

No. 1764

**UNITED STATES OF AMERICA
and
CANADA**

**Exchange of notes (with annexed statement) constituting
an agreement relating to economic co-operation with
regard to industrial mobilization for mutual defense.
Washington, 26 October 1950**

Official text: English.

Registered by the United States of America on 14 June 1952.

**ÉTATS-UNIS D'AMÉRIQUE
et
CANADA**

**Échange de notes (avec déclaration jointe) constituant un
accord relatif à la coopération économique en matière
de mobilisation industrielle pour la défense commune.
Washington, 26 octobre 1950**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 14 juin 1952.

No. 1764. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND CANADA RELATING TO ECONOMIC CO-OPERATION WITH REGARD TO INDUSTRIAL MOBILIZATION FOR MUTUAL DEFENSE. WASHINGTON, 26 OCTOBER 1950

I

The Secretary of State to the Canadian Ambassador

DEPARTMENT OF STATE
WASHINGTON

October 26, 1950

Excellency :

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 cooperation which were inherent in the Hyde Park Agreement of 1941² and which are still valid today. They formulated and agreed to the "Statement of Principles for Economic Cooperation" 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.

Accept, Excellency, the renewed assurances of my highest consideration.

Dean ACHESON

His Excellency Hume Wrong
Ambassador of Canada

¹ Came into force on 26 October 1950 by the exchange of the said notes.

² United States of America : *Department of State Bulletin*, Apr. 26, 1941, p. 494.

STATEMENT OF PRINCIPLES FOR ECONOMIC COOPERATION

The United States and Canada have achieved a high degree of co-operation in the field of industrial 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 postwar 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,¹ it is believed that this field of common action should be further extended. It is agreed, therefore, that our two governments shall cooperate 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 defense 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 defense, 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 defense 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.

¹ United Nations, *Treaty Series*, Vol. 34, p. 243.

II

The Canadian Ambassador to the Secretary of State

CANADIAN EMBASSY
AMBASSADE DU CANADA
WASHINGTON, D.C.

No. 619

October 26, 1950

Sir :

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 Cooperation", 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.

Accept, Sir, the renewed assurances of my highest consideration.

H. H. WRONG

The Honourable Dean Acheson
Secretary of State of the United States of America
Washington, D.C.
