

in 1929 to some \$37,000,000,000 at the present time, or more than 50%. While we have been insisting on payments from abroad to be applied through our Budget in reduction of taxation, our annual income tax collections have diminished by some four times the amount of the annual debt payments. In other words, the acceptance of these debt payments has been a burden and not a blessing, a loss and not a gain. If we got rid of them, confidence would be restored, trade would revive and the farmer, the wage-earner, the industrialist and the transportation company would again be able to earn a livelihood. These would all have income from which to pay income taxes, and the gain to the American people would be so enormous that the sacrifice of the annual debt payments would be something quite negligible.

It is not necessary now to go over the whole question again, but it was bungled from the start by our Government. We should have promptly accepted the principles of the Balfour Note of 1922. The attitude which we have been taking for ten years is in flat contradiction to the declarations made on the floor of the Congress, when authority was given to our Government to make the advances to foreign Governments which are the basis of these debts. As Lord Snowden said the other day in London, the sums advanced by the United States Government to the Allies, which constitute the debts to America, were in fact America's contribution to the cost of the War she had declared on Germany. There is no use in going back over that ground now. The economic and financial questions which have grown out of these debt payments are far too pressing for us to waste time in a post-mortem discussion. It is right and proper that we should press upon the debtor nations a genuine disarmament and thereby strengthen the cause of peace and relieve the tax-payers in every land, but we cannot wait for the accomplishment of that. In the interests of our own farmers, wage-workers and industrialists, we need to act at once.