

I shall appreciate receiving your confirmation of the correctness of my understanding as outlined above of the agreement between our Governments on this subject.

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

PIERREPONT MOFFAT.

II

*The Secretary of State for External Affairs of Canada
to the United States Minister to Canada*

DEPARTMENT OF EXTERNAL AFFAIRS

No. 163.

OTTAWA, November 4, 1942.

SIR,

I have the honour to acknowledge the receipt of your Note No. 785 of November the 2nd, in which you referred to the discussions which took place in Ottawa June 3 and 4, 1942, between representatives of the United States Government and representatives of the Canadian Government regarding workmen's compensation and unemployment insurance in connection with the construction of the military highway to Alaska and other United States projects in Canada.

It is also the understanding of the Canadian Government that, as a result of these discussions, it has been agreed:

- A-(1) that United States contractors engaged upon the construction of the military highway to Alaska as well as upon or in connection with all other current and future projects of the United States in Canada undertaken pursuant to agreement between the two Governments, shall normally employ only employees whose original contract of employment is made outside Canada and who have not been ordinarily resident in Canada in the three months prior to such original contract. These employees are hereinafter designated as United States employees;
- (2) that is is, however, recognized that in some instances employees ordinarily resident in Canada have already been employed by United States contractors engaged on projects to which this note applies and that in some special cases it may be necessary for United States contractors to be permitted to engage employees ordinarily resident in Canada; but that in such cases it is agreed that the employees will be secured through the Canadian Employment Service;
- (3) that United States contractors engaged on projects to which this note applies shall not in respect of their United States employees be subject to Canadian laws or regulations, whether federal or provincial, governing wage rates, hours of labour and conditions of work;
- (4) that United States contractors engaged upon projects to which this note applies shall not be subject in respect of their United States employees to Canadian workmen's compensation laws and regulations, whether federal or provincial, but shall be subject in respect of such United States employees to the provision of the Longshoremen's and Harbour Workers' Compensation Act of the United States as amended by Public Law No. 208, 77th Congress;
- (5) that, with the exception provided in paragraph A-(6) of this note, Canadian contractors engaged on such projects shall, in respect of their Canadian employees, be subject to the applicable Canadian workmen's compensation laws;