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# Keynes Talks

## Tells House of Lords We Can't Get Gold in Future for Our Exports

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After World War I ways and means were found by which the bulk of the war loans due the United States were forgiven. True, several of our people fussed and fumed about it, but that is what happened, nevertheless. It was argued that our debtor nations were not able to pay and that we would only hurt our own economy if we insisted on collection.

From all accounts, that idea will be expanded upon after this war. Not only will we kiss our lend-lease money goodby, but, likewise, any money which might be due us by reason of exporting more goods than we import. Our New Deal experts already have agreed to such a proposal, according to Lord Keynes, economist for the British government.

Ralph Hendershot.

Knowledge of this agreement has only recently reached America. It came through a speech which Keynes made before the House of Lords in London about three weeks ago. Although the speech was carefully censored in press dispatches, local bankers received a copy of it, and, to put it mildly, they were astounded.

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### Can't Get More Gold.

"If by no other means than by lending," Lord Keynes told his listeners, "the creditor country (United States) will always have to find a way to square the account (excess of exports over imports) on imperative grounds of its own self-interest. For it will no longer be entitled to square the account by squeezing gold out of the rest of us."

We are indebted to Lord Keynes for his analysis of Clause VI of the plan proposed for the stabilization of international currencies. Many of us had had a strong suspicion that such was the essence of the "agreement," but our own representatives to the conference had been inclined to skip that angle or had camouflaged it with conversation.

Now that Keynes has "talked," however, the chances are that the proposal will be aired quite fully at the July meeting that has been called by President Roosevelt. Washington dispatches indicate that some of our practical bankers will be invited to sit in on the discussions, and some of those who have been mentioned as participants are known to be "burned up" over the idea.

Gold has been used in the settlement of international trade balances for well over a century, and, strangely enough, the British were chiefly responsible for selling the idea to the world. Now that Britain has been hit by a shortage of the yellow metal, however, she proposes to change the rules of the game. From here on, if the proposed plan is adopted, we will be paid for our goods with "paper."

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### Loans Would Be Insecure.

As Lord Keynes explained to his own people, we can lend the purchasers of our goods the money with which they can pay us for them. Or we can stop exporting. He knows, of course, that if they are unable to pay for the goods in gold they will be unable to repay the loans in gold. Obviously, he expects us to accept payment in paper even for our loans.

He sees "self-interest" for the United States in accepting such a proposal. And he is right—up to a certain point. Perhaps it would be more to our interest, however, to figure out a way by which more of our goods could be made available to our own people. If we did that we would not have to worry about collections. And Britain and the other countries might be able to work out some way by which they could feed and clothe themselves.