

proposal that they be acquired as a gift, or by way of loan, from the United Kingdom.

4. The War Committee, after further discussion, approved the Minister's recommendation for transfer to the Canadian Navy of units indicated.

4. Extract from Minutes of Cabinet War Committee, January 5, 1944.

13. The Secretary referred to the decision taken at the meeting of November 3rd, 1943, and reported that the U.K. government had now offered to make available to the Canadian Navy, as a "free gift", two "Fiji" class cruisers and two Fleet destroyers. The destroyers would be completed early in 1944, and the cruisers during the latter part of the year.

A communication had also been received from the First Lord of the Admiralty, congratulating the R.C.N. upon its achievements during the war and welcoming its "advent as a 'big ship' navy able to take an ever greater part both now and after the war in maintaining the Naval traditions of the British Commonwealth."

(Telegrams Nos. 3234 and 3254, Canadian High Commissioner, London, to External Affairs, Dec. 22 and 24, 1943)

14. The Minister of National Defence for Naval Services pointed out that this transfer of cruisers and destroyers to Canada had originated in the several proposals submitted to the War Committee at Quebec, on September 8th last, by the then First Sea Lord, at Mr. Churchill's request, as a method of assisting the serious manpower shortages of the Royal Navy. The War Committee had, however, on November 3rd, 1943, approved in principle the transfer of vessels of these types to the Canadian Navy.

Addition of these vessels would not necessarily imply the creation of a large postwar establishment, but would create a better balanced Navy. The Australian Navy, for example, now had several cruisers.

15. The Prime Minister, referring to the communication from Mr. Alexander, pointed out that it appeared to imply the maintenance of Commonwealth naval forces to which Canada would contribute. Such a conception was opposed to Canadian national policy and practice and this impression should be corrected in replying to the British proposal.

Furthermore, the official communication from the Dominions Office based the proposal upon the expansion of the Canadian Navy, whereas it had, in fact, originated in the U.K. government's own suggestions as to methods by which Canada could assist in meeting the grave shortage of British naval personnel. This, too, should be pointed out clearly to the United Kingdom.