

sons why Great Britain seeks a revision of the debt agreement has ever been made than that to be found in the address of Mr. GOODENOUGH, Chairman of Barclays Bank, to his stockholders on Jan. 19. It was published yesterday in full by THE NEW YORK TIMES. Here is the mature belief of one of the great financial authorities of the British Empire and, we may say, of the world. It is not the haphazard or short-sighted opinion of a politician, but the convinced judgment of a banker with exceptional opportunities to observe the financial and industrial interchanges of all the leading nations.

It is true that Mr. GOODENOUGH puts forward no novelties, but he repeats with all the weight of his character and experience the fundamental economic truths which underlie the whole question in dispute. With great perspicacity he maintains that Great Britain cannot go on indefinitely paying to America the interest on the war debts, because America will not let the British Government pay in the only form in which payment is possible. For this country to drain away the last reserves of British gold would be to disrupt international finance and to injure us fully as badly as it would the British. From that point Mr. GOODENOUGH proceeds to contend persuasively that it would be harmful to the United States to insist upon collection of the debts, since that would involve an entire recasting of our fiscal policy, with the result that we should be more upset by getting the full amount of the debts than we could possibly be by suspending or remitting a part of them.

The address of this English banker, holding a high position quite apart from the Government, is full of food for American thought. Nothing that the British delegates can say to Mr. ROOSEVELT after March 4 will go nearer to the heart of the problem than the following words of Mr. GOODENOUGH:

The question of war debts is best approached as a question of facts and not of sentiment. It hinges upon the effect of payment both upon the debtor and the creditor and what in the long run would be the best for each. \* \* \* The problems for America are very grave indeed. As I see the position, she will sooner or later have to choose between adjusting her economic policy and foregoing the whole, or some part, of the debts due to her.

### TO TALK THE DEBTS OVER.

It would be ungracious and needless to debate whether the President or Governor ROOSEVELT prevailed in the White House agreement of yesterday. Roughly it may be said that the original idea of Mr. HOOVER was retained, but that the methods insisted upon by Mr. ROOSEVELT were accepted. Both hold that the war debts must be studied afresh. The President would have had it done by a commission set at once to work. Mr. ROOSEVELT thought that the approaches should be through diplomatic channels. By a happy compromise, the decision was reached that the Secretary of State is quickly to take up the negotiations with the British Government and that, after the procedure has been worked out, British representatives will be received at Washington early in March. The desire of the American Government, present and to be, is to bring into this international conference not only the intergovernmental debts but all the "world economic problems in which the United States and Great Britain are mutually interested."

This announcement is of the most cheering order. It represents a marked advance in understanding and cooperation since the time of Mr. ROOSEVELT's first visit to the White House, and since the exchange of telegrams between him and the President ended on a somewhat acrid note. For the resumption of friendly conferences between the two, and for the encouraging results, Secretary STIMSON is deservedly receiving acknowledgment and praise. There appears to be no doubt that it was he who repaired the apparent rupture. Perhaps it was this very display of diplomatic skill in a difficult situation which helped to persuade Mr. HOOVER that there is something to be said, after all, for applying diplomacy to the question of the war debts!

However it was brought about, the meeting at the White House and the communiqué which was issued afterward are full of reassurance and promise. They help to make our public policy appear to be continuous and consecutive. They tend to remove the impression of stalemate which has pervaded Washington since the first of December, and which has baffled and discouraged European governments in their approaches to ours. There were always good reasons why the President and the President-elect should try to throw their minds into the "common pot," to use GLADSTONE's favorite phrase, while the interregnum was going on. That they have now succeeded in doing so, as regards one vital international question, is of good augury. It must brighten public opinion in this country, as it seems already to have done in England.

Formal request for a re-examination of the British debt to our Treasury was made by the Government in London at the time of making its payment on Dec. 15. The conditions which it first sought to attach to that payment were rejected by our State Department as beyond its power to grant. But the proposal and pressure for a free discussion of the British case remained on the record. The matter is now to be taken up. Each side will put forward its own view, while seeking to understand the arguments of the other.

No better statement of the rea-