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XL. Exchange of Defense Articles With Canada

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At the conclusion of a conference between President Roosevelt and Prime Minister Mackenzie King of Canada on April 20, 1941, the following statement was issued :

“Among other important matters, the President and the Prime Minister discussed measures by which the most prompt and effective utilization might be made of the productive facilities of North America for the purposes both of local and hemisphere defense and of the assistance which in addition to their own programs both Canada and the United States are rendering to Great Britain and the other democracies.

“It was agreed as a general principle that in mobilizing the resources of this continent each country should provide the other with the defense articles which it is best able to produce, and, above all, produce quickly, and that production programs should be coordinated to this end.

“While Canada has expanded its productive capacity manyfold since the beginning of the war, there are still numerous defense articles which it must obtain in the United States, and purchases of this character by Canada will be even greater in the coming year than in the past. On the other hand, there is existing and potential capacity in Canada for the speedy production of certain kinds of munitions, strategic materials, aluminum, and ships, which are urgently required by the United States for its own purposes.

“While exact estimates cannot yet be made, it is hoped that during the next 12 months Canada can supply the United States with between \$200,000,000 and \$300,000,000 worth of such defense articles. This sum is a small fraction of the total defense program of the United States, but many of the articles to be provided are of vital importance. In ad-

dition, it is of great importance to the economic and financial relations between the two countries that payment by the United States for these supplies will materially assist Canada in meeting part of the cost of Canadian defense purchases in the United States.

“Insofar as Canada’s defense purchases in the United States consist of component parts to be used in equipment and munitions which Canada is producing for Great Britain, it was also agreed that Great Britain will obtain these parts under the Lease-Lend Act and forward them to Canada for inclusion in the finished article.

“The technical and financial details will be worked out as soon as possible in accordance with the the general principles which have been agreed upon between the President and the Prime Minister.”