139100

CONTENTS

139101

President Roosevelt's National Money Machine

By J. J. HARPELL

In the final analysis, there are only two ways of dealing with government debts. If they cannot be paid, they must be repudiated either in principal or in interest or in both. When the debts of a privately owned firm become so large that they cannot be paid, the firm is put into liquidation, so many cents on the dollar are paid, and the firm goes out of existence. Governments cannot be dealt with in that way. Public opinion, today, will not stand for a nation going out of existence just because it cannot pay its debts. Public opinion will not stand for a nation being sold at auction for its debts, and public opinion revolts at the idea of a nation being seized by physical force for its debts. Such a thing is not done and could not very well be done.

During the last two generations (about 60 years) the government debts of all nations, more particularly those engaged in the Great War, have increased to unheard of proportions. All governments outside of Canada, the United States, Australia and New Zealand and a few others have taken the easiest way out and repudiated their government debts, in part or in whole. This is particularly true of European countries. Even Great Britain is no exception. She has government debts (national and municipal) of over \$47,000,000,000.00—over \$1,000.00 per head of population. About \$5,000,000,000.00 of this debt is held outside of Great Britain, mostly in the United States, and no attempt has been made for over three years to pay either the principal or the interest on this part of Great Britain's government debts. The general belief is that it never will be paid. France has also repudiated practically all her foreign debts and devalued (which amounts to repudiation) four-fifths of all her debts, government debts and others, that were held within that country. Italy, Belgium and some other nations got rid of the greater part of their debts in a similar manner. Russia and Germany devalued all