

machinery and crews through the calendar year 1947. It is noted that details as to the effective date of exchange and other matters will be arranged between the Canadian and United States officials directly concerned.

Sincerely yours,

RAY ATHERTON

APPENDIX A

PRESS STATEMENT

MADE BY

THE OFFICE OF THE PRIME MINISTER OF CANADA

ON APRIL 10, 1942

The Prime Minister announced to-day the approval by the Canadian Government of two joint arrangements affecting agriculture, which were recommended by the Joint Economic Committee of Canada and the United States. The arrangements have also met the approval of the President of the United States. The first arrangement provides for increasing the production of oil-bearing crops in the United States and of oats, barley and flax in Canada, to meet wartime needs of both countries. The second arrangement provides for facilitating the seasonal movement of farm labour and machinery across the common boundary.*

The approval of these joint arrangements marks one of the first positive actions on the agricultural front to further closer economic collaboration between the two Nations in the common war effort. Without changing the existing tariff structure, these arrangements provide for more effective utilization of the joint agricultural resources of the two countries for the production of certain farm products needed in the war effort.

Both nations are confronted by a shortage of fats and oils due to the loss of imported supplies, increased wartime requirements and the necessity of supplying substantial quantities of those products to our allies. The increase in the acreage of oats and barley in Canada will not only provide more adequate feed supplies for the expanding livestock program of Canada, but will make possible a greater expansion this season of soybean production in the Corn Belt of the United States by permitting crop acreage that would otherwise be used for feed grain production to be shifted without impairing feed resources.

In order to bring about the desired increase in production, the Canadian Government has adopted a definite program to encourage wheat growers to shift surplus wheat land into oats, barley, and flax. The arrangement further strengthens the oil crop production goal program already set up in the United States and will aid in the attainment of the goals.

Copies of the full text of the approved recommendations and arrangements are attached.* The Canadian Government has directed the affected departments and agencies to take all possible action to give effect to the joint arrangements.

*The Joint Economic Committee had recommended the two arrangements on the same day. Only the text of the Arrangement respecting the movement of farm labour and machinery is reproduced in Appendix B.