The principal functions of the Board are to control and direct all Canadian ocean, coastal and inland waters shipping in order to see that it is used to maximum efficiency in the war effort; to advise the Government on matters relating to water transport; to maintain essential sea and inland waters commerce; and to administer, not only its own regulations governing Canadian vessels, but, in co-operation with the United Kingdom Ministry of War Transport and the United States War Shipping Administration, other measures designed to encourage neutral shipping to operate in the interests of the United Nations.

In the field of international shipping the Board assumed new responsibilities during 1944. In August, an "Agreement on Principles, having reference to the continuance of co-ordinated control of merchant shipping" was signed in London by representatives of the Governments of the United_Kingdom, the United States, Norway, the Netherlands, Canada, Belgium, Greece and Poland, and subsequently by France, India and Australia. The chief purpose of the Agreement is to ensure that adequate merchant ship tonnage will be available for all military and other tasks necessary for and arising out of the completion of the war in Europe and the Far East, and for the supplying of all liberated areas, as well as of the United Nations generally and the territories under their authority. The Agreement becomes effective on the conclusion of hostilities with Germany, and will expire six months after the suspension of hostilities with Japan. It provides for the establishment of a United Maritime Authority, consisting of a United Maritime Council, which will meet at intervals to consider questions of policy, and of a United Maritime Executive Board, with two branches, one in London and the other in Washington.

Since the establishment of the Board in 1939, its work has greatly increased in scope and in volume, as a result of the rapid wartime expansion which has taken place in the size of the Canadian merchant marine and the creation of the United Maritime Authority.

Ship Repairs and Salvage Control.—Because much of the construction work on the facilities required for the quick handling of ship repairs has been completed, the Ship Repairs and Salvage Control is able to meet the increased demands made upon it by all types of naval and merchant vessels of the United Nations. These demands are, in many instances, the result of direct enemy action and sometimes extensive repairs are necessary. In addition, ship salvage operations are being conducted and valuable cargoes are being re-shipped to original destinations or diverted to Canadian war industry.

The Controller of Ship Repairs and Salvage, operating with the U.K. Ministry of War Transport, ship owners, ship agents, shipyards, dry-dock operators, machine shops, foundries, ship salvage operators, cargo salvage operators and ship insurance agencies, assures quick action in the event of repairs being required in Canadian ports. To reduce delays to a minimum, members of the engineering staff of the Control are constantly in attendance at each important port.

Control of Civil Aviation

Immediately after the War of 1914-18 it became apparent that aviation was destined to play an important part in Canadian development and that it would therefore be necessary to introduce legislation both to encourage and to control flying. The Aeronautics Act, 1919, which is still the bulwark of Government control over civil aviation, was passed for that purpose. Briefly, it makes the Dominion Government responsible for: study and research in conjunction with other bodies;