Shipping; agreement for charter of vessels to the United Kingdom

The Secretary submitted a recommendation from the Secretary of State for External Affairs (with the concurrence of the Minister of Reconstruction and Supply) to authorize an agreement with the U.K. government for the charter of ninety-one cargo vessels originally made available under Mutual Aid. The agreement would provide for charter hire on a basis of \$4,166.66 per month per vessel, plus \$500,000 for any totally lost (less depreciation). Ships not previously lost would be re-delivered in varying numbers at stated periods up to December 31st, 1950, by which time all would be returned. The agreement would be retroactive to September 1st, 1945, the date on which Mutual Aid had ceased.

An explanatory note had been circulated.

(Secretary's memorandum, Dec.24, 1946 - Cabinet Document 354).

4. The Cabinet, after discussion, approved the recommendation submitted and agreed that an Order in Council be passed accordingly.

Alaska Highway; rescinding of military restrictions in British Columbia

5. The Secretary, referring to the decision at the meeting of March 21st, reported that, as a result of discussions between the Special Commissioner for Defence Projects in Northwest Canada and representatives of the B.C. government, it had been agreed that the latter would assume normal functions on that section of the Highway within British Columbia. It was expected that, as soon as inspection of the section had been completed, the Provincial government would take over this responsibility.

The transfer would involve removal of restrictions upon activities within a mile on either side of the Highway and would encourage civilian enterprise. It would not, however, alter the present arrangements for maintaining the Highway proper or for the control of civilian traffic by the Traffic Control Board established for that purpose. The maintaining authority (the Army) would also be consulted on sites for any buildings in order to provide for coordination of development in the area.

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