

1946 No. 10

(1) All claims of the Government of Canada in respect of the costs incurred by it under contracts entered into before March 1, 1946 for the manufacture or production of such claims shall be paid to the Receiver General of Canada on February 28, 1946, shall be paid to the Receiver General of Canada without prejudice to the right of the Government of Canada to claim reimbursement from the United Kingdom to claim reimbursement from third countries in respect of such claims.

AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE UNITED KINGDOM ON THE SETTLEMENT OF WAR CLAIMS

Signed at Ottawa, March 6, 1946

The Government of the United Kingdom and the Government of Canada, in order to arrive at a prompt and final settlement of all outstanding accounts between them arising out of the war, agree as follows:

Article 1

The Government of the United Kingdom will pay to the Government of Canada the sum of \$150,000,000 and thereupon each of the two Governments will, with the exceptions noted below, cancel all claims against the other which arose on or after September 3, 1939, and prior to March 1, 1946, in respect of supplies, services, facilities and accommodation delivered or furnished during that period, whether such claims are known or unknown.

Article 2

The two Governments agree that such payment and cancellation shall be in full settlement of all such claims and neither Government will raise or pursue any such claims against the other.

Article 3

The settlement covered by this Agreement includes without limitation thereto—

(a) All claims of the Government of Canada in respect of the construction for the Admiralty of ships which were in the course of construction on September 1, 1945, and which were to be completed by agreement between the two Governments;

(b) All claims arising out of the operations of the Inspection Board of the United Kingdom and Canada and in this case the period covered by the settlement shall extend to March 31, 1946, the Government of Canada taking over all the assets and liabilities of that Board as of that date;

(c) All claims of the Government of the United Kingdom arising out of the operation by the Department of Munitions and Supply of Canada of joint production projects and all claims relating to the period before March 1, 1946, arising from past or future re-negotiation of contracts or the retroactive adjustment of prices paid by or charged to the Government of the United Kingdom in Canada;

(d) All claims between the two Governments arising from the sharing of profits or losses before March 1, 1946, under contracts or arrangements made before that date and where projects covered by profit or loss sharing agreements continue in operation beyond that date, shares of profits or losses accruing on and after that date shall not be affected by this Agreement except in the case of the Inspection Board covered in paragraph (b) above;

(e) All claims between the two Governments arising from the disposal in the United Kingdom of surplus war assets of the Government of Canada, or from the disposal in Canada of surplus war assets of the Government of the United Kingdom, provided that this Agreement shall not prejudice the right of either Government to remove any of its surplus war assets from the country of the other, either for its own use or for transfer to others; and