

**AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND THE
GOVERNMENT OF THE UNITED KINGDOM ON THE CHARTERING
OF SHIPS**

Signed at Ottawa, December 31, 1946

IT IS THIS DAY MUTUALLY AGREED BETWEEN the Government of Canada (hereinafter called "the Owners"), Owners of the vessels (hereinafter called "the vessels") enumerated in the Schedule annexed hereto consisting of 62 North Sands coal burning type and 29 Victory oil burning type which have been operating under an Agreement (hereinafter called "the original Agreement") dated August 17th, 1945, of the one part, and the Government of the United Kingdom (hereinafter called "the Charterer"), of the other part, as follows:—

CLAUSE 1

(1) The vessels shall be deemed to have been placed by the Owners at the service of the Charterer upon the terms and conditions of this Agreement as from midnight on 1st September, 1945, and the original Agreement shall thereupon be deemed to have ceased to apply to the vessels.

(2) Subject to Clause 12, the vessels shall hereafter remain at the Charterer's disposal until redelivery under Clause 13 or until prior loss, as the case may be.

CLAUSE 2

Subject to the Agreement on the Settlement of War Claims dated 6th March, 1946, and made between the parties hereto, the Charterer shall pay hire for each of the vessels at the rate of 4,166 dollars 66 cents per calendar month during the period of such vessel's service under this Agreement. In computing hire for part of a month the days shall be taken as fractions of a month of 30 days. Hire shall be paid in Canadian dollars in Canada monthly in advance. Any hire paid in advance and not earned shall be refunded to the Charterer.

CLAUSE 3

An agreed inventory of all stores on board, both consumable and non-consumable, shall be made by the Charterer in conjunction with the Owners or their representatives on redelivery of each vessel. Any shortages in the quantities shown in the inventory as compared with the inventory taken at the time of delivery of the vessel under the original Agreement or, in the case of the substituted vessels, under this Agreement shall be paid for by the Charterer at the prices current at the port of redelivery and any surpluses shall be similarly paid for by the Owners.

CLAUSE 4

The vessels shall be under the complete control of the Charterer during the continuance of the vessels' service under this Agreement.

CLAUSE 5

The Charterer may at any time at its expense remove or alter all or any of the fittings or arrangements on board the vessels and may erect any new fittings which may be required by the Charterer.