

PATHFINDER

DIGEST OF WORLD AFFAIRS

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Congress of Criticism

**Charge That Bankers Have Taken
This Country for a Ride is Heard by
Students of Politics at Williamstown**

THIS year's session of the American Institute of Politics at Williamstown, Mass., resolved itself into a symposium of pessimism. Dr. Arnold J. Toynbee of London and Professor Herbert von Beckerath of the University of Bonn, Germany, saw democracy going into an eclipse. The former pleaded for international economic and financial stability while von Beckerath deplored the growing power of dictatorial and autocratic groups. The heavy burden of militarism induced Edward P. Warner, former assistant secretary of the navy for aeronautics, to recommend at least an 80 per cent cut in the world's air forces. He termed President Hoover's armament reductions plan, insofar as it affects aircraft, "futile." Count E. Westarp, former major general on the German general staff, and Pierre Lyautey, economist and nephew of Marshall Lyautey of France, clashed on the strength of the French army. Professor Bernadotte E. Schmitt of the University of Chicago, held the Polish Corridor question to be the most serious of Europe's problems. E. Weintal of the Polish embassy, Washington, declared its solution depended on relations between Poland and Germany. The French were accused of conspiring with anti-Fascists by Dr. Pasquale Villari, former member of the Italian foreign office. Japan's invasion of Manchuria was excused by Dr. Inazo Nitobe, member of the Japanese house of peers, as being necessary to establish a buffer state between Japan and Russia and a source of raw material for Japanese industry.

American bankers and their "high-powered" bond salesmen were de-



It Feels Lighter Now

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nounced for selling Americans short in defaulted Latin-American bonds by W. W. Cumberland, former financial adviser to Haiti. Professor B. H. Williams of the University of Pittsburgh thought it possible that South American governments were "co-plotters with American bankers."

Defending the international financier "who is being used as the general bogey man in politics," Dr. Theodore E. Gregory, professor of banking at the University of London, declared the financier to be "one of the few remaining links binding the world together in an era of immigration restriction, prohibitive tariffs and disorganized currencies." Though admitting that machinery is needed to deal with defaulting governments, Dr. Gregory held that paper profits and losses is one of the direct causes of booms and depressions. He warned that unless "surplus" banks are weeded out the next boom will bring "cut-throat" competition for loans that will threaten our financial structure. Debt revision was advocated by Professor John H. Williams of Harvard for three reasons: 1. Foreign debtors are likely to default anyway; 2. Payment pressure has hurt our foreign trade; 3. Special benefits would more than make up for reduction.