I BEGIN WITH THE OBVIOUS. BUT ITS OBVIOUSNESS DOES NOT DETRACT FROM ITS IMPORTANCE: THE UNIVERSITIES OF AMERICA ARE IN A CRITICAL STATE. THIS CRISIS ARISES, FIRST, FROM A GREAT OBLIGATION THAT THEY INHERITED AS A CONSEQUENCE OF THE WAR. BEFORE AMERICA HAD TRUE UNIVERSITIES, WE BORROWED HEAVILY FROM EUROPE IN THE INTELLECTUAL SPHERE. THE DISRUPTION AND DISORGANIZATION OCCASIONED BY POLITICAL TYRANNY AND WAR HAVE SO SAPPED THE INTELLECTUAL ENERGIES OF EUROPEAN UNIVERSITIES THAT THEY ARE NO LONGER IN A POSITION TO MAINTAIN THEIR EXPORT MARKET. OUR UNIVERSITIES ALONE CAN MAKE US A CREDITOR NATION IN THIS RESPECT.

THE UNIVERSITIES ARE IN CRISIS, ALSO, BECAUSE THEIR FUNDAMENTAL PHILOSOPHY IS STILL DOMINATED BY EUROPE. IN THEIR FORMATIVE PERIOD GERMAN SCHOLARLY PROCEDURES SO CAPTIVATED THE MINDS OF THOSE WHO BROUGHT THEM HOME AFTER TRAINING ABROAD THAT OUR GRADUATE WORK, THOUGH DIVERGING MORE AND MORE, NONETHLESS FOLLOWS THE GERMAN MODEL. TWO WARS REVEALED THE WEAKNESS OF GERMAN SCHOLARSHIP; MAGNIFICENT IN ITS PRECISION, IMPRESSIVE IN ITS THOROUGHNESS, IT WAS MARKEDLY DEFICIENT IN A SENSE OF VALUES. AMORAL DETACHMENT LEFT THE ROAD CLEAR FOR IMMORAL POLITICS, DOMESTIC AND FOREIGN. OVERATTENTION TO METHOD WITH UNDEREMPHASIS UPON VALUES IS A SERIOUS DEFECT WHICH AMERICAN UNIVERSITIES DERIVED FROM THEIR GERMAN INSPIRATION. THE TIME HAS COME TO REDRESS THE BALANCE OF EMPHASIS AND ELIMINATE THAT EVIL.

THE THIRD OCCASION FOR CRISIS IS THE ENORMOUS DIVERSIFICATION OF UNIVERSITY PROGRAMS. THERE ARE MANY KINDS OF SCHOOLS AND COLLEGES, UNDERGRADUATE AND GRADUATE, WITHIN UNIVERSITIES, MANY RESEARCH INSTITUTES, AND OTHER CONSTITUENT ELEMENTS. THEIR NATURES OFTEN ARE SO DIFFERENT AND THEIR CONTROLS SO VARIOUS THAT SOMETIMES THE UNIVERSITY BECOMES A MERE COLLECTION OF VIRTUALLY INDEPENDENT UNITS; THE TOTAL STRUCTURE IS WITHOUT COHERENCE. MOREOVER, AS PROFESSIONAL ASSOCIATIONS GAINED POWER, IN THE NAME OF Raising "STANDARDS," THEY SUBJECTED INSTITUTIONS TO SO MANY REQUIREMENTS THAT THE DETERMINATION OF POLICY IN CERTAIN AREAS IS MORE EXTERNAL THAN INTERNAL. THE DISINTEGRATING PROCESS HAS REACHED SO ADVANCED A STAGE THAT ONLY THE GREATEST ADMINISTRATIVE SKILL AND FIRMNESS CAN REVERSE THE TEND.

THE CRISIS EXISTS IN THE FOURTH PLACE BECAUSE SOCIETY HAS Laid UPON THE UNIVERSITIES BURdens WITHOUT SUPPLYING COMMENSURATE RESOURCES. THEY WERE REQUIRED TO ACCEPT MULTITUDES OF STUDENTS WHEN THERE WAS NO CORRESPONDING IN-
crease in the number of competent teachers, no adequate growth in libraries, laboratory facilities, and physical properties.

Many agencies of government as well as strong social pressures tend to enlarge attendance. Numbers would contribute much less to crisis if the surge reflected a great intellectual renaissance, vast enthusiasm for humanistic studies, and scientific investigation. Unhappily, it is more a consequence of philosophies of social amelioration and of political sentimentalism than of deep intellectual purpose.

