

BANK OF MONTREAL
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EXTRACT ON PRESENT FINANCIAL CONDITIONS

BY

Mr. C.E. Mitchell, Chairman, Nat'l City Bank, New York
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Besides the need for expedition in dealing with the credit situation, other problems likewise call for enlightened action if confidence is to be fully restored. The settlement of the railroad question is of paramount importance to the American people whose savings, individually and through banks, insurance companies, and other institutions, are so largely invested in the securities of the railroad companies. Also it is vitally necessary that public finance, both of the Federal Government and of the governmental subdivisions, be conducted on a sound basis, both as to budgets and as to financing requirements in the manner least disturbing to the money markets and to industry. And finally, there is need in this country for the development of a spirit of cooperation in the approach to perplexing international problems of debts and tariffs. It is a truism that no nation can isolate itself economically in these modern times, or prosper in a world in chaos. It would be unjust and unreasonable to expect the American people to take upon themselves solely the burden of international adjustments, but it may be urged that it is in their interest to come to a consideration of international questions with a willingness to share with others, where sacrifices are necessary, in order to speed the revival in which this country, as well as the world at large, is so vitally concerned.

EXTRACT FROM LETTER - RT. HON. LORD BEAVERBROOK, Feb. 4/32

ON GENERAL CONDITIONS AND WAR DEBTS

"I have read the enclosures and I am bound to say that I admire the lucid way in which you have set out the facts.

"So far as war debts are concerned, there is nothing people in this country would like better than to pay the money to the United States in full. But it cannot be done without bankruptcy. That is the position.

"At the moment, too, we are much more concerned with laying the foundations of the new economic Empire than with debt settlements. Of course, that does not mean that we shall not have to think about the debts in the future."

SIGNED "Max"