



# PRESS RELEASE

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The Department of External Affairs released today the text of an exchange of notes, giving formal effect to the "Statement of Principles for Economic Co-operation" between Canada and the United States. The statement sets forth general principles for guidance of the two Governments in achieving a coordinated economic programme for their common defence.

The notes were signed today in Washington by Mr. H.H. Wrong, Ambassador of Canada, and Mr. Dean Acheson, Secretary of State of the United States. The two chairmen of the Joint Canada - United States Industrial Mobilization Planning Committee, Mr. C.D. Howe, Minister of Trade and Commerce, and Mr. W. Stuart Symington, Chairman of the United States National Security Resources Board, were present at the signing.

The exchange of notes reaffirms the practice of the two countries followed during the Second World War when they co-operated closely under the terms of the Hyde Park Agreement of 1941. That agreement enabled officials of Canada and the United States to coordinate 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 Hyde Park Agreement proved so successful that when international conditions again appeared threatening, the Joint Canada - United States Industrial Mobilization Planning Committee was established on April 12, 1949, to exchange information in case joint action should again become necessary. At its last meeting on August 8, 1950, in Ottawa, the Committee drew up the Statement of Principles which has now been confirmed by both Governments.

Following are the texts of the Statement of Principles and of the two notes:

## STATEMENT OF PRINCIPLES FOR ECONOMIC CO-OPERATION

The United States and Canada have achieved a high degree of co-operation in the field of industrial

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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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TEXT OF UNITED STATES GOVERNMENT'S NOTE

"I have the honor to refer to recent discussions between representatives of our two Governments for the general purpose of reaching an agreement to the end that the economic efforts of the two countries be coordinated for the common defense and that the production and resources of both countries be used for the best combined results. Their deliberations were based on concepts of economic co-operation which were inherent in the Hyde Park Agreement of 1941 and which are still valid today. They formulated and agreed to the "Statement of Principles for Economic Co-operation" annexed hereto, which is intended to guide, in the light of these basic concepts, the activities of our respective Governments.

"If this attached statement is agreeable to your Government, this note and your reply to that effect will constitute an agreement between our two Governments on this subject".

TEXT OF CANADIAN GOVERNMENT'S REPLY

"I have your note of today with regard to the recent discussions between representatives of our two Governments for the purpose of reaching an agreement 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. I am glad to confirm that the "Statement of Principles for Economic Co-operation", which was annexed to your note, is acceptable to my Government. Your note and this reply will, therefore, constitute an agreement between our two Governments on this subject".

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