

States. This Statement, which sets forth general principles for the guidance of the two Governments in achieving a co-ordinated economic programme for their common defence, was reported on pp. 414-415 of the November issue of *External Affairs*.

The "Principles" are very much in the spirit of the Hyde Park Agreement of 1941 under which 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 now becomes 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 recalled that a high degree of co-operation has been maintained during and since World War II through the co-operation of the concepts embodied in the Hyde Park Agreement and their extension into the post-war period.

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.

The emergency controls brought into effect are to be mutually consistent in their objectives and so designed and administered as to achieve comparable results in both countries. In this connection each country will consult, as far as possible, with the other prior to instituting controls which affect the other country.

Provision is made for the free exchange, where feasible, of the technical knowledge and productive skills involved to facilitate 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 concerning any financial or foreign exchange problems which may arise as a result of the implementation of the agreement.