

No. 12467

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**CANADA**  
**and**  
**UNITED KINGDOM OF GREAT BRITAIN**  
**AND NORTHERN IRELAND**

**Agreement on the chartering of ships (with schedule). Signed at  
Ottawa on 31 December 1946**

*Authentic text : English.*

*Registered by Canada on 3 May 1973.*

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**CANADA**  
**et**  
**ROYAUME-UNI DE GRANDE-BRETAGNE**  
**ET D'IRLANDE DU NORD**

**Accord relatif à l'affrètement de navires (avec annexe). Signé  
à Ottawa le 31 décembre 1946**

*Texte authentique : anglais.*

*Enregistré par le Canada le 3 mai 1973.*

## AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE UNITED KINGDOM ON THE CHARTERING OF SHIPS

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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,<sup>2</sup> 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.

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<sup>1</sup> Came into force on 31 December 1946 by signature, with retroactive effect from 1 September 1945, in accordance with clause 1.

<sup>2</sup> United Nations, *Treaty Series*, vol. 20, p. 3.

*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.

*Clause 6*

If any of the vessels are lost, hire shall be paid up to and inclusive of the day of loss, or if missing, up to and inclusive of the estimated date of arrival at the next intended port of call, but not exceeding 15 days from the date the vessel was last reported. Should any of the vessels become a constructive total loss, such loss shall be deemed to have occurred on and hire hereunder shall cease as from the day of the casualty resulting in such loss.

*Clause 7*

Subject to the Agreement on the Settlement of War Claims dated 6th March, 1946, and made between the Parties hereto, in the event of the actual or constructive total loss of any of the vessels during its service under this Agreement, the Charterer shall pay to the Owners in full and final settlement the sum of 500,000 Canadian dollars for each vessel so lost, less depreciation at the rate of 6% per annum from 1st September, 1945, until the date of loss.

*Clause 8*

(1) In ascertaining whether any of the vessels is a constructive total loss for the purposes of this Agreement, the sum of 500,000 Canadian dollars, less depreciation at the rate of 6% per annum from 1st September, 1945, until the date of loss, shall be taken as the repaired value and nothing in respect of the damaged or breaking up value of the vessel shall be taken into account, and the vessel may for such purposes be treated as a constructive total loss notwithstanding that no notice of abandonment has been given by the Owners. Should any of the vessels, although not a constructive total loss, sustain such damage or be in such a position as would appear to the Charterer to render it inadvisable that the vessel should be repaired or salvaged, the Charterer shall forthwith notify the Owners and, if the Owners so agree, the vessel shall be deemed to have become a constructive total loss.

*Clause 9*

All risk and expense of the vessels and their stores shall be borne by the Charterer during the continuance of the vessels' service under this Agreement, and in the event of any vessel becoming a wreck or obstruction to navigation the Charterer agrees to indemnify the Owners against any sum which the Owners shall become liable to pay and shall pay in respect of the removal or destruction of the wreck or obstruction under statutory powers.

*Clause 10*

The vessels may be registered in the name of the Charterer during the period of their service under this Agreement, but such registration will not affect the title to the vessels, which will remain vested in the Owners.

*Clause 11*

The Charterer shall have the right of sub-letting any of the vessels to persons having their principal place of business in the United Kingdom, the Channel Islands or the Isle of Man, the Charterer remaining responsible to the Owners for the due fulfilment of his obligations hereunder.

*Clause 12*

(1) The Owners reserve the right to require the exchange of all or any of the vessels named in part II of the schedule hereto for an equal number of North Sands coal burners, (herein called the "substituted vessels"), and the Charterer agrees to make such exchange at the earliest dates convenient to the Parties hereto but not later than October 1st, 1946, unless otherwise agreed.

(2) The substituted vessels shall be surveyed before delivery in order to determine their condition, but shall be accepted by the Charterer in the condition in which such vessels then are. The substituted 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 the dates on which such vessels respectively are delivered to the Charterer. An agreed inventory of all stores, both consumable and non-consumable, on board each of the substituted vessels, will be made by representatives of the Owners and the Charterer on delivery of such vessels to the Charterer.

*Clause 13*

(1) It having been agreed separately between the Owners and the Charterer that the Charterer should purchase ten of the vessels for transfer upon purchase to the United Kingdom register, such vessels to be designated by the Charterer from the North Sands coal burners on service under this Agreement, this Agreement shall cease to apply to the said ten vessels from the time of the purchase. The remainder of the vessels not previously lost shall be redelivered as follows :

(a) On or before 1st January, 1948, the Charterer shall give notice in writing to the Owners designating twenty of the vessels for redelivery between 1st May, 1948, and 15th November, 1948. Eight of these vessels shall be redelivered between 1st May and 30th June, 1948, six between 1st July and 30th September, 1948, and six between 1st October and 15th November, 1948, or as otherwise may be mutually agreed.

