

67 Yonge Street,
Toronto, Ontario,
April 30th, 1927.

My dear Sir Arthur:-

I appreciate very much your letter of the twenty-eighth instant, giving me the reference as to the debt question. I shall get the article, and keep it for further reference.

After I had written you, I recalled that of course the war debt must have accrued after the American entry into the war, because up to that time, America, as a government could not arrange loans to any of the belligerents without a breach of neutrality, and it was only after they had taken the final, deliberate step that the government, as such, could arrange an accomodation to the allies.

My impression was that the entire debt was money which was used by Great Britain for other allies whose credit was not good enough to satisfy Uncle Sam, and therefore Great Britain was really only an endorser who is now called upon to pay the whole liability.

I remember speaking to a group of three hundred lawyers in Cleveland some time ago, when I illustrated the extent of the debt by pointing out that Great Britain would be paying for it, for the next sixty-two years, at the