

during the reciprocity negotiations. On the other hand, there is a good deal to be said for a system under which the initiative lies with Canada, who can send her official whenever she is so inclined, whereas it might not be always thought desirable to receive the visit of the United States official.

C[ECIL] S[PRING] R[ICE]

35. *Order in Council*

P.C. 272

February 2, 1918

The Committee of the Privy Council have had before them a report, dated 30th January, 1918, from the Right Honourable the Prime Minister, submitting that many important matters affecting Canada's participation in the war are directly and continuously concerned with conditions and the course of events in the United States. More especially, since the entry of the United States into the war, the great desirability has become apparent, not only of providing adequate representation of the interests of the Dominion in that country, but also of securing the most effective co-operation between Canada and the United States in respect of many economic and financial measures vitally connected with the prosecution of the war. The progressively growing demands in both countries for increased production, agricultural, industrial and mining; the critical urgency of transportation problems on sea and land; the need of more comprehensive organization to engage the utmost force of our human power for economic as well as military purposes, these considerations emphasize the present need of effective co-operation. The increasing importance to the Allied cause which the North American continent is assuming in these and other aspects demands that the relations between the two countries be conducted with the greatest possible understanding and harmony.

The Prime Minister observes that out of such considerations there has arisen the inevitable necessity for frequent and prompt communication and negotiation between the authorities of the Canadian and the United States Governments. In view however of the extent and complexity of the war organization which has necessarily been developed by both, such negotiations are subject to serious delay if conducted through the usual diplomatic channel; for His Majesty's Embassy in Washington are obliged in the prevailing conditions to deal with an ever increasing multitude of important affairs not directly concerning Canada, and indeed the negotiations in question are not diplomatic in their nature but rather are largely of a business and commercial character requiring different, more direct and prompt treatment. As a consequence the custom, which had already arisen before the war, of arranging conferences from time to time between Canadian and United States Officials for specific purposes of common concern, has since been greatly developed with marked benefit.

The Prime Minister further observes that the development in all these respects, however, has been such that some more direct, less casual, less transient arrangement for securing the object indicated should be devised.