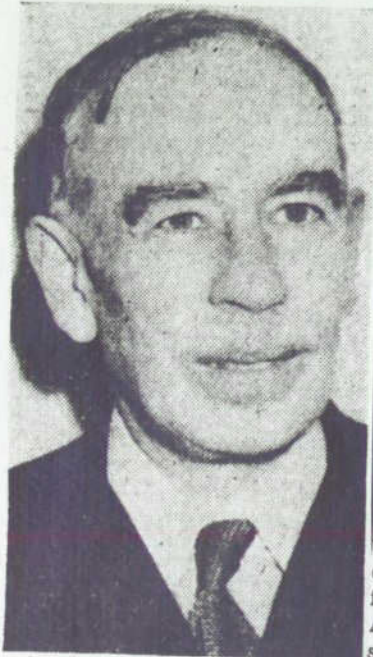


To Head Mission



Lord Keynes, above, internationally known economist, will head a seven-member British delegation to the World Monetary Conference, called by President Roosevelt, starting July 1, at Bretton Woods, N. H., the Associated Press reported today from London.

Keynes' Remarks To House of Lords Stir Discussion

Says U. S. Will Forego Payment for Goods If It Involves Gold

By STANTON B. LEEDS,
World-Telegram Financial Writer.

The United States has promised to ask no payment for its exports when peace comes if such payments have to be made in gold, according to the chief adviser to the British Treasury, Lord Keynes, director of the Bank of England, it was learned today. Attacking American policy in the past in a speech made recently to the House of Lords in London, the English economist said that we had agreed not to drain gold again from the rest of the world as we did after peace was made in 1919. The promise was implicit in the backing given by the United States to the international stabilization fund proposed by 31 United Nations experts April 21. Lord Keynes explained. While his speech was made May 23, only parts of it were published here. The uncensored, official version of what he said has just reached here and has caused considerable reaction in the financial world.

One prominent banker immediately rushed to Washington with a copy of it.

Credit Nations Take Lead.

It quotes Lord Keynes as saying that the plan for establishing an international stabilization fund places the responsibility for maintaining international equilibrium squarely on the creditor countries. "This is one of the major improvements in the new plan," Lord Keynes told the House of Lords. "The Americans," he went on, remarking that they are the ones who will be affected by this provision, "of their own free will and honest purpose" have offered us "a far-reaching formula of protection against a recurrence of the main cause of deflation during the interwar years, namely the draining of reserves out of the rest of the world to pay a country which was obstinately borrowing and exporting on a scale immensely greater than it was lending and importing."

Cites Clause VI.

"Under Clause VI of the new plan," Lord Keynes continued, "a country engages itself, in effect, to prevent such a situation from arising again, by promising, should it fail, to release other countries from any obligation to take its exports, or, if taken, to pay for them."

"I cannot imagine that this sanction would ever be allowed to come into effect," Lord Keynes declared, adding, "If by no other means, than by lending, the creditor country will always have to find a way to square the account 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."