Toward recovery

BY A. B. ADAMS

FOR students of the world’s business and political problems, the dramatic happenings of the past few weeks have been most interesting. The Carnegie Foundation for International Peace could not have picked a more appropriate time to send American economists to Europe to study these problems than it did. The present plight of Germany has brought to head a number of inter-related and separate problems which keep the business of the world from going ahead at a normal pace.

Many of the physical and economic results of the ravages of the World War are still quite evident on this side of the Atlantic. Because of the destruction of men and capital by the war, your economic recovery following the war has been slow. Even though the war has been over for nearly thirteen years, the economic readjustments resulting from it are not complete yet, and your loss of men and what they meant to the respective countries was a permanent one. To preserve modern civilization and to give it a chance to develop to a higher level we must have peace among all nations in the future.

Just now Europe seems to be suffering quite as much from the results of the peace treaty as it is from the past ravages of the war. The treaty was made under conditions of intense war feeling, when national fear, hatred and desire for security in an insecure world were the dominant forces which dictated the terms of that treaty. The present financial straits of Germany are due primarily to the enormous size of the reparations payments under the Young plan which grow out of the treaty. Economically, if not morally, the Inter-Allied indebtedness payments are bound up with the reparations payments. Their connection was recognized by Mr Hoover in his year’s moratorium plan. The evident and compelling fact is that both the reparations and Inter-Allied payments must be scaled down appreciably and permanently before the financial conditions of the European countries can be stabilized for permanent recovery of world business. That is the problem which the politicians, for reasons which have not been explained to the public, seem to be postponing.

The acuteness of the present financial situation in Germany is aggravated unquestionably by the unsound financial scheme by which the recent full reparations payments have been made possible. The American, English and other foreign banks and bankers have made large short-time loans to German banks, industries and municipalities, part of the proceeds of which loans have been used indirectly to make the reparations payments. Now the Germans are unable to repay these short-term loans—which as a result of the policy is a natural consequence, if not inevitable. If these loans were to be made in Germany under the existing circumstances they should have been long-time loans. If the situation there was too uncertain to justify long-term loans, it was unwise to make them for short periods of time.

Without these short-term loans Germany probably would have been unable
It is his duty to live, to make all he can out of himself and life, to get full of experience, to make himself fine and perceiving and expressive, to render his experience and perception honestly and helpfully to others." There is no better place in all the world to accomplish these ends than in a university.

I invite each of you to share fully in the life that is lived on this campus. Seek the best that the institution offers to you. Live daily in the consciousness of what is going on in the world that lies beyond our campus. Remember that the spirit of adventure is in the air. Translate this experience into your own conduct by adventuring far into the unknown land of knowledge. Adapt your attitudes toward learning to the changing world situation.

I think I can do no better than to recall, in conclusion, the familiar words of Solomon:

Get wisdom, get understanding: forget not: neither decline from the words of my mouth. Forsake her not, and she shall preserve thee: love her, and she shall keep thee. Wisdom is the principal things therefore get wisdom: and with all thy getting get understanding.

Exalt her, and she shall promote thee: she shall bring thee to honor, when thou doest embrace her.

She shall give to thine head an ornament of grace: a crown of glory shall she deliver to thee.

Hear, O my son, and receive my sayings; and the years of thy life shall be many.

I have taught thee in the way of wisdom; I have led thee in right paths. When thou goest, thy steps shall not be straightened; and when thou runnest, thou shalt not stumble.

Take fast hold of instruction; let her not go: keep her; for she is thy life.

This is sound advice from a high source. A great promise is held out to those who utilize instruction for the purpose of acquiring knowledge and wisdom, but the faith of thousands has been strengthened by seeing this promise to youth fulfilled time and time again. I commend the admonition of the wise man of old to you today with the utmost confidence that if you heed it thy steps shall not be straightened; and when thou runnest, thou shalt not stumble.

TOWARD RECOVERY

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to make the full conditional payments on reparations a year or more ago, as she is unable now, but she would not have had the present acute problem of staving-off the short-term payments. Also, under those conditions, it would have been necessary to have dealt directly with the reparations question long before now. Short-time loans from bank credit by citizens of one country to citizens of another should be dis-
couraged or eliminated in the future. In no case should they be made without the definite consent of the government of the lending country.

The Paris conversations and the London conference did not deal with the fundamental question of reparations; they solved no problem, but merely post- postulated inevitable considerations of the whole question of international loans, reparations and inter-allied indebtedness. The London conference merely decided that the short-term loans to Germany should be extended—as Germany evidently could not pay them at present—and set up a committee of bankers under the Bank of International Settlements to study the problems of converting some of this short-term credit into long-term loans—also an evident necessity under the present circumstances.

