

Statement of Hugh Dalton, Chancellor of the Exchequer,  
on Interpretative Declaration on Full Employment  
issued by the Executive Directors of the Fund.

I am happy to take note of the Interpretative Declaration now made by the Executive Directors on the subject of Full Employment. The Government of the United Kingdom has stated its intention to maintain full employment and has requested an interpretation of the Articles of Agreement as to whether steps necessary to protect a member from unemployment of a chronic or persistent character, arising from pressure on its balance of payments, shall be measures necessary to correct a fundamental disequilibrium. This declaration, though made in response to a request by the United Kingdom, will also I am sure be of great interest to all other Governments who share our firm intention to maintain full employment for our own people.

Full employment must be one of the primary objectives for all of us. None of us can contemplate a slipping back into the human miseries and economic wastes of mass unemployment such as so many countries experienced in the years between the two wars. We support this great new institution of the International Monetary Fund just because we believe that it will make a powerful contribution along with other agencies, towards the prevention of such unemployment in the future.

On this vital matter public opinion in the United Kingdom - and I am sure in many other countries - is alert and sensitive and it, therefore, seemed to the Government of the United Kingdom that it was indispensable to remove any doubts which might be lingering in men's minds, regarding the interpretation of the phrase "fundamental disequilibrium" in relation to unemployment.

I am, therefore, very happy, as I have already said, to take note of the fact that "The Executive Directors interpret the Articles of Agreement to mean that steps which are necessary to protect a member from unemployment of a chronic or persistent character, arising from pressure on its balance of payments, are among the measures necessary to correct a fundamental disequilibrium."

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