SCHACHT ENDORSES PAN-EUROPE UNION

President of the Reichsbank Calls Federation Idea Economically Sound.

LAUDS FUSION OF MARKETS

He Holds Move Is Not Against Non-European Nations and Looks to World Organization.

BERLIN, Oct. 29 (F).—Members and friends of the Pan-European Federation are jubilant over the warm endorsement of the Pan-European idea given by Dr. Hjalmar Schacht, President of the Reichsbank, today. It was the first public utterance of the German financial leader on the subject, and it evoked considerable interest in all quarters.

Dr. Schacht made his remarks before a large company of invited guests, chiefly political lights of all parties, at the home of the President of the Reichstag, Dr. Paul Loebe.

Declaring he was speaking "not as a member of the movement, but as an outsider; as a pure economist accustomed to deal with the soberest factors," Dr. Schacht said it was his opinion that the Pan-European idea was sound economically, besides representing an ideal worthy of a struggle as a counter-balance to exaggerated nationalism.

In the merger of the numerous small, limited markets he saw prosperity, while from a standpoint of practical economy a closer fusion of the individual European markets was most attractive.

Passport difficulties, indirect subsidies and prejudices against foreigners were all accepted by many countries as weapons for national politics, he pointed out.

"The battle against chauvinistic nationalism must be the keynote of future diplomacy," he declared. "Nationalism means not only a right, but a duty, to enlarge and enrich modern civilization."

"The greatest advantages, would accrue if instead of numerous small, artificially restricted markets, a large common market were created. The Pan-Europe Idea must not be regarded as directed against non-European nations. Just as in a movement toward international industrial organization, it is first necessary to create national federations, so, in planning world federations continental organizations may have to precede the intercontinental."

"Hence the Pan-Europe movement is the right step in the direction of advancing humanity by economic well-being to spiritual and moral progress."

Dr. Schacht's utterances came after a statement by Dr. Loebe that his visit to America last year made him an ardent champion of a Pan-Europe movement. He noted the advantages accruing to the United States from federation and realized the disadvantages to Europe from division into small nations.