

AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE UNITED KINGDOM WITH RESPECT TO THE LOAN TO THE GOVERNMENT OF THE UNITED KINGDOM OF VESSELS OWNED BY THE GOVERNMENT OF CANADA.

Signed at Ottawa, August 17, 1945

ARTICLE 1

The Government of Canada agrees to lend and the Government of the United Kingdom agrees to accept on the terms and conditions hereinafter set out the vessels listed in the schedule annexed hereto and such other vessels as may from time to time be delivered and accepted pursuant to and under the terms of this agreement for a period commencing with the respective dates of delivery of the vessels and continuing (subject as hereinafter provided) until terminated by mutual agreement between the two Governments but not extending beyond the cessation of hostilities with the last enemy Power with which the United Kingdom and Canada are both at war. This agreement will apply with respect to all the vessels notwithstanding that certain of the vessels have been delivered to and accepted by the Government of the United Kingdom prior to the execution hereof.

ARTICLE 2

The vessels will be delivered to the Government of the United Kingdom at such places and times as may be agreed upon.

ARTICLE 3

The vessels will, if practicable, be surveyed before delivery in order to determine their condition, but will be accepted by the Government of the United Kingdom in the condition in which the vessels then are, provided, however, that the Government of Canada, if requested to do so by the Government of the United Kingdom, and so far as it is legally possible to do so, will take all practicable steps to enforce any guarantee given by the builders of the vessels or by the suppliers of any machinery or equipment on board the vessels.

ARTICLE 4

No hire will be paid for the vessels.

ARTICLE 5

An agreed inventory of all stores on board, both consumable and nonconsumable, will be made by representatives of the respective Governments on delivery, and again on redelivery of each of the vessels. The Government of the United Kingdom will have the use of all outfit, equipment, appliances, fuel, consumable stores and spare and replacement parts belonging to the Government of Canada and on board the respective vessels at the time of their delivery. Any such items or any similar items on board the respective vessels at the time of their redelivery will become the property of the Government of Canada. Any shortages in inventory at the time of redelivery will be for the account of the Government of the United Kingdom and any such shortage or other discrepancy between the inventories will be adjusted by mutual agreement between the two Governments.