

in opposite directions and became two widely separated islands - a development which neither of us would wish to see, except possibly on rare occasions! - I have no doubt that our economic relations would still be close and that we would continue to share many of the same economic interests. As is the case now, our economies would compete with, as well as complement and reinforce each other. We would also retain our common concern with the economic state of other friendly countries, and remain, I hope, partners with those countries in the search for a better and more secure world.

In any discussion of the nature, necessity and methods of securing effective economic collaboration between us, a distinction should be drawn between emergency and normal situations. In war a tightly organized continentalism as part of a larger alliance may be desirable and inevitable. In ordinary times, however, a narrow or exclusive continental approach to our problems may be neither adequate nor practicable. This applies, in fact, to both the economic and political side of our relationship.

The symbol of the kind of collaboration of which we are capable in wartime or in a military emergency is provided by the Hyde Park Declaration of April 1941. This joint statement, very simple but very significant, which was issued by President Roosevelt and Prime Minister King, recorded their agreement on the need for the closest kind of collaboration in the critical circumstances of the time. Production programmes were to be co-ordinated on the basis of each country doing what it could do best. Foreign exchange problems between us were to be forgotten, or at least relegated to the background. Our respective programmes of aid to other countries were to be meshed together. For the remainder of the war period our two economies were for most practical purposes to be treated almost as though we were a single country.

This imaginative arrangement was supported by the people on both sides of the line, and it worked effectively and with a minimum of friction. One common, simple interest was overriding. It was nothing less than our survival, and that objective was well served by the arrangements which we then made.

In April 1949 when international conditions again appeared threatening we established a Joint Industrial Mobilization Planning Committee which proved very useful in coordinating preparations for industrial mobilization if that should prove necessary. The aggression in Korea gave new importance and urgency to these joint arrangements.

In October 1950 the two Governments revised and adapted the concepts of the Hyde Park Agreement in a "Statement of Principles for Economic Co-operation" between the United States and Canada to apply in the new situation. It was agreed that our two Governments should "co-operate in all respects practicable to the end that the economic efforts of the two countries be co-ordinated for the common defence and that the production and resources of both countries be used for the best combined results." Faced with the necessities of the Korean emergency and the requirements of the defence build-up in NATO, a large measure of co-ordination was achieved between us in keeping with the spirit of these principles.