

Treasury Chambers,
Great George Street,
S.W.1.

R.F. Harrod Esq.,
Christ Church,
Oxford.

June 18th, 1942

Dear Roy,

REGULATION OF PRIMARY PRODUCTS

Thank you for your proposed amendments.

1. I agree with you that if 16(ii) is deleted, there is no sufficient reason to keep 16 at all. But I did not hear Leith-Ross's acquiescence in the deletion of 16(ii). His own suggestions for the revise have not yet reached me.
2. I like the amendment you propose in your paragraph 4 and will put it forward.
3. I am too doubtful at present about any plan for transferable quotas or the like to put anything forward. But I agree that we should look into this at a later stage. Of your two variants I prefer the latter. For it seems to me that anyone who is prepared to transfer his quotas would be simply asking for a reduction of them on the next annual revision. A transferable quota system is not consistent with the frequent revision of quotas. I should prefer that an exporter wanting a larger quota at a lower price should buy his quota from the Control and not from the other members.

△But

But I do not, at short notice, perceive how best the details of such an idea could be worked out.

4. No objection to the amendment proposed in your paragraph 6, provided 5 per cent is substituted for 2 per cent.

Yours,

A handwritten signature in cursive script, appearing to read "J. M. Keynes". The signature is written in dark ink and is positioned below the typed name "Yours,".