

(B) (1) Canada will take over the manning, operation and maintenance, and the financial responsibilities relating thereto, of the following Pine-tree Stations on dates to be agreed by the appropriate authorities of both Governments:—

Baldy Hughes, British Columbia
 Kamloops, British Columbia
 Puntzi Mountain, British Columbia
 Saskatoon Mountain, British Columbia
 Beausejour, Manitoba
 Armstrong, Ontario
 Lowther, Ontario
 Pagwa, Ontario
 Ramore, Ontario
 Sioux Lookout, Ontario
 Barrington, Nova Scotia

(2) Effective from the date of this agreement, Canada will assume financial responsibilities for all costs of manning, operating and maintaining the following Pinetree Stations:—

Moisie, Quebec
 Saint Sylvestre, Quebec
 Beaverbank, Nova Scotia
 Sydney, Nova Scotia
 Gander, Newfoundland

(3) If additional costs of operation and maintenance arise as a result of any improvements over and above those programmed for installation at the date of this Agreement, the division of costs shall be agreed between the two Governments.

(4) Except as otherwise provided herein, the Pinetree Stations referred to in this Memorandum will continue to be operated under the provisions of the Exchanges of Notes dated August 1, 1951 and June 15, 1955.

III. Procurement of F-104G Aircraft

(A) F-104G aircraft, associated support equipment and initial spares having a total cost of U.S. \$200 million will be procured in Canada. The aircraft will be procured to meet a Canadian mutual aid contribution to NATO and U. S. Military Assistance Program requirements. The United States will contribute U. S. \$150 million. The annual division of the costs of procurement under this paragraph will be on the basis of three-quarters by the United States and one-quarter by Canada.

(B) Deliveries will start in mid-1963 at the approximate rate of 48 aircraft a year and will continue until aircraft, support equipment and initial spares in the total amount of U.S. \$200 million are delivered.

(C) Where legally possible no part of the U.S. \$200 million in this Article will be used to pay any royalty, license, or fee for any right or part thereof which has been created out of the expenditure of public funds of either Government.

(D) The program described in this Article (III) is subject to the availability of appropriated funds.