

On October 20, 1950, the Canadian Ambassador to the United States, Mr. H. H. Wrong, and the Secretary of State of the United States, Mr. Dean Acheson, signed in Washington an exchange of notes which gave formal effect to a "Statement of Principles for Economic Co-operation" between Canada and the United States. This Statement set forth general principles for the guidance of the two Governments in achieving a co-ordinated economic programme for their common defence.

The "Principles" are very much in the spirit of the Hyde Park Agreement of 1941 whereby Canada and the United States co-ordinated for mutual benefit their efforts in such matters as military procurement, economic controls and the use of raw materials. The arrangements worked out under the Agreement proved so satisfactory that it was decided to re-affirm the underlying principles in this Statement of the Joint Committee, which then became an inter-governmental agreement.

The two governments declare that in the interests of mutual security, and to assist them in the discharge of their obligations under the United Nations Charter and the North Atlantic Treaty, it is their belief that they should extend their co-operation in the field of industrial mobilization.

It is agreed that, as it becomes necessary, co-ordinated controls will be instituted over the distribution of scarce raw materials and supplies to assure an optimum production of goods essential to the common defence; and that there shall be developed a co-ordinated programme of requirements, production and procurement.

Any emergency controls brought into effect shall be mutually consistent in their objectives and shall be so designed and administered as to achieve comparable results in both countries. Each country will, so far as possible, consult the other prior to instituting controls which may affect them both.

Provision is made for the free exchange, where feasible, of the technical knowledge and skills necessary to assist essential production.

It is recognized that the barriers which impede the flow of goods essential for the common defence effort between Canada and the United States should be removed as far as possible; and that the two governments will consult on any financial or foreign exchange problems which may arise as a result of carrying out of this agreement.

The General Agreement on Tariffs and Trade

The year 1950 was important for the General Agreement on Tariffs and Trade: two sessions of the Contracting Parties were held and a third round of tariff negotiations, which began in September, continued into 1951.

The General Agreement, which came into provisional operation in January 1948, was negotiated while the Havana Charter was in course