

LARGEST DEBTOR CLASS.

Professor KEMMERER of Princeton has sometimes been called the "doctor of sick public finance." He has practiced in several countries with success, helping to balance budgets and stabilize currencies. It begins to look as if he might be called in to the bedside of ailing American finance. If he were, one of the first things to be prescribed by him would doubtless be something to rid the patient of false ideas and dangerous obsessions. In an address at Cleveland on Feb. 11, 1933, Professor KEMMERER spoke, as if by anticipation, of one of the delusions afflicting Senator THOMAS and other inflationists in Washington regarding the relief of debtors in this country. Professor KEMMERER asked who constitute the greatest debtor class in the United States. His answer was simple. They are the stockholders who own the big corporations whose debts, expressed in bonds issued, are seven times the amount of farm mortgages and all other agricultural loans combined.

Now what would happen if the Government came to the aid of these debtors by devaluing the dollar so as to make it worth 50 cents or thereabout? They would profit by many millions, since they would be enabled to pay off their debts at half their contracted price. Then who would be that body of creditors so contemptible, so proper a prey, in the eyes of Senator THOMAS? They would be thousands and thousands of middle-class investors who had put their meager savings into corporation bonds; they would be the holders of insurance policies; they would be the owners of small savings-bank accounts; they would be colleges and hospitals and libraries and societies for mutual benefit and pensions, with their funds invested in the confidence that when the bonds they bought said a dollar in gold they would get that kind of dollar. Meanwhile, the speculators—the sort of people whom President ROOSEVELT in his inaugural address described as "unscrupulous money-changers"—would be having a perfectly glorious time.
