

# WORKMEN'S COMPENSATION AND UNEMPLOYMENT INSURANCE

*Exchange of notes at Ottawa November 2 and 4, 1942*  
*Entered into force November 4, 1942*

56 Stat. 1770; Executive Agreement Series 279

*The American Minister to the Secretary of State for External Affairs*

LEGATION OF THE  
UNITED STATES OF AMERICA

*Ottawa, November 2, 1942*

No. 785

SIR:

I have the honor to refer to the discussions which took place in Ottawa June 3 and 4, 1942, between representatives of my 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 American projects in Canada.

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

A-(1) that American 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 American employees;

(2) that it is, however, recognized that in some instances employees ordinarily resident in Canada have already been employed by American contractors engaged on projects to which this note applies and that in some special cases it may be necessary for American 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 American contractors engaged on projects to which this note applies shall not in respect of their American employees be subject to Cana-

dian laws or regulations, whether federal or provincial, governing wage rates, hours of labor and conditions of work;

(4) that American contractors engaged upon projects to which this note applies shall not be subject in respect of their American employees to Canadian workmen's compensation laws and regulations, whether federal or provincial, but shall be subject in respect of such American employees to the provisions of the Longshoremen's and Harbor Workers' Compensation Act of the United States as amended by Public Law No. 208, 77th Congress;<sup>1</sup>

(5) that, with the exception provided in the succeeding paragraph 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;

(6) that the employees whether American or Canadian of contractors, whether American or Canadian, engaged by the United States on such projects in the Northwest Territories and the Yukon, shall be covered by the Longshoremen's and Harbor Workers' Compensation Act of the United States, as amended by Public Law No. 208, 77th Congress, and that pursuant to United States public law No. 208 representatives of the United States Employees' Compensation Commission will be available in those areas to hear and determine claims of workmen, both American and Canadian, and that no Canadian provincial or federal workmen's compensation laws shall apply to any such employees in the Northwest Territories and the Yukon; and that the applicability to such projects of the Longshoremen's and Harbor Workers' Compensation Act of the United States, as amended by Public Law No. 208, 77th Congress, will be implemented either by appropriate American administrative ruling or by legislation;

(7) that, except as otherwise provided in paragraphs A-(4) and A-(5) of this note, Canadians employed by American contractors and Americans employed by Canadian contractors on such projects will in respect of workmen's compensation be made the subject of agreement with the provincial governments concerned, and, if dominion authority is necessary to give effect to such agreement appropriate orders in council will be issued by the federal government at the request of the province concerned;

(8) that, in case of appeal by a Canadian employee from a ruling of the United States Employees' Compensation Commission, the Canadian Government shall have the right in its discretion to have qualified counsel appear in behalf of such Canadian employee;

(9) that civil employees of the United States Government on such projects, whether American or Canadian, will be subject to the Federal Employees' Compensation Act of the United States, and therefore no Cana-

<sup>1</sup> 55 Stat. 622.

dian federal or provincial workmen's compensation law will be applied to them;

B-(1) that the Canadian Unemployment Insurance Act will not be applicable to American employees of contractors in Canada on such projects, whether such contractors are American or Canadian;

(2) that the Canadian Unemployment Insurance Act will be applicable to Canadian employees of contractors in Canada, whether such contractors are American or Canadian, and deductions for such insurance will be forwarded together with the contractors' contributions to the proper office of the Unemployment Insurance Commission of Canada;

(3) that the Canadian Unemployment Insurance Act will not apply to civil employees of the United States Government on such projects in Canada whether American or Canadian;

C- that the operation of American insurance companies in Canada under the United States War Department Insurance Rating Plan or similar plans of the other United States governmental agencies, in relation to the projects to which this note applies, will be exempted in respect of such operations from Canadian taxation on premium and income; they shall nevertheless be registered in Canada and approved by the Canadian Superintendent of Insurance.

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

The Right Honorable  
THE SECRETARY OF STATE  
FOR EXTERNAL AFFAIRS,  
*Ottawa.*

*The Secretary of State for External Affairs to the American Minister*

DEPARTMENT OF EXTERNAL AFFAIRS  
CANADA

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 it 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 provisions of the Longshoremen's and Harbor 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;

(6) that the employees whether United States or Canadian of contractors, whether United States or Canadian, engaged by the United States on such projects in the Northwest Territories and the Yukon, shall be covered by the Longshoremen's and Harbor Workers' Compensation Act of the United States, as amended by Public Law No. 208, 77th Congress, and that pursuant to United States public law No. 208 representatives of the United States Employees' Compensation Commission will be available in those areas to hear and determine claims of workmen, both United States and Canadian, and that no Canadian provincial or federal workmen's compensation laws shall apply to any such employees in the Northwest Territories and the Yukon;

and that the applicability to such projects of the Longshoremen's and Harbor Workers' Compensation Act of the United States, as amended by Public Law No. 208, 77th Congress, will be implemented either by appropriate United States administrative ruling or by legislation;

(7) that, except as otherwise provided in paragraphs A-(4) and A-(5) of this note, Canadians employed by United States contractors and United States employees employed by Canadian contractors on such projects will in respect of workmen's compensation be made the subject of agreement with the provincial governments concerned, and, if federal authority is necessary to give effect to such agreement, appropriate orders in council will be issued by the federal government at the request of the province concerned;

(8) that, in case of appeal by a Canadian employee from a ruling of the United States Employees' Compensation Commission, the Canadian Government shall have the right in its discretion to have qualified counsel appear in behalf of such Canadian employee;

(9) that civil employees of the United States Government on such projects, whether United States or Canadian, will be subject to the Federal Employees' Compensation Act of the United States, and therefore no Canadian federal or provincial workmen's compensation law will be applied to them;

B-(1) that the Canadian Unemployment Insurance Act will not be applicable to United States employees of contractors in Canada on such projects, whether such contractors are United States or Canadian;

(2) that the Canadian Unemployment Insurance Act will be applicable to Canadian employees of contractors in Canada, whether such contractors are United States or Canadian, and deductions for such insurance will be forwarded together with the contractors' contributions to the proper office of the Unemployment Insurance Commission of Canada;

(3) that the Canadian Unemployment Insurance Act will not apply to civil employees of the United States Government on such projects in Canada whether United States or Canadian;

C- that the operation of United States insurance companies in Canada under the United States War Department Insurance Rating Plan or similar plans of the other United States governmental agencies, in relation to the projects to which this note applies, will be exempted in respect of such operations from Canadian taxation on premium and income; they shall nevertheless be registered in Canada and approved by the Canadian Superintendent of Insurance.

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

W. L. MACKENZIE KING  
*Secretary of State for External Affairs*

THE UNITED STATES MINISTER TO CANADA,  
*The United States Legation,  
Ottawa, Canada.*