

In the ninth year	\$1,400,000;
" " tenth year.....	1,050,000;
" " eleventh year	700,000;
" " twelfth year.....	350,000.

Re-assessment of Newfoundland's Financial Position

14. In view of the difficulty of predicting with sufficient accuracy the financial consequences to Newfoundland of adjustment to provincial status the Government of Canada will appoint a Royal Commission within eight years of union to review the financial position of Newfoundland and to recommend the form and scale of additional financial assistance, if any, which may be required by the Government of Newfoundland to enable it to continue public services at then prevailing levels without resorting to taxation more burdensome, having regard to capacity to pay, than that of the Maritime Provinces.

REPRESENTATION

15. Representation of the Province of Newfoundland in the Senate and House of Commons of Canada will be in accordance with the British North America Acts, 1867 to 1946, as amended from time to time. Under the existing provisions, while the number of senators to which each province is entitled is fixed, the number of members of the House of Commons is determined from time to time on the basis of population, but in any case is not to be less than the number of senators to which the province is entitled. Under these provisions the Province of Newfoundland will be represented by six members in the Senate and, on the basis of its present population, by seven members in the House of Commons

MISCELLANEOUS PROVISIONS

Transportation

16. (1) Canada will maintain in accordance with the traffic offering a steamship service between North Sydney and Port aux Basques, which, on completion of a motor highway between Corner Brook and Port aux Basques, will include suitable provision for the carriage of motor vehicles.

(2) Railway services and railway rates over the Newfoundland Railway will be subject to regulation by the Board of Transport Commissioners of Canada as are railway services and rates elsewhere in Canada.

(3) For the purpose of rate regulation:

(a) Through-traffic moving between North Sydney and Port aux Basques will be treated as all-rail traffic;

(b) The Island of Newfoundland will be deemed to be within the Maritime region of Canada and any legislation of the Parliament of Canada (such as the Maritime Freight Rates Act, 1927, and amendments) providing for special rates on freight traffic moving within, into or out of, the Maritime region will, so far as appropriate, be made applicable to Newfoundland.

17. *Government Employees*

(1) Employees of the Government of Newfoundland in services taken over by Canada as provided for in clause 5 above will be offered employment in the corresponding Canadian service under the terms and conditions governing employment in that service, but without reduction in salary or loss of pension (superannuation) rights acquired under Newfoundland law.

(2) Canada will make all necessary payments in respect of such pension rights and may deduct from any subsidies payable to the Province of Newfoundland any payments made in respect of pensionable service of such employees with the Government of Newfoundland.

(3) Pensions of employees of the Government of Newfoundland superannuated or retired on pension before the service concerned is taken over by Canada will remain the responsibility of the Province of Newfoundland.

18. *Unemployment Benefits*

Since, under the Unemployment Insurance Act, 1940 and amendments, unemployment benefits are ordinarily available only to workers who have built up reserves by a period of continuous employment in insurable employment, Canada will provide for transitional unemployment benefits as follows: