



Ottawa 2nd. October, 1917

TO HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL

The undersigned has the honour to submit that, under an Act passed by the Parliament of the United Kingdom of Great Britain and Ireland entitled "The British Ships (Transfer Restriction) Act, 1915", the transfer of British ships to unqualified persons is restricted and controlled; that, by regulations enacted by an Order of His Royal Highness in Council dated the ninth day of March, 1915, similar legislation was enacted under the provisions of the War Measures Act, 1914; that, by an Act passed by the said Parliament of the United Kingdom entitled "An Act to amend and extend the British Ships (Transfer Restriction) Act, 1915", mortgages and transfers of mortgages of British ships registered elsewhere than in India and the self-governing Dominions to foreigners and foreign controlled companies are restricted and controlled; and that it is desirable that similar legislation be enacted by Canada.

The undersigned begs to recommend, therefore, that the following regulations be enacted and made, under the provisions of the War Measures Act, 1914:-

1. (1) The regulations enacted by the Order in Council of the ninth March, 1915, (P.C. 505) are hereby extended so as to apply to mortgages (including transfers of mortgages) of ships made after the tenth day of August, nineteen hundred and sixteen as it applies to transfers of ships, and shall apply to mortgages (including

transfers of mortgages) and transfers of ships to foreign controlled companies made after the tenth day of August nineteen hundred and sixteen as it applies to transfers of ships to persons not qualified to own a British ship.

(2) The expression "foreign controlled company" means any corporation -

- (a) where the majority of the directors, or persons occupying the position of directors by whatever name called, are not British subjects; or
- (b) where the majority of the voting power is in the hands of persons who are not British subjects, or who exercise their voting powers directly or indirectly on behalf of persons who are not British subjects; or
- (c) where the control is by any other means whatever in the hands of persons who are not British subjects; or
- (d) where the executive is a foreign controlled company, or where the majority of the executive are appointed by a foreign controlled company.

A corporation shall not be deemed to be a British subject for the purposes of this section unless it is established in and subject to the laws of some part of His Majesty's Dominions or of some British Protectorate, and has its principal place of business therein.

(3) The Minister of Marine and Fisheries may require any person who is the owner or mortgagee of a British ship, or who applies to be registered as owner or mortgagee of a British ship, to furnish to him such particulars as appear necessary to him for the purpose of ascertaining whether or not that person is, or is a trustee for, or otherwise represents a foreign controlled company, and in the case of a corporation, may also require the secretary, or any other officer of the corporation performing the duties of secretary to furnish those particulars.

If any person fails to supply such particulars as it is in his power to give when required, or furnishes particulars which are false in any material particular, he shall be guilty of a misdemeanour.

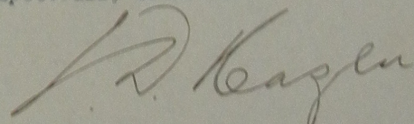
2. Where, after the passing of these regulations, any person who is the owner or mortgagee of a British ship ceases to be a British subject or becomes a foreign controlled company, that ship, or, in the case of a mortgagee of a ship, the interest of the mortgagee, shall be subject to forfeiture, and the provisions of Part I of the Merchant Shipping Act, 1894, relating to the forfeiture of ships shall apply thereto unless such owner or mortgagee has obtained the written permission of the Minister of Marine and Fisheries to become a foreign controlled company.

3. (1) In these regulations, unless the context otherwise requires, any reference to a ship shall include a reference to a share in a ship.

(2) The said regulations made on the ninth of March 1915, (P. C. 505) and these regulations shall have effect during the continuance of the present war and a period of three years thereafter, and section three of the said regulations made on the ninth of March 1915, (P. C. 505) is hereby extended accordingly.

The undersigned further recommends that the Order in Council of the 13th. of October, 1916, (P. C. 2490) be cancelled.

Respectfully submitted.



Minister of Marine and Fisheries.