

**No. 5659**

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**UNITED STATES OF AMERICA  
and  
CANADA**

**Exchange of notes constituting an agreement relating to the  
loan of a vessel to Canada. Washington, 20 July and  
23 and 31 August 1960**

*Official text: English.*

*Registered by the United States of America on 28 March 1961.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
CANADA**

**Échange de notes constituant un accord relatif au prêt d'une  
unité navale au Canada. Washington, 20 juillet et 23 et  
31 août 1960**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 28 mars 1961.*

No. 5659. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND CANADA RELATING TO THE LOAN OF A VESSEL TO CANADA. WASHINGTON, 20 JULY AND 23 AND 31 AUGUST 1960

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I

*The Secretary of State to the Canadian Chargé d'Affaires ad interim*

DEPARTMENT OF STATE  
WASHINGTON

July 20, 1960

Sir :

I refer to conversations between representatives of our two Governments concerning the loan of a submarine, for purposes of antisubmarine warfare training, by the Government of the United States to the Government of Canada and propose the following understandings between our Governments on this subject :

1. The Government of the United States will lend to the Government of Canada for the period set out below the submarine " *USS Burrfish* SSR 312," hereinafter referred to as " the submarine. "

2. The Government of Canada requires and shall use the submarine and its equipment, spares, and allowances solely to maintain the legitimate self-defense of Canada or to participate in the defense of the North Atlantic Treaty area. The Government of Canada will retain possession of, and will use, the submarine and its equipment, spares, and allowances subject to the terms and conditions contained in this note, and in support of the obligations resting upon it and other nations bound by the North Atlantic Treaty signed at Washington on April 4, 1949.<sup>2</sup> The Government of Canada will accord designated representatives of the Government of the United States opportunity, as appropriate, to observe and review the utilization of the submarine and will provide them with such information with respect to use and operation of the submarine as they may require for this purpose.

3. The period of loan for the submarine shall be five (5) years from the date of its delivery to the Government of Canada. Six months before the termination of

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<sup>1</sup> Came into force on 31 August 1960 by the exchange of the said notes.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 34, p. 243; Vol. 126, p. 350, and Vol. 243, p. 308.

this period, however, the two Governments will, if requested by the Government of Canada, consult as to the advisability and feasibility of extending the loan for an additional period to be mutually agreed upon, but not to exceed five years. The Government of the United States may, however, request the return of the submarine at an earlier date if such action is necessitated by its own defense requirements. In this event, the Government of Canada will promptly return the submarine to the Government of the United States.

4. The submarine, together with its available on-board spares and allowances, including consumable stores and fuel, will be delivered to the Government of Canada at such place and time as may be mutually agreed upon. The delivery shall be evidenced by a delivery certificate. The Government of Canada shall have the use of all outfitting equipment, appliances, fuel, consumable stores, spares, and replacement parts on board the submarine at the time of its delivery.

5. The Government of Canada agrees to pay the Government of the United States the cost of rehabilitating and outfitting the submarine, agrees to pay the Government of the United States the fair value and installation costs of any equipment or material which is placed on board at the request of the Government of Canada and which is additional to or substituted for normal allowances, and agrees to pay the Government of the United States the cost of training Canadian personnel in courses of instruction requested by the Government of Canada in connection herewith. Such payments shall be in accordance with the Mutual Security Act of 1954, acts amendatory and supplementary thereto and appropriation acts thereunder.

6. Title to the submarine and to the items and appurtenances referred to in paragraph 4, except fuel, consumable stores, spares, and replacement parts, shall remain in the Government of the United States. The Government of Canada may, however, place the submarine under its flag and designate and name the submarine in accordance with Royal Canadian Navy custom and tradition.

7. The Government of Canada renounces all claims against the Government of the United States arising from the transfer, use, or operation of the submarine and will save the Government of the United States harmless from any such claims asserted by third parties.

8. Upon the expiration or termination of the loan, the submarine, together with its outfitting equipment, appliances, and its available on-board spares and allowances, including consumable stores, replacement parts and fuel, will be returned to the Government of the United States at a place and a time specified by the Government of the United States, in substantially the same condition, reasonable wear and tear excepted, as when transferred. Any items and appurtenances on board the submarine at the time of redelivery shall, if they are not already the property of the Government of the United States, become the property of the Government of the United States without compensation. If the submarine is returned to the Government of the United States at its request prior to the expiration of the initial five-year period, the Government of the United States will consult with the Government of Canada with respect to such compensation on a pro rata basis to the Government of Canada for rehabilitation or outfitting costs or any additional material or altered fittings placed on board in accordance with the provisions of paragraph 5 of this

note as may be authorized by the laws of the United States in effect at that time.

9. The Government of Canada will pay the Government of the United States just and reasonable compensation for damages to, or loss of, the submarine. The Government of Canada shall not, however, be liable for damage to, or loss of, the submarine arising out of enemy action sustained while in use in accordance with the provisions of paragraph 2 of this note. Should the submarine sustain damages from any cause, such as in the opinion of the Government of Canada renders it a total loss, the Government of Canada shall consult with the Government of the United States before declaring the said submarine a total loss.

10. The Government of Canada shall maintain the security of the submarine and of equipment, materials, and information furnished in connection therewith.

11. Detailed arrangements may be made from time to time between authorized representatives of our two Governments, or their agencies, for the purpose of implementing the foregoing understandings and the undertakings of our two Governments hereunder.

If these understandings are acceptable to your Government, I further propose that this note and your reply concurring therein shall constitute an Agreement between our two Governments which shall enter into force on the date of your reply.

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

For the Secretary of State :

Foy D. KOHLER

The Honorable R. A. Farquharson  
Chargé d'Affaires ad interim of Canada

## II

*The Canadian Chargé d'Affaires ad interim to the Acting Secretary of State*

CANADIAN EMBASSY  
AMBASSADE DU CANADA  
WASHINGTON, D.C.

August 23, 1960

No. 518

Sir,

I have the honour to refer to your Note of July 20 in which you propose certain understandings to govern the loan by the Government of the United States of United States Submarine *Burrfish* to the Government of Canada.

I have been instructed to inform you that with the exception noted below, these understandings are acceptable to my Government.

With respect to numbered paragraph 7 of your Note, the Canadian Government understands that it will save the United States Government harmless only in respect of claims asserted by third parties arising out of the transfer of the vessel to Canada and its use by Canada.

Subject to your concurrence in this understanding, my Government proposes that your Note, this reply, and your further Note confirming my Government's understanding with regard to paragraph 7, shall constitute an Agreement governing the loan of this submarine effective the date of your Note of confirmation.

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

S. F. RAE

Chargé d'Affaires ad interim

The Honourable C. Douglas Dillon  
Acting Secretary of State  
Washington, D.C.

### III

*The Secretary of State to the Canadian Chargé d'Affaires ad interim*

DEPARTMENT OF STATE  
WASHINGTON

August 31, 1960

Sir,

I have received your note No. 518 of August 23, 1960, in response to my note of July 20, 1960, relating to the loan by the Government of the United States of United States Submarine *Burrfish* to the Government of Canada. My Government understands that the third paragraph of the above-mentioned note of August 23, 1960, is not intended to eliminate the responsibility of the Canadian Government to save the United States Government harmless in respect of claims asserted by third parties arising out of the operation of the vessel by Canada, and on this premise agrees with the understanding which was expressed in the said note.

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

For the Secretary of State:

Foy D. KOHLER

The Honorable S. F. Rae,  
Canadian Chargé d'Affaires ad interim