There is crisis also because even at a moment when the professoriate enjoys less public confidence than for many years, when nervous fear of "Reds" in the colleges is widespread, the nation is dependent upon the universities for experts. Administrators have been harassed by the demands of the military government of occupied territories for the loan of staff members, by calls from Washington for the detachment of professors for specific enterprises, and by the urgency of research for defense and public health. In some institutions extra-academic activities and research contracts have led to dislocation of staff and distortion of program, which culminate in drawing energy away from the teaching function.

**EXPENSES ARE UP**

There is a crisis, finally, because university expenses have gone up. The costs of heat, light, maintenance, mechanical and other services have advanced sharply. Would that costs of instruction proper had gone up equally! But during inflation the professor is the forgotten man. His standards of living have been depressed to a degree no labor union would tolerate. It is most serious in lower standards of intellectual life. Academic poverty incubates slow, wasteful, ineffective methods of work; such concealed costs are very serious, even though they are not revealed on a university balance sheet.

It will not suffice, if we are to master the crisis and strengthen the universities, merely to mouth magic words, old or new. In modern political literature one such word stands out so conspicuously that it could be nominated the "Word of the Half-Century." "Planning" became the shibboleth of liberalism and the verbal solvent of the ills of the world.

At the height of its vogue came an unplanned war. Certainly América
A vigorous movement to subsidize higher education generally is only a matter of time. Indeed, the President's Commission on Higher Education proposed a subsidy for public institutions and a minority of that body protested against the exclusion of private institutions. It is significant that they did not protest a subsidy, but only its restriction to public institutions. There was no such limitation in the bill to give federal aid to medical education. That precedent might become decisive in setting subsidy policy. If the trend continues as it has been developing in recent years, a general federal subsidy will be established by the cumulative force of specific instances.

So far we have only the thin edge of the wedge. Initial federal programs involve modest figures; they seek to avoid political interference with educational, scientific and cultural activities. Fears are quieted by pointing to the British university grants committee as a model that demonstrates how a national treasury can contribute to the support of higher education without controlling its program or policies.

Citing the British grants committee as a sound precedent for federal subsidies to American higher education is misleading in at least two respects, both of critical importance. The first is that under our political system Congress plays a rôle in appropriations which contrasts sharply with that of Parliament in Britain. Parliament makes appropriations in general terms and leaves wide discretion to the treasury. In Britain the interference of Parliament in the administration of a grant would result in upsetting the government, whereas in America such legislative interference is a matter of course.

WHAT HAPPENED IN A.E.C.

We have a clear instance right at hand. The Atomic Energy Commission set up a system of fellowships. The National Academy of Sciences and the National Research Council, as its agent, were assigned the task of independent, nonpolitical selection of fellows. Those bodies, in their concentration on scientific competence and in their political naiveté, made some selections that were unfortunate. Thereupon, in the next appropriation bill, restrictions were laid upon the expenditure of funds; these so seriously impair fundamental policy that fellowships for work in nonsecret studies are being discontinued, and the National Research Council is withdrawing from the administration of the remaining fellowships after next year because the National Academy regards the restrictions as "unwise from the standpoint of the advance of science in the United States." That episode offers a conspicuous illustration of the way in which, under the American tradition, Congress can and habitually does control administrative policy in a manner that is inconceivable under the British system. When, therefore, the British grants committee is cited to prove that government can make grants without interference in academic matters, the answer has to be that there is no parallelism to justify the reference.

In the second place, the inferences drawn from the British grants committee are based upon a situation that no longer exists, even in Britain. That committee was established in 1919. When it formulated the classical policies on the basis of which favorable inferences are drawn, treasury grants were for a marginal part of university budgets. Originally one-sixth or less, even as late as the period immediately before the war grants amounted to only about one-third of the budgets. Since the war, however, the grants have risen above 50 per cent and in a year or two will exceed 60 per cent. Because grants are not the same percentage of the budget in each university, in some instances the subsidy may amount to as much as 70 or 80 per cent.

In its last report the grants committee candidly recognized a change in its relationship with the universities. "Events . . . have transformed the sit-
The question cannot be avoided whether the greatly increased dependence of the universities on government grants may carry with it a threat to their continued existence as free institutions. The system between the two wars was free of any form of state interference and control. It is generally accepted that, in administering the much larger funds, it is appropriate for us to exercise a somewhat greater measure of influence over university policy than hitherto. When Exchequer money is involved on the scale now reached, the duty of ensuring that it is expended in the way best calculated to promote the public welfare is plainly imperative.

