

OFFICES OF THE WAR CABINET,  
GREAT GEORGE STREET

30. XII. 14

S.P.

Prof. L. (Sec. to Impul Executive)

Richells tells me that the  
M of War Transport are now falling  
below 7 million for the first quarter.  
I told him you would like to  
know all the latest developments.  
Do you think it would be a good  
thing to get Butt to make him  
come along to see you to-morrow?

R.F.H.

I shall be in Oxford ready  
to be called up if wanted.

Prof. L.

Hopkins did not touch on current questions; he wanted to discuss the letter I wrote him (which you saw) about a week ago on Keynes' bank. Keynes was there, but not Henderson.

Hopkins was as usual very friendly. He said that they would put the Bank forward as a Treasury scheme and not a Keynes scheme, save for an expansion of Banks, but that they would be bound to put forward <sup>directions</sup> ~~criticisms~~. He agreed that they should say that a number of variants were possible and <sup>state</sup> ~~level~~ their <sup>objections</sup> ~~criticisms~~ not <sup>to</sup> ~~at~~ any particular variant but <sup>to</sup> ~~at~~ any general scheme of the sort. But he seemed on the whole favorable. There was no reference to Henderson and I felt that his absence might indicate that he was not being taken too seriously.

He was most forthcoming about y other point, that the Bank by itself was not enough. He more or less accepted my Investment Board plan. Keynes volunteered to get out a Buffer Stock scheme and Hopkins promised to tell the Board of Trade at once to get out something more coherent about commercial relations. (He did not think we could do anything about Nutritional standards, for which Halifax asked; and I was inclined to agree that it was rather nonsense. We could ask the Americans for proposals). Certain criticisms were made of my Investment Board and I promised to tidy it up.

I saw Keynes alone afterwards. I told him that I could not help thinking Hopkins more friendly than corresponded to his real mind, or anyhow that there was a snag somewhere.

He ~~then~~ made an important point. Apparently it is the Bank of England which has submitted a full dress scheme for continuing and intensifying bi-lateralism. He said that <sup>two</sup> important figures there is Lobbold, whom he regards as a peculiarly vicious character.

He said that he suspected that what was really in Hopkins' mind - though Hopkins had never admitted this - is that for the sake of friendly relations he does not want the Treasury as such to turn down the Bank of England scheme; he wants to throw the onus onto Ministers and that is why the two rival schemes have got to go forward to Ministers.

If that is a true account of the matter, I do not think there is much point in flogging Hopkins any further.

I think the Ministers should be all right, e.g. the F.O., the Board of Trade, Anderson and the Labour people. The one I am frightened of is Beaverbrook.

Meanwhile nothing further will happen this week; the various good byes

P.T.O.

will continue to work on this stage copy.

I don't know if you have any qualms about y Board?  
I ought to try boiling down a little. But it occurred to me  
that there were one or two points in my covering note to you  
which ought to go into the preface. If you have it handy and  
it is no bother, could you get Butt to send it (I mean  
the 2 pages of covering notes) to Oxford?

R.F.H.

P.S. We shall have the opportunity of seeing the  
way Hopkins presents the two schemes before they go  
forward to Ministers; so that if he does not point  
the moral properly there will be a chance of doing so  
before it goes round.

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