Unless there is definite constructive international agreement on the international payments question within the next few months, the financial and business conditions in Germany and in other countries will be more disorganized than they have been up to the present time. What the world most needs today is courage, straight thinking, and plain talk in reference to international payments and future loan transactions between nations.

The present business “slump,” apart from the problem left by the World war, was produced in the United States. Our technological progress was very rapid from 1922 to 1929, and we were unable to keep our industrial system in balance as a result of these changes. As the cost of production was decreased we should have had a material reduction in the price level, but we did not. Instead of raising wages and shortening hours, as the cost of production was decreased, we kept both practically stable. Instead of accepting reasonable profits under those conditions, our business enterprises received large profits. Instead of developing industry out of actual national income, we used a great deal of bank credit in doing so. In order to stimulate demand for finished goods we greatly expanded installment sales to consumers who were unable to purchase the goods from their current incomes. As a result of the high profits in industry and the great amount of bank credit used in the security market we had a great stock market “boom.” When this boom burst, the whole artificial superstructure in business tumbled. We were then unable to continue to make very large foreign loans. Deflation and depression has been slow with us, partly because the national administration has been using the power of the government to make the people believe that little or no readjustment was necessary and that the depression was only a short, temporary one, if it existed at all.

Business and finance in the European countries have been adversely affected by our great “slump.” Then your slump in turn has adversely reacted upon our country. Under modern conditions we are, through commerce and finance, so closely linked together that one nation’s misfortune adversely affects others. We shall adjust our industrial and financial system as a result of this “slump” and will emerge in a sounder condition than we have ever had in both business and finance. Our country has great sanity and recuperative power when it is faced with a real problem, as it is now.

High tariff walls of many countries stand in the way of the progress of the world. The recent further increase in the tariff in the United States was the silliest thing the nation has done for many years. It is to most thinking people that our tariff must be lowered in order to best serve our own interest. If any industry in our country needs protection it is agriculture, not manufacturing. Yet manufacturing has been receiving protection for many years and because of our agricultural surplus only a few agricultural commodities have ever received protection. Now many of the manufacturing industries find that they are injured more by protection than they are benefited by it.

Our domestic, industrial and financial problems are more pressing than are our international problems. However, we recognize that many of our domestic problems are intimately related to foreign trade and international finance. Economically, America is not isolated; we must deal with our international commercial and financial problems even though we refuse to become a party to European political controversies.

**FACULTY CHANGES**

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professor of dramatic art; Bee M. Barry, secretary of the college of fine arts.

Josephine Hunter Ray, instructor in dramatic art; Clara Luis Soiros, instructor in modern languages; Frances Atwater Lindloff, assistant in voice; Jessie Potter Beck, instructor in organ; Elsie P. Brown, assistant in Latin; Ina A. Ewing, instructor in art. J. C. Stephenson, professor of anatomy and head of the department of anatomy; Glenn A. Russell, instructor in anatomy; Ida Lucille Brown, instructor in bacteriology; Frederick R. Hood, assistant in biochemistry and pharmacology. Gertrude Wilber, assistant professor of histology and embryology; Adeline Rubin, assistant in physiological and embryology; Cecil W. Lemon, instructor in physiology.

Other resignations are: Lois Ball Vernon, stenographer in the registrar’s office; Grace Younger, assistant to the dean of women; Catherine Eiler, assistant cataloguer in the university library; Helen Morrison Dangerfield, library assistant in the library; and Grace S. Cassidy, librarian, school of medicine, Oklahoma City.

With the abolishment of the Oklahoma Geological Survey because of lack of appropriation by the legislature, the following have resigned. Charles N. Gould, director; C. L. Cooper, chief geologist; John Redfield, geologist; J. A. Beach, secretary; John A. McCutchen, American Petroleum Institute research observer; and Rex McBehee, paleontologist. Carl Pawesi, former pianist, teacher at the university, has been appointed to this post, under the direction of President W. B. Bizzell and Governor Murray, in distributing and selling pamphlets and literature properties of the survey.

Faculty members returning from a leave of absence include A. C. Shead, assistant professor of chemistry, who has been studying at the University of Illinois; W. S. Campbell, associate professor of English, who studied and wrote in France and Italy; Carl Paasi, former pianist, teacher at the university, has been appointed to this post, under the direction of President W. B. Bizzell and Governor Murray, in distributing and selling pamphlets and literature properties of the survey.

Faculty members returning from a leave of absence include A. C. Shead, assistant professor of chemistry, who has been studying at the University of Illinois; W. S. Campbell, associate professor of English, who studied and wrote in France and Italy; and S. B. Townes, instructor in mathematics.

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