

mobilization during and since World War II through the operation of the principles embodied in the Hyde Park Agreement of 1941, through the extension of its concepts in the post-war period and more recently through the work of the Joint Industrial Mobilization Planning Committee. In the interests of mutual security and to assist both governments to discharge their obligations under the United Nations Charter and the North Atlantic Treaty, it is believed that this field of common action should be further extended. It is agreed, therefore, that our two governments shall co-operate in all respects practicable, and to the extent of their respective executive powers, to the end that the economic efforts of the two countries be coordinated for the common defence and that the production and resources of both countries be used for the best combined results.

The following principles are established for the purpose of facilitating these objectives:

1. In order to achieve an optimum production of goods essential for the common defence, the two countries shall develop a coordinated program of requirements, production and procurement.

2. To this end, the two countries shall, as it becomes necessary, institute coordinated controls over the distribution of scarce raw materials and supplies.

3. Such United States and Canadian emergency controls shall be mutually consistent in their objectives, and shall be so designed and administered as to achieve comparable effects in each country. To the extent possible, there shall be consultation to this end prior to the institution of any system of controls in either country which affects the other.

4. In order to facilitate essential production, the technical knowledge and productive skills involved in such production within both countries shall, where feasible, be freely exchanged.

5. Barriers which impede the flow between Canada and the United States of goods essential for the common defence effort should be removed as far as possible.

6. The two governments, through their appropriate agencies, will consult concerning any financial or foreign exchange problems which may arise as a result of the implementation of this agreement.

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