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John Maynard Keynes Predicts

Disaster - II

Lead: As part of the British delegation to the Versailles Peace Conference after World War One, John Maynard Keynes became increasingly disenchanted with the hostile attitude of the allies toward Germany.

Intro: *A Moment in Time* with Dan Roberts.

Content: the conference was driven by three main leaders: Lloyd George of Great Britain, Clemenceau of France, and Wilson of the United States. The conference is needed to deal the divisions in Europe after four years of terrible

fighting. It failed miserably. Lloyd George though originally inclined toward a reasonable peace, followed the impulse of his constituents into a position hostile to Germany. He also wished to handicap Germany's military and economic power for the foreseeable future.

Clemenceau was also interested in settling Germany with war guilt and massive war reparations so as to compensate France for damages to its property, land, and Armed Forces. Wilson could have dictated the outcome of the conference by threatening to withdraw American aid and entering into an entirely separate peace with Germany. He did not because he wished to p r e s e r v e h o p e s f o r t h e

establishment of the league of Nations. Wilson took care not to resist or confront his vengeful Allies.

Keynes clearly saw the conference as a slow-motion train wreck with the future of Europe as its victim. Seeing that Britain and France were intending to squeeze Germany so that they could cover their own debts to the United States, Keynes made a radical proposition to forgive all debts to ease the pressure on everyone. When his suggestion was vehemently rejected Keynes resigned from the British delegation as a sign of protest. He went on to write a small book that established his reputation. *The Economic*

Consequences of the Peace, Keynes criticized the French, the British, and the Americans for bullying Germany. He insisted that the Versailles paradigm was too harsh and would fracture the economic structure of Europe and jeopardize international relations in the future. The book brought him independent wealth and as his predictions gradually, painfully, and accurately played out, firmly established his reputation as an economist with extremely acute political sensitivity.

Research by Carter Lyon, in Richmond Virginia this is Dan Roberts.

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