

*Article 3*

Where in any case claims arise which are not required to be waived by this Agreement in addition to or in conjunction with claims which are so required to be waived and it is necessary in any proceedings including proceedings for the limitation of liability that claims be marshalled or for the proper assessment of any salvage or general average that values should be estimated, the provisions of this Agreement shall not apply but claims which would otherwise be required to be waived under this Agreement shall be asserted. Any recoveries, however, shall be waived by the Government entitled to such recoveries or at the option of such Government shall be dealt with in such other way as will give effect to the purpose of this Agreement.

*Article 4*

1. In order to carry out the full intention of this Agreement each Government will so arrange in connection with bareboat charters or demises to it or requisitions by it that neither the owners, nor the persons, firms or corporations interested through such owners, shall have or assert any claims of the character specified herein.

2. Each Government represents that in no case in which a legal maritime claim arises under any insurance that has been or will be effected on or in respect of any Government vessel or cargo carried therein shall any rights that can be exercised against the other Government be subrogated to the insurers concerned insofar as the insurers' liability relates to a claim which is required to be waived by this Agreement.

*Article 5*

Each Government shall facilitate the assertion by the other Government of its sovereign immunity in relation to any Government vessel.

*Article 6*

This Agreement terminates the agreement contained in the exchange of notes of May 25 and 26, 1943, and it shall apply to legal maritime claims arising since December 7, 1941, but remaining unsettled on the day this Agreement enters into force, as well as in respect of claims arising on or after such day and during the period in which the Agreement shall remain in force.

*Article 7*

This Agreement shall remain in force until the expiration of six months from the day on which either Government shall have given notice in writing to the other Government of an intention to terminate the Agreement.

I have the honour to inform you that if an Agreement in accordance with the above terms is acceptable to the Government of the United States of America, it shall be considered by the Government of Canada to have been concluded and to be in effect as of the date of a corresponding note from you indicating that the Government of the United States of America is prepared to give effect to the Agreement.

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

L. B. PEARSON.