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PRESS RELEASE

An advance towards post-war collaboration was taken by Canada and the United States in the agreement announced today by Prime Minister Mackenzie King from Prince Albert, under which both governments will consider and deal with the problems of the transition from war to peace in the same spirit that was manifested in the Hyde Park Declaration.

A primary purpose of the agreement is to minimize for both countries the difficulties of the pressing problems inherent in the reconversion of industry to the utmost extent compatible with the vigorous prosecution of the war against Japan. By the agreement, priority ratings will be applied by the United States to Canadian reconversion requirements in that country on lines as closely parallel to those applied by the United States Government to United States domestic requirements as is practicable. The Canadian controls on materials and supplies will be operated so as to give effect to the same principle in respect of United States requirements from Canada.

An effort will be made to relax and revoke regulations now in force covering production and distribution in the two countries on parallel lines as far as possible, though it is recognized that differing conditions in the two countries make exact parallelism impracticable.

The consideration by both governments of these and other problems of the transition period which are of mutual concern, as for example the disposal of surplus war stores, will be characterized by a common desire to solve them on an equitable and reciprocal basis.
