

That solution, let me say, if it is to be a good solution and a permanent solution, is going to be one which will not satisfy any nation that takes part in it. It is going to be a compromise in which no nation gets all that it wants. But, on the other hand, in the finding of a solution and a quick solution, every nation is going to have enormous gains.

#### WAITING FOR ELECTIONS

We used to have a saying in the United States that politics stops at the water's edge. It used to be a point of pride with us that all parties stood behind the President when it came to a matter of negotiating with foreign powers. But in these extraordinarily difficult problems involving the payment of money between governments, the executives in France, Germany and the United States have been crippled by political dissensions among their own peoples and in their own parliaments. All have been afraid of the damaging effect, both on internal political organization and on foreign relations, of even conducting negotiations regarding this matter while elections are under way. With the fate of Germany trembling in the balance, it was still necessary to wait last winter and last spring, first for the German Presidential election to be completed, and second for the French elections to be held. After that came the marvelous settlement at Lausanne, a settlement made contingent, however, upon further consideration by us of these intergovernmental debts. But by the time that Lausanne had finished its work our own Presidential campaign was beginning, and, although everybody knew that the problem would come before us in an acute form on the 15th of December, the matter was little discussed in the campaign and our public is ill prepared to face the issue. Political machinery moves so slowly, even when it moves in the right direction, that the economist is often very much disheartened. But it is moving. The jealousies, suspicions and fears which existed between France and Germany last winter and which seemed to present an almost insuperable obstacle to a workable settlement have been resolved at Lausanne. And the practical American people, who have no political and military fears of the rest of the world, will not long be content to allow their policies to be guided by either resentments or the strict letter of the contract, in opposition to their own real interests.