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BANK OF MONTREAL
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DRUMMOND AND ST. CATHERINE STS. BRANCH
1205 ST. CATHERINE ST. WEST
MONTREAL, QUE.

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6th Jan., 1932

"Germany splits the Loan, 33 per cent being used for reparation payments, the balance being used in the construction of gymnasiums and athletic fields to keep up the younger generation's spirits, municipal buildings and model apartment-houses, and a small portion being devoted to the assistance of industries. All immovable.

"France may not invade Germany because of the large amount of United States, British and Foreign Capital invested, which would be in danger of destruction, who would, naturally, be compelled to protect such vast interests.

"Reparations have been chiefly paid out of the Loan, also the interest on the bond issue is not from same source.

"Propaganda for the cancellation of all War Debts starts (and still continues in a forcible way).

"Peak of inflation reached and crash with the incidental panic follows stocks and bonds of all kinds and description tumble. Fall of 1929, owing chiefly to short or long term credits stopped by the United States and Great Britain.

"Tariff revision by the United States brings a protest from all countries, but is unheeded. Trade is, therefore, further disorganized.

"Depression deepens and continues into 1930 and includes all kinds of human endeavour. Public lives in hopes that 1931 will see a return to normalcy, (and are still hoping at start of 1932).

"Disarmament conference a failure because Italy and France finds reasons for mutual distrust and recently America has voted \$700,000,000. for new additions to her Navy (January 1932).