

and the other Government does not agree, the question of continuing need will be referred to the Permanent Joint Board on Defense. Following consideration by the Permanent Joint Board on Defense, either Government may decide that the facilities in question may be disposed of, in which case the arrangements shown in paragraph 9 below regarding ownership and disposition of the installations shall apply.

(b) Canada reserves the right on reasonable notice to take over responsibility for the operation of any or all of the facilities. Canada will ensure effective operation, in association with the United States, of any facilities it takes over.

4. *Financing*

The costs of operation and maintenance of the facilities provided and operated by the United States shall be the responsibility of the United States, except as otherwise agreed between the Canadian and United States authorities to take account of Canadian utilization of the facilities.

5. *Manning*

For the purpose of this agreement, the United States may station personnel in Canada who shall be responsible to the appropriate United States commander at Fort Churchill. It is recognized, however, that the senior Canadian officer at Fort Churchill shall have over-all command and administrative control for all matters relating to the use of the facilities. The number of United States personnel to be stationed at Fort Churchill for the operation and maintenance of the facilities will be a matter for mutual agreement between the appropriate agencies of the two Governments and will, in any case, not exceed the minimum required to operate the facilities effectively.

6. *Safety*

In establishing operational procedures the utmost precaution shall be taken to ensure that objects fired into the upper atmosphere do not fall in populated areas and that they do not constitute a hazard to aviation or shipping. Range safety requirements and control measures established by appropriate Canadian authorities will be observed.

7. *Construction*

(a) Procedures for awarding contracts for the improvement of existing facilities or for the construction of any additional facilities and for the procurement of construction equipment, construction supplies and related technical services, shall be determined by agreement between appropriate agencies of the two Governments.

(b) Rates of pay and working conditions will be set after consultation with the Canadian Department of Labour in accordance with the Canadian Fair Wages and Hours of Labour Act.

8. *Procurement of Electronic Equipment*

The Canadian Government reaffirms the principle that electronic equipment at installations on Canadian territory should, as far as practicable, be manufactured in Canada. The question of practicability must, in each case, be a matter for consultation between the appropriate Canadian and United States agencies to determine the application of the principle. The factors to be taken into account shall include availability at the time required, cost, and performance. For the purpose of carrying out this principle, in the event electronic equipment additional to that at present at Fort Churchill will be required, consultation shall take place between appropriate representatives of the two Governments.