

LAMONT HOLDS DEBTS CHA FAIR BUT IMPOSSIBLE PA

Payment Would Choke Channels of World Trade, He Says, Urging Economic Peace.

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Capitalistic System Must Be Revised, but Not Abandoned, He Tells Educators.

Thomas W. Lamont of J. P. Morgan & Co. characterized the war debts as "perfectly just but impossible" yesterday in an address before the Conference of Universities, held at the Waldorf-Astoria under the auspices of New York University and attended by men and women representing colleges, universities and other institutions of learning in thirty-two countries. Yesterday was the second day of the three-day conference.

Mr. Lamont made this statement in an analysis of the causes of the depression, which he attributed to the World War and the subsequent economic warfare throughout the world. The remedy for present conditions, he said, was in rebuilding the capitalistic system and in seeking economic as well as political peace; not in changing our economic system to adopt either socialism or communism.

Sir James Arthur Salter, former director of the Economic and Finance Section of the League of Nations, declared that the present economic system must be transformed gradually into a system based on collective planning, without, however, replacing the present system altogether.

Edwin Francis Gay, Professor of Economic History at Harvard, who spoke at the same session as Mr. Lamont and Sir James, defended American universities against critics who have assailed the tendency to offer business and other utilitarian courses in recent years. Mr. Lamont presided at this session, the topic for which was: "The University and Economic Changes."

Mr. Lamont said that economic warfare in Europe since the World War had been more destructive than the war itself. The Versailles treaty, he declared, had set up new States on economic lines, and had brought "a militant peace filled with resentments." He thought the struggle over German reparations had helped bring Europe to the verge of bankruptcy, with war budgets and taxation going up alarmingly.

The United States, he continued, had taken the lead in erecting tariff barriers which now "prevent the very exchange of goods and facility of commerce which are essential to the restoration of world prosperity." Nationalism had grown all over the world, with every country trying to save itself, regardless of the rest of the world.

During our boom years, he went on, this country adopted "a very contradictory trade policy," of trying to sell goods abroad but buying as little as possible from abroad, forcing us to lend foreigners the money to pay us for our goods, these loans approximating \$5,000,000,000 from 1923 to 1929.

"American banks and bankers," he

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