We should decide whether the trend toward federal support of American universities is to accelerate or is to halt. Before we are drawn into the dependent situation of the British universities, under much less favorable circumstances, we ought to look with great candor at the factors that produce federal aid.

**BRITISH EXPERIENCE REVEALING**

In facing the issue some phases of British experience are revealing. Subsidies were made to British universities because senescent capitalism gave them inadequate philanthropic support. Capitalism had manifested grave defects from its own philosophy. It atrophied as a result of monopoly practices in pricing arrangements and in market allocations (which permitted neglect of cost reduction); it substituted collusion for competition; there were widespread nepotism and managerial inertia; undermaintenance of plants, neglect of home investment, and the slighting of research (even hostility to it) resulted in retardation of technological improvement.

By short-circuiting competition, British capitalism kept marginal producers in business and relieved them of the necessity to exert themselves. This was the more disastrous because it coincided with the rise of competition from Germany, Japan and other countries, the decline of colonialism, and the cost of a world war. These circumstances should have stimulated British capitalism to intense effort, vigorous innovation, aggressive management, and lively marketing. In default of those qualities British trade lost ground even in peace time.

Furthermore, protection of the least competent management, which negated the competitive thesis underlying free enterprise, sold the worker short and drove him to look for "welfare" from government, not from production. Thus in two ways at least, both foreseeable and preventable, capitalism smoothed the way for socialism in Britain. When enfeebled capitalism no longer met its social responsibility to support free institutions of learning, government took over.

**KEEP THEM SOLVENT**

In America there is only one way to keep the government from taking over the independent universities and colleges, and that is to keep them vigorous, competitive and solvent. If private capital has only the wish to keep government out and not the will to keep it out, the financial status of the institutions will deteriorate to such a point that money must come from any source available to meet commitments to their faculties, the expectations of the young, and the demands of society. The medical schools have already reached a condition where they are ready for desperate expedients. Other phases of higher education are not far behind. If philanthropy withers, government will step in.

It is a matter for deep concern that already in one way or another—through government payment of fees, contracts for research, or other less obvious forms of payment—some independent, private institutions are (directly or indirectly) drawing half or more of their revenues from federal sources. By appointments and other commitments they are becoming dependent upon that support and, as a result, the government is getting a vested interest in their programs, procedures and even their methods of accounting.

Those institutions that have not followed this policy experience an adverse leverage against adequate personnel, adequate salaries, and adequate research equipment.

The trend to federal subsidy grows in part out of political ambitions and social utopianism. It is caused much more by the failure of people interested in free enterprise to give universities and colleges the resources essential to survival as exponents of independent education. The government cannot take over institutions that are not made ready to be taken over by those who have moral and official responsibility for their preservation. Gifts for higher education during the last two years fail to reflect the payment of the largest dividends in American history. The cold fact is that at present American educational institutions are not receiving fresh capital at a rate commensurate with the necessities for independent survival.

Men have always wished for a condition where poverty and other unpleasant things would be abolished, for the false utopia denounced by Kipling, "where all men insist on their merits and no one desists from his sins." In the same way, if the American university falls into the hands of government, it will be because those who believe in the freedom and independence of learning wish for them instead of exerting will power to maintain them. The task cannot be done by wishing; it will require the greatest possible sacrifices.

The sacrifices are of two kinds. The first is financial. Independent education is essential to the independence of both business and the church—and independence can be achieved only by gifts. Independent universities cannot enlarge their income adequately by increasing tuition, which is already high. An attempt to do so would simply price them out of an intellectual market and into a social market, which would mean saving something not worth saving.

The second sacrifice involves readiness to take the hazards that go with freedom. Universities cannot preach a conservative doctrine any more than they should preach a radical doctrine. If teaching is either conservative or radical, doctrine is set above the search for truth. The task of the universities is to evoke intellectual power, not to freeze an established pattern. They must stimulate students to seek to achieve ideal ends. This is dangerous business, for the use of minds is always dangerous.

**WILLING TO TAKE RISKS?**

The essence of capitalism is willingness to take risks: When risk taking is evaded, capitalism falters and socialism supervenes. The essence of a free educational institution is, in like manner, the willingness to take intellectual risks—else the process is sterile and can be molded by the government into propaganda.

Unless we are ready to make both these efforts, financial and intellectual, American universities might as well climb up on Uncle Sam’s knee as quickly and meekly as possible.