

Canada Prize Act

as much as an ordinary seaman. The minimum qualification was one month's service at sea. Shares were distributed according to rank and sea service. Thirty months at sea was required for the maximum share. But the administration of the fund proved costly and difficult, and it was not until twelve years after the war that the final payment was made. It should be emphasized that even in the United Kingdom no one had a right to prize money but that payment was made as an act of grace by exercise of the royal prerogative.

In Canada, prize money has never been distributed at the instance of the Canadian government. After world war I, personnel of the Royal Canadian Navy participated in the distribution of the fund not as a result of Canadian legislation but as a result of the enactment by the parliament of the United Kingdom of the Naval Prize Act, 1918, and of the royal proclamation that followed. When it came to the question of prize money in the second world war, the situation had changed. Shortly after the war the nations of the commonwealth reached an agreement as to the method of division between the various countries.

Four main points were agreed to. First, since personnel of all the navies were spread throughout many theatres of war, the actual location of the capture and the ultimate disposal of the vessel taken should not be the test for determining who should benefit. It was therefore agreed that all nations would contribute to a common pool the proceeds of prize, wherever captured, and the pool should eventually be distributed among the nations on the basis of comparative strengths of their respective naval forces.

Second, it was agreed that personnel of the air forces should participate. In previous wars, only naval personnel had benefited. This was agreed to in recognition of the arduous work undertaken by air force units, and particularly by coastal commands whose efforts in search and shadowing contributed substantially to the building up of the fund.

Third, it was agreed that, for the purpose of allocating the fund between the naval and air forces, it would be assumed that the fund was built up as to seventy-five per cent by naval action, and as to twenty-five per cent by air force action. The sum due to naval action would then be divided in proportion to the peak naval strength of each nation participating, and the same approach would be adopted for the sum to air force action.

Fourth, and finally, it was agreed that each nation would determine the manner in which its share of the total proceeds would be dealt with.

The United Kingdom Prize Act, 1948, deals with the proceeds of prizes taken during the second world war, but of course makes no reference as to how Canada's share will be disposed of in Canada. As the explanatory memorandum to the United Kingdom Prize Act, 1948, states:

Any grant of prize money which may be made under the prerogative for the benefit of forces raised by a dominion within the meaning of the Statute of Westminster . . . being outside the purview of the parliament of the United Kingdom, is not the subject of any provision in the bill.

It is estimated that the approximate net amount that will be realized by Canada in respect of prize money will be \$2,500,000. If we apply the formula agreed upon, the share payable in respect of the navy would be approximately \$1,700,000, or sixty-eight per cent, and the air force share would be about \$800,000, or thirty-two per cent.

We have considered two alternative methods of distribution. The first was distribution to individuals. The second was to apportion the Canadian share to the naval and air force benevolent funds respectively. In considering methods of distribution, it may be convenient to see what the situation is in other nations.

In the United States of America, prize money has not been distributed since the Spanish-American war. The proceeds of sale of captured enemy vessels are paid into the treasury. The only comparable position is found in the nations of the commonwealth. Under the method of distribution adopted in the United Kingdom, the air force share will not be distributed to individuals. Instead, it will be paid to charitable and welfare organizations serving past and present members of the Royal Air Force. In the United Kingdom the naval share is being distributed to personnel who have rendered at least 180 days' service at sea, and have not, for any reason of misconduct, forfeited their entitlement. Payments will vary with rank, with one person getting as much as ten times the share of another. It is quite apparent that the only reason the naval share is being distributed to individuals in the United Kingdom is that it was felt that in view of the long tradition of prize money in the Royal Navy, it would be unfair to discontinue in respect of the second world war the practice followed for many years.

It is, however, interesting to note that in the United Kingdom section 8 of the prize act of 1948 has ensured that prize money will never again be paid. His Majesty consented that his prerogative to do so shall not be exercised in respect of any future wars. This is done because the practice of paying prize