Statement Broadcast by the Right Hon. Sir Stafford Cripps, United Kingdom—Chancellor of the Exchequer—at 8.15 a.m. New Zealand Time on Monday, 19th September, 1949

(As transcribed in New Zealand from Broadcast)

I do not think I need tell you that I have just got back from the United States, where I spent the last fortnight with the Foreign Secretary trying to work out with our Canadian and American friends some solution to the very serious problems with which we are faced. I expect you have read and heard in the last few months a good deal about the difficulty that we and all the other non-dollar nations have in earning enough dollars to buy what we need in the way of food and raw materials, especially from America and Canada. It is referred to as the dollar shortage, or the sterling-dollar problem, and in many other ways, and it has been with us more or less ever since before the first World War. But it has become much more intense since the last war, and, indeed, in the last few months our dollar difficulty in the sterling area has become very, very serious indeed.

You remember, perhaps, that at the beginning of July last I spoke about it in the House of Commons. Then there was a meeting in London with Mr Snyder, United States Secretary of the Treasury, and Mr Abbott, the Finance Minister of Canada, my two opposite numbers, at which we discussed what we could all do to help solve this problem. These Washington talks we have just finished were a follow-up of the London talks. During those weeks between July and our visit to Washington our Government has reviewed the whole situation and has made some very important decisions. It was not only the economic troubles with which we were concerned, because without a stable industrial foundation we shall never have a safe defence for our democracy or any security for a peaceful future. Those decisions Mr Bevin and I took to Washington, and the very first thing we did when we arrived there was to tell them in confidence to our United States and Canadian colleagues. They had to do with matters that were entirely our own concern, and upon which there was no question of our consulting others, even our best friends.

Importance of Rates of Exchange

Let me preface my announcement of these decisions by a word or two of explanation of the importance of rates of exchange in our overseas trade. Normally, before the two wars, and at times between them, you could change our pound sterling into other kinds of money like the American dollar or the French franc at a fixed rate. Soon