

EXTRACTS FROM LETTERS OF A GREAT AMERICAN FINANCIER
TO
D.W. OLIVER -1931

"It is a pretty safe bet now, although nobody in the United States will agree with you, if you say so, that when the one-year Moratorium is up, it will have to be extended, and that will ultimately mean that the United States will have to forego its reparations, or, in other words, cancel the debts owed it by all the other nations. This will leave the United States in a rather sorry mess, as we will still have to pay the interest and principal on the Liberty Bonds which were sold and are still extant, to secure the money which was lent the Allies.

"It will be a good thing in one way, however, because it will be a good many generations after that before the United States will ever embark in another war or lend money to anybody, for the same purpose."

"There exists in Great Britain and in Europe, as well as in Canada, an erroneous opinion concerning the power of the Chief Executive of the United States. It should be remembered that the constitution under which we live was created at the close of a war of rebellion which marked the close of long years of oppression on the part of executives in England. As a result, the American Colonists severely curbed the power of the Executive in the new constitution and placed their faith in the legislative side of government, a procedure quite different from that employed in England and in Europe. That is the reason why Europe could not understand that Mr. Wilson did not have the last word to say in the League of Nations pact and why Congress, the legislative body, threw his agreement in the ash can.

"Even the one-year moratorium which was proclaimed by Mr. Hoover has not yet been ratified by Congress, who could refuse to ratify it, if they saw fit. Mr. Hoover endeavoured to provide against this, by calling as many of them into session with him informally, as he could.

"Nothing that he has done with M. Laval can be binding until ratified by Congress. We do not know what Laval proposed to Mr. Hoover; but we can tell you something about our view of the situation, that is: we believe that France is scared, - scared by Great Britain, not by the United States, - and that she came to us with proposals looking to