

BANK OF MONTREAL
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I may add that in my view it is not worth while keeping afloat any part of the Reparation debts. I am fully convinced that salvage operations to rescue any scrap from the deep into which it has sunk are not worth the cost and risk.

The total payments made by or on account of Germany to the Allied and Associated Powers for reparation and cost of occupation from the Armistice to July 1st, 1931, when the Hoover Moratorium came into force amounted, according to the estimate of the Reparation Committee, to £ 1,010,000,000. That is five times as large as the War Indemnity paid to Germany by the French after 1871.

Germany herself estimates the value of her total payments in this period at a much higher figure, viz: £ 2,695,000,000, while according to the computation of the Washington Institute of Economics in the United States of America - a calculation based on very careful investigation - the figure should be £ 1,905,000,000. This intermediate estimate worked out by an independent and impartial authority, is probably the most accurate available.

While I am on this point, I might add that the proportion of her reparation debt which Germany has paid compares still more favourably with the payments which France has hitherto made on account of her war-debts. The total of the funded war-debts of France to Britain and the United States amounts to approximately £ 1,426,000,000. So far, she has paid less than £ 110,000,000 on these accounts, or about one-thirteenth of the sums owed.

Had our Allies been able to pay us for the goods supplied to them, we should never have incurred a half-penny of debt to America, for the payments due to us from Europe would have been set against our liabilities to the United States for purchases we made from her, and settled in the ordinary course of business by the clearing-house methods of international finance, leaving us very much to the good.

As, however, we were compelled to finance our Allies on a very considerable scale, the position reached