(e) removal of barriers impeding the flow between both countries of goods essential to common defence.

An explanatory note was circulated.

(Minister's memorandum and attached documents, Aug.7, 1950 - Cab.Doc. 188-50)

7. The Secretary of State for External Affairs noted that the third sentence of the opening paragraph of the draft statement of principles read in part "it is agreed, therefore, that our two Governments shall cooperate .... to the end that the economic efforts of the two countries be joined for the common defence..." It was felt that the use of these words in the statement of principles might be dangerous and could be interpreted to mean that, in case of an emergency, the economic resources of both countries would be completely integrated. It would seem preferable to re-word this sentence to read somewhat as follows "it is agreed that in the light of the common problems resulting from the international situation, the principles of the Hyde Park Agreement be re-affirmed and that the efforts toward coordination be intensified and accelerated in an effort to ensure the most effective use of the joint resources of the two countries in the common defence".

It was further suggested that the statement might be clarified by insertion of the word "such" at the beginning of paragraph numbered 3.

8. The Cabinet, after further discussion, noted the report of the Minister of Trade and Commerce and the suggestions of the Secretary of State for External Affairs with respect to the statement of principles which would be submitted to the meeting of the Joint U.S.-Canada Industrial Mobilization Planning Committee on the following day.

## R.C.M.P.; policing agreement with British Columbia

9. The Minister of Justice reported that negotiations had been underway for some time with the Province of British Columbia for entry into a policing agreement with the R.C.M. Police.

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