

The charter control was used as an instrument for co-operating with the United Kingdom Ministry of War Transport, in placing a ceiling on soaring charter rates. As from Aug. 1, 1941, more stringent ceilings on these rates, established in conjunction with the United Kingdom Ministry of War Transport and the United States Maritime Commission, were put into effect. The co-operation of the United States in this field, even before it entered the War itself, was of great assistance in curbing excessive inflation of shipping costs such as took place during the First World War. On Jan. 20, 1942, the Board issued a new schedule of time charter rates, materially reducing those of Aug. 1, 1941. Parallel action was taken by the United Kingdom Ministry of War Transport and by the United States War Shipping Administration, which was set up following entry of the United States into the War.

A system of Ships' Privilege Licences was introduced on Sept. 15, 1940, to parallel and supplement the British Ship Warrant System. This gave the Board power to deny facilities at Canadian ports to vessels failing to co-operate in the Allied war effort. This control is administered through the Department of National Revenue and the Collectors of Customs at the various ports.

From its inception one of the principal functions of the Board has been to provide shipping space to service Canada's essential overseas trade. Until 1941, in the absence of any Canadian agency to decide on shipping priorities, the Board itself had to assume the responsibility of deciding which materials should be granted shipping space available, and in what order. On Oct. 31, 1941, a Shipping Priorities Committee was created in the Department of Trade and Commerce and since then the Board has allocated shipping space for imports on the basis of the priority ratings established by this Committee. The Committee's ratings are reached by collating, in the light of the existing shipping situation as advised by the Shipping Board, the reports and representations received from the various commodity controllers and administrators of the Wartime Industries Control Board and the Wartime Prices and Trade Board. Space for exports is allocated in accordance with the priorities established by the competent authorities in the countries or areas of destination. This co-operation has of course been particularly close in the case of British Commonwealth areas and especially so in respect of Newfoundland and the British West Indies, whose vital requirements have been largely supplied by Canadian-controlled vessels.

The scope of the Board's work has widened considerably as the War has progressed. For example, its control was extended in 1941 to cover Great Lakes and St. Lawrence shipping in addition to ocean shipping, and the tonnage limits applicable for certain of its controls, originally fixed at 500 gross tons, have been moved downward until they now include all vessels over 150 gross tons and, in some cases, all vessels regardless of their tonnage. In the latter part of 1942 the Board was directed by the War Committee of the Cabinet to act as a clearing authority for all auxiliary craft required by the Departments of National Defence—Army, Navy and Air.

The shipping controls administered are merely means to the Board's chief purpose, which is the maintenance of the water movement of materials and commodities essential to the war effort. Details concerning this work cannot be given at present. It may be said, however, that to date all overseas and coastal movements vital to war production and to war-time economy have been maintained despite the intensity of the submarine campaign and the fact that many Canadian vessels have been allocated by the Board for indirect war service far from Canadian shores, and others have been made available for direct war service, such as that of