

Calvin Coolidge Says:

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NORTHAMPTON, Mass., June 19.—As the income and earning power of the people decline, due to depression, governmental debts and expenses become a real problem. We have been going through an era when nearly all the public debts except those of the national government have been increasing. The expectation was that the general expansion of business would make it easy to pay them. Now the opposite condition prevails.

By retiring and refunding its debt the national government is saving nearly half a billion dollars annually in interest. The only other course would have been more extravagant spending or reduction of taxes. Either one of these would have aggravated the present serious situation of the Treasury.

When money is borrowed by a government or an individual to pay current expenses it means living on capital. If carried far enough disaster results. When debts are paid it means capital is restored. If carried far enough prosperity and plenty follow. Some of our municipalities borrowed too much in the day of plenty and are not able to meet their obligations. The national government economized some, though not enough, in the day of plenty and is now able to get credit to take care of the day of adversity.

CALVIN COOLIDGE