

# ALUMNI NEWS

## Annual meeting

Two hundred and sixteen alumni, including 65 men from the class of 1949, attended the annual meeting of the Alumni Association, held at the Los Angeles Athletic Club on June 8.

The program opened with reports from the classes of 1924, 1929, 1934, 1944, and 1949 on their respective reunions. After a short talk by President Lee A. DuBridg on recent activities of the Institute, H. R. Freeman reviewed the financial status of the Alumni Association and reported with some satisfaction that there would probably be a small surplus at the end of the fiscal year.

After presenting his annual report (which appears on page 21) President Howard B. Lewis announced the election of J. W. Lewis, Jr. as president of the Association for next year. Taking up the gavel, Joe Lewis reported the election of George K. Whitworth as Vice-President, and the re-election of Donald S. Clark as Secretary, and H. R. Freeman as Treasurer.

Main speaker of the evening was Horace N. Gilbert, Caltech Professor of Business Economics, who talked on "World Economic Prospects" (right), and the highly successful meeting ended with Manton Barnes, composer of the Caltech Alma Mater, leading the singing of "Hail C.I.T."

## Chapter notes

The June meeting of the San Francisco Chapter was held at the Piedmont home of Mr. and Mrs. Howard Vesper on Saturday, June 18. More than 65 alumni, families and guests attended the garden party. Guests of honor were Professor and Mrs. Royal W. Sorensen.

After an excellent barbecue, a short business meeting cleared the way for sound, colored motion pictures of the Tournament of Roses and the South Sea Islands, and the evening wound up with some fine group singing. The business meeting succeeded in producing three new officers for the next year: J. J. Hollaran '35, President; R. I. Stirton '30, Vice-President; and J. Kohl '40, Secretary and Treasurer.

The next scheduled meeting will be the annual swim and barbecue at the Bowmans' on August 27.

—J. Kohl, Secretary-Treasurer

Thirty one alumni and guests turned out for the New York Chapter's final meeting of the season, held at the Hotel Holley on June 1. Main event of the evening was the Palomar movie. In a brief business meeting, preceding the film, the following officers were elected for next year: President, Dick Brice; Vice-President, Dick Pond; Secretary-Treasurer, Erwin Baumgarten; Director (two-year term), Reuben Snodgrass. Dick Brice, in his first official act as President, appointed Ed Shanahan as chairman of a committee to study the by-laws of the Chapter, and to recommend changes.

—Cliff Burton, President

## World economic prospects

*E & S* wasn't able to produce enough space this month to run the complete text of the talk given by Professor Horace N. Gilbert at the annual meeting of the Alumni Association. For the benefit of those who didn't get to hear the talk, however, Prof. Gilbert has prepared this abstract of "World Economic Prospects":

Some years ago the British tried to raise the standard of living of the Hottentots of South Africa by introducing them to the raising of livestock. At least at the start these well-meaning efforts were a failure because the Hottentots could see only one simple use for the animals given them for breeding purposes: They killed the stock as soon as the British experts left them, and enjoyed a few good meals.

Do we ever do things that are as short-sighted as this action of the Hottentots? In presenting my analysis of world economic prospects, I claim that we are today proceeding along some wrong lines, and that the prospects for improvement in the economy of the world, accordingly, are not good. I accuse the American people today of failing to see 1) the advantages of a trading world, 2) the necessity of investing large amounts of capital to secure high productivity, 3) the direct connection between our heritage of freedom and our high material standard of living, and 4) the dangers of a centralized government. In these and in other ways we are continually cutting off our noses, and not even for so good a reason as to spite our faces.

The nations of the world appear to be struggling in something of a confused way with two related matters: political nationalism and economic nationalism. Until substantially greater progress is made along the line of solving these two problems than we have made thus far, the prospects for the peoples of the world living

## DON'T FORGET ALUMNI STAG FIELD DAY

Saturday, July 23 From 1 p.m. on

Anoakia School  
701 W. Foothill Blvd.  
Arcadia

Softball, Swimming, Tennis,  
Badminton, Volleyball, Horseshoes

Buffet Dinner at 6 p.m. Free Beer

Bring your Friends  
\$3.25 per person

together well, and in peace, are not good. We are making some progress, so there is a basis for optimism. But the present rate may be so slow as to be inadequate to meet today's Russian challenge. We are in an emergency and we should be conscious of a sense of urgency in making more rapid progress toward understanding the problems that face us.

The present world economic picture is dominated by the destruction and disruption caused by World War II. The Marshall Plan is the most important single program trying to remedy these conditions. The Communist threat is the political force behind the Marshall Plan, but even without the Russian problem, the United States would probably be extending aid to western Europe.

How successful has the Marshall Plan been? This month we are celebrating the second anniversary of the declaration at Harvard and already some \$5,000,000,000 has been poured into the recipient countries. We can make a tentative appraisal of results. The dominant factor has been the gradual and persistent tendency for the countries concerned to return to their prewar relationships. Industrial production has returned to 1938 levels in all but a few cases, and in some that level has been exceeded. This recovery was well along before Marshall Plan funds had been allocated.

But within the past few months an alarming condition has developed in several of the Marshall Plan countries. Export surpluses have appeared in textiles, light electrical, and light metal products in particular, for which markets cannot be found. Whether Marshall funds are responsible or not cannot be clearly stated, but it is clear that something has gone wrong. Unemployment is raising its ugly head again, long before satisfactory reconstruction has been accomplished.

What has gone wrong? My conclusion is this: The Marshall Plan took care of only half of the problem; namely, the provision of dollar exchange. The rest of

the problem had to do with markets, and it has not been handled successfully. It does not appear to be possible, in the short run, to reconstruct the countries of western Europe by having them produce for each other. Germany experienced the same failure after World War I, after succeeding remarkably well with the reconstruction of her industrial economy, financed by private loans from us.

What could have been done? In my opinion the Marshall Plan should have included not one, but two ideas. In addition to offering funds we should have offered access to the United States market for goods produced in the countries to be helped. A definite period of perhaps 15 years might have made the proposal politically acceptable to our Congress. With access to our rich market possible, the native energies of enterprisers in the countries affected would have been released and put to work. The need for a flow of Marshall Plan funds from the top down would have been greatly reduced, and gradually the nations to be aided would have begun to earn their way.

One single statement appears to me to convey the central fact about the world economic problem today: there is only one market that will permit the countries of the world to make a sufficient economic comeback to stop Communism, and that is the United States market. Later on, access to this country as a market will probably become less important, but now it is essential to permit countries like Great Britain, France, Belgium, and Holland to earn their way.

Are we like the Hottentots, unable to see the advantages to all resulting from greater world trade? Further, in the present emergency, are we unable to see that the way we can make the greatest contribution to world recovery is through opening our markets to the goods produced by the countries that must make an economic comeback to stop Communism?

### ALUMNI ASSOCIATION OFFICERS

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The San Francisco Chapter meets for lunch at the Fraternity Club, 345 Bush Street, every Thursday.

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Department of the Army

Office of the Assistant Secretary, Pentagon Bldg.

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