

I-2118

Bank of Montreal.
 DRUMMOND & ST. CATHERINE STS. BRANCH
 1205 ST. CATHERINE STREET WEST

Montreal, Que. 3rd May, 1932

My dear Sir Arthur:-

I was delighted to receive your letter this morning and I am glad Mr. Beatty handed you my letter to Hamilton Gault with attached extracts of various men's views on the subject of War Debts and Reparations; in this connection I attach additional extracts of letters from a very prominent American.

Please keep the documents, etc. if they are of any use to you. I was wondering what had happened to them, as Mr. Beatty did not acknowledge my letter enclosing them to him, which is unusual for him.

I do not know if you noticed in the papers that Al Smith who is running for President in the United States has strongly advised a 20 year Moratorium or complete cancellation of War Debts.

A friend of mine who spent a week at Washington in connection with the Paper and Paper industry in Canada says, that the American Confidential Secret Service men from the other side strongly advocate the cancellation of the War Debts, but they are afraid of France dominating Europe.

With regard to the Imperial Conference, a glance at the figures of exports between Canada and the British Empire and the United States show that it cannot be a marked success unless Canada is prepared to purchase from England what she is at present purchasing from the United States. Without going into a lot of figures, I quote here the first four largest articles purchased in the United Kingdom and the United States:

<u>1931</u>	<u>United Kingdom</u>	<u>United States</u>
Iron and its products	\$ 14,141,978.	\$ 97,127,061.
Non-Ferrous Metals and their products	4,646,587.	30,914,645.
Non-Metallic Minerals and their products	10,460,758.	81,627,296.
Chemicals and Allied Products	3,894,465.	21,151,914.
	<u>\$ 33,143,788.</u>	<u>\$230,820,916.</u>