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- 8 -

America had better make up her mind soon - as soon as the Presidential Election is over - to make the best of a bad job, bearing in mind the wise words that the Secretary to the American Treasury uttered years ago in his Debt Commission Report:

"The entire foreign debt is not worth as much to the American people in dollars and cents as a prosperous Europe as a customer."

CONCLUSION:

An International Conference was to have assembled at Lausanne in February of this year to consider the international financial situation, with special reference to reparations. It was postponed, but is now promised us in the summer.

The delay is particularly unfortunate in view of the warning sounded by the Basle Committee in their report that no delay should be permitted "in coming to decisions which will bring an amelioration of this grave crisis which weighs so heavily on all alike." On June 30th the Hoover Moratorium expires. There is at present no faintest prospect that the continent of Europe will then be in a position to resume payment in respect of its international war liabilities. Indeed, the Basle Committee has already reported in favour of postponement of the postponable reparation annuities, thus cutting off the source of supply for the bulk of war-debt payments. And there is scant reason to hope that even the non-postponable annuities will by then be forthcoming from Germany.

It is no use floating helplessly down to catastrophe on a Micawber stream of hope that something will turn up to save the situation. Obviously some agreement must be reached before midsummer between the responsible Powers that will prevent the moratorium expiring until their Conference has evolved a satisfactory plan to deal with the situation. Obviously, too, it is worse than futile to think of merely postponing the issue from month to month by extensions of the existing moratoria on war liabilities and on the short-term loans that have been granted to Central Europe. Financial recovery is impossible under such conditions. There is no-