

FRANCIS RALSTON WELSH
INVESTMENT BONDS
COMMERCIAL TRUST BUILDING

Philadelphia January 14, 1935.

Honorable Charles E. Hughes,
Supreme Court,
Washington, D. C.

Dear Mr. Hughes:

In the hearings in the Supreme Court on the Gold Contract Clause some questions were asked the Attorney-General and his assistants, but the account I saw was very partial and I might be suggesting something that has already taken place.

Might I suggest that if there are further hearings, the Attorney-General should be asked whether or not the gold exports were stopped by the debasement of the dollar or by the prohibition of exports first without special licenses, and afterwards by the confiscation of gold?

Whether or not any difficulties that the Government and the Country might otherwise get into through a decision adverse to the Government could not be quite well remedied by revaluing the dollar on the old basis and using the stabilization fund to restore its old value?

Whether or not the express purpose of the Gold Contract Clause was not to meet such a situation as has already arisen, and whether or not higher prices or lower rates of interest or both, were not gotten by the Government and other debtors for their securities by reason of the gold contract clause, so that it was a bargain that they were paid for entering into?

Whether or not our Constitution and laws are based on a foundation and presumptive continuance of good faith, and whether or not a deliberate breach of that faith would

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not be an immoral procedure that would do the Government and the Country infinite harm, setting a most pernicious example of breach of contract merely because something could be gained by it, and whether or not such a deliberate and unnecessary breach of faith would not sap the very foundations of our Government?

I am constantly reminded of Dean Inge's statement, which, perhaps, is increasingly true, namely, that we seem to have lost capacity for moral indignation, indicating a lack of moral health.

Never in the history of this Country has our Supreme Court been as important a defense against chaos, and perhaps never before has the moral tone of the people been so low. Never has there been so little appreciation of principle, moral or intellectual, and such an apotheosis of expediency.

Sincerely,

FRANCIS RALSTON WELSH

C-P