

would seem best calculated to promote the future peace and prosperity of the world. This is a joint enterprise. It calls for similar action by other nations and affects all international monetary operations directly caused by the war.

We realize that this statement has touched upon only a few of the many aspects of this complex question. We have said nothing about the legality of our claim to full payment. That is conceded by all of the debtor nations. We have passed over the fact that while the advances were made by the United States Government the means required were secured by issues of bonds to our own citizens, which bonds must be paid with interest whether or not the debtor nations make repayment. But to the extent that these advances were used by our associates to prosecute the war to our incalculable advantage, they seem to us like other war expenses, financed through bond issues rather than through revenues from taxation. We have said nothing of the special reason for moderation in our claims for repayment from Great Britain growing out of the loans she was making to our continental associates, also mainly to permit a more vigorous prosecution of the war, not of her declared willingness to forego repayment from them in exact proportion to the extent that we relax our demand for repayment from herself. This aspect must be given due weight in any international debt conference. Finally, we have not attempted to estimate the gains made by our associates, territorial and other, through the peace treaty. Their losses were incomparably greater than ours. They have come out of the war crippled and impoverished. No sober-minded economist would think of claiming that their gains would offset more than a fraction of their losses, or that should we cancel all the debts due us their economic position would be raised to anything approaching ours.

There is one aspect of the question, however, that must not be ignored. Can any thoughtful American view with indifference the growing odium with which this country is coming to be regarded by our European associates? This would be distressing whatever the occasion; but when from the European point of view, there is convincing justification for their unfavorable estimate of us, should we not welcome a chance to talk out our differences around a conference table? Evidence is accumulating week by week that our insistence on debt payment will cause the hatreds, which European countries are finding means to allay among themselves, to be concentrated squarely against us. Already international trusts are being organized to compete with our industries in neutral markets. Already it is being pointed out that the reparation payments which threaten to hold Germany in financial bondage for two or three generations are necessary to permit the Allies to pay their war debts to us. A coalition of Europe against the United States might prove a good thing for Europe. Can anyone believe that it would be a good