

into the war. The Ogdensburg Agreement was matched in the economic field by the Hyde Park Declaration of April 20, 1941. Like the Ogdensburg Agreement, the declaration was never embodied in a formal treaty--but remained an understanding arrived at by the heads of two friendly nations desirous of the most constructive cooperation.

The core of the Hyde Park Declaration was the agreement: "That in mobilizing the resources of this continent each country should provide the other with the defence articles which it is best able to produce, and, above all, produce quickly, and that production programs should be co-ordinated to that end."

The Declaration met a triple need. First, it averted the danger of a shortage of American dollars impeding Canada's war effort. After Dunkirk, the great step-up in Canada's military production program had led to heavily increased expenditures in the United States for necessary imports such as machine tools, aircraft and military equipment. Canada's dollar earnings, reduced by the loss of European dollar markets and the curtailment of U.S. tourist trade, failed by far to keep pace--in spite of the introduction of rigid exchange control measures, Canada's current account deficit with the United States was about \$300 million per year. By the terms of the Hyde Park Declaration, Canada was assured of receiving its necessary imports by increased American purchases of Canadian war goods.

Thus also, it met a second need of ensuring that the United States would receive urgently needed war supplies from Canada for the vast American program of defence preparation. Third, the Declaration ensured that there would be no duplication of productive effort, and that the economic facilities of both countries would be integrated for their most effective use.

U.S. Lend-Lease and Canadian Mutual Aid

The Hyde Park Declaration also provided that supplies which Canada purchased in the United States for the production of war material for Great Britain would be entered on Great Britain's Lend-Lease account. Canada, alone among all the belligerent United Nations, did not participate in the American Lend-Lease program: the Canadian government felt that Canada, as a nation in a favored position, free from the ravages of war, was duty bound to stand on its own feet, and share with the United States in assisting less fortunate allies in fighting the common enemy.

Under the Canadian Mutual-Aid Act of 1943, Canada made her war supplies available as an outright gift to any member of the United Nations which could use them and had not the means of payment. In all, Canada's Mutual Aid expenditures totalled some \$4,000 million. The recipients were Australia, British West Indies, China, France, Greece, India, New Zealand, Russia and the United Kingdom. Of Canada's total munitions production, only 29% was for Canada's own armed forces--57% was distributed by the Mutual Aid Board, and 14% was purchased by the United States.

Joint Economic Action

Many joint Canadian-American committees were set up to implement the Hyde Park Declaration. In May, 1941, a Materials Coordinating Committee was established to promote the movement of primary materials, increase available supplies and collect information on raw material stocks in the two countries.