to deny the implications of the functions it has accepted in theory. It is no longer a creature of privilege, serving a privileged class. It serves a community as wide as the nation and is provided with funds, directly or indirectly, by that community or its members, in order to throw open and to explore all the stores of knowledge which that community requires."

The schools of business attached to American universities, he continued, "are justifying their existence as an integral element in the modern university, for they aim not at imparting the details of particular business, but at the scientific study of techniques and of basic principles."

He predicted that the social sciences now centered in the American universities could "be counted upon to diffuse increasingly trustworthy intelligence and ultimately to give their share of leadership."

Another session of the conference yesterday, devoted to the topic: "The University Today: Its Aims and Province," was presided over by Chancellor Samuel Paul Capen of the University of Buffalo, who made one of the addresses. Other speakers were President Harry Woodburn Chase of the University of Illinois and Harold H. Swift, president of the board of trustees, University of Chicago.

Asserting that American universities had not yet won full academic freedom, Chancellor Capen said:

"In many universities the scholar whose specialty includes matters that are subjects of public controversy runs the risk of suppression or dismissal. His security lies in what is grossly called discretion. Wherever freedom of inquiry and of teaching is circumscribed at all, the university is emasculated."

On the other hand, President Chase of Illinois declared State universities had had a remarkable record of freedom from governmental interference. He said:

"In our State universities political domination has now and again been attempted. It has, without exception, been disastrous. But that governmental subsidies do not inevitably bring governmental interference with universities the history of the majority of our State universities gives ample testimony. I do not believe that, as a rule, faculty members in them feel less free, or more subject to interference in their work, than those of other types."

cussion from the floor, in which the following participated:

ERNEST H. WILKINS, president of Oberlin College.

DANIEL L. MARSH, president of Boston University.

Dr. PHILIP A. BROWN, professor of international law at Princeton.

Dr. CHARLES A. MANN, director of the American Council on Education.

EDGAR DAWSON, professor of political science at Hunter College.

HOWARD CHENEY, trustee of Yale University.

Dr. MAURICE PARMALEE of the American Sociological Society.

Dr. ALBERT B. MEREDITH, professor of education, New York University.

MARSHALL S. BROWN, dean of the faculties, New York University.

Sir JAMES COLQUHOUN IRVINE, principal and vice chancellor of the University of St. Andrews, Scotland.

At a session last night the speakers were:

HAROLD GLENN MOULTON, president of the Brookings Institution, who presided.

Governor WILLIAM T. GARDINER of Maine.

Professor CHARLES E. MERRIAM, chairman of the department of political science, University of Chicago.

The subject at the night session was "The University and Governmental Changes." Dr. Moulton urged that economies in governmental expenditures, now urgently required, be made on the basis of intelligent surveys.

"Hysterical demands for economy by a tax-desperate electorate," he said, "may easily become mere parsimony and result in crippling basically important State services, including education. Unless there is substantial improvement in general economic conditions in the relatively near future, we must view the financial problem of State and local governments with keen apprehension. There is here a great immediate opportunity for the universities, par-

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