(b) On or before 1st September, 1949, the Charterer shall give notice in writing to the Owners designating the balance of the vessels not previously lost for redelivery during 1950. Of these, half of those on service on 1st January, 1950, shall (unless lost) be redelivered at intervals as may be mutually agreed between that date and 30th June, 1950, and the remainder not later than 31st December, 1950.

(2) Each vessel covered by this Agreement shall be redelivered at such port as may be mutually agreed, or failing agreement, at the port at which such vessel was delivered to the Charterer, unless such port was a non-Canadian port, in which event the redelivery shall be at a Canadian port designated by the Owners, in the same order and condition (ordinary wear and tear excepted) and with the same standing as regards Classification and Canadian Steamship Inspection as when delivered to the Charterer subject to the conditions stated below. But if the Owners so require, such vessels shall be redelivered as the vessel then lies so far as any removals, alterations and additions made by the Charterer pursuant to article 6 of the original Agreement

or clause 5 of this Agreement are concerned. Each vessel shall be surveyed before redelivery in order to determine the vessel's condition.

(3) On redelivery of each vessel :

- (a) The Charterer will assume all Classification Society charges and the cost of repairs required by the Classification Society to put each vessel in class;
- (b) The Charterer and the Owners will share equally the Canadian Steamship Inspection fee and the Canadian Steamship Inspection charges for the examination of each vessel;
- (c) the Charterer will assume the full cost of all repairs required by the Canadian Steamship Inspection to enable said Canadian Steamship Inspection to issue their usual certificate.

(4) However, if at the time of redelivery, the quadrennial classification survey falls due, the cost of such survey shall be borne by the Charterer and the Owners proportionately to the time each of them has had the use of the vessel since the delivery thereof under the original Agreement, or in the case of the substituted vessels, since the delivery thereof under this Agreement, or since the last such survey, as the case may be.

DONE in duplicate at Ottawa this 31st day of December, 1946.

For the Government  
of Canada :  
C. D. HOWE

For the Government  
of the United Kingdom :  
A. CLUTTERBUCK

## SCHEDULE

### PART I

#### *North Sands Type*

Fort Aklavik	Fort Turtle	Fort Covington
Fort Bedford	Fort Erie	Fort Moose
Fort Cadotte	Fort Sturgeon	Fort Michipicoten
Fort Nakasley	Fort Cumberland	Fort Richelieu
Fort Buffalo	Fort St. Paul	Fort Espérance
Fort Chesterfield	Fort Albany	Fort St. Joseph
Fort Wrigley	Fort Capot River	Fort Henley
Fort Connolly	Fort Coulonge	Fort La Prairie
Fort Enterprise	Fort Grant	Fort Pic
Fort Ash	Fort Dauphin	Fort Ticonderoga
Fort Grouard	Fort Bell	Fort Beauséjour
Fort Dease Lake	Fort Carlton	Fort Brunswick
Fort Glenlyon	Fort Brandon	Fort Musquarro
Fort Assiniboine	Fort Wellington	Fort La Cloche
Fort McPherson	Fort LaTour	Fort Mattagami
Fort Mingan	Fort St. Regis	Fort Nottingham
Fort Glenora	Fort Rouille	Fort Highfield
Fort Carillon	Fort Romaine	Fort Miami
Fort Caribou	Fort Frontenac	Fort Spokane
Fort Verchères	Fort Crevier	Fort Nisqually
Fort Gloucester	Fort Lennox	

## PART II

*Victory Type*

Fort Columbia  
Fort Astoria  
Fort Yukon  
Fort Kullyspell  
Fort Hall  
Fort Crèvecoeur  
Fort Clatsop  
Fort Kaskaskia  
Fort Boise  
Fort Massac

Fort La Baye  
Fort Panmure  
Fort Prudhomme  
Fort Sakisdac  
Fort Marin  
Fort Venango  
Fort Machault  
Fort Saleesh  
Fort Orleans  
Fort St. Croix

Fort St. Antoine  
Fort Biloxi  
Fort Dearborn  
Fort Wallace  
Fort La Have  
Fort Island  
Fort Brisebois  
Fort Perrot  
Fort Aspin

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