

- (11) Marine hospitals, quarantine and the care of ship-wrecked crews;
- (12) The public radio broadcasting system; and
- (13) Other public services similar in kind to those provided at the union for the people of Canada generally.

6. Canada will pay the salary of the Lieutenant-Governor and the salaries, allowances and pensions of superior court judges and of judges of district and county courts, if and when established.

## FINANCIAL ARRANGEMENTS

### *Debt*

7. Canada will assume and provide for the servicing and retirement of the 3 per cent Stock Issue maturing 1943-63 guaranteed by the United Kingdom. (This, in the opinion of the Canadian Government, represents a fair estimate of the amount of debt incurred for purposes which would presumably have been the responsibility of the Government of Canada had Newfoundland been a province of Canada when the debt was incurred.) All sinking funds against this portion of the debt will be taken over by Canada.

The Province of Newfoundland will continue to be liable for the remaining portion of the Newfoundland debt and retain all sinking funds against that portion.

The apportionment of the debt and sinking funds is set forth in Annex II hereto

### *Public Works*

8. The following Newfoundland public works and property will become the property of Canada when the service concerned is taken over (as provided for in clause 5 above), without prejudice to the rights of third parties in respect of any leasehold or other property interest therein:

- (1) The Newfoundland Railway, including rights of way, wharves, drydocks and other real property, rolling stock, equipment, ships and other personal property, Canada to assume the cost of the two steamships contracted for on behalf of the Railway and presently under construction in the United Kingdom;
- (2) The Newfoundland Airport at Gander, including buildings and equipment together with any other property used for the operation of the Airport, Canada to reimburse Newfoundland for payments made, and to forgo payments to be made, under article 2 of the Agreement effective March 31, 1946, between the United Kingdom, Canadian and Newfoundland Governments, providing for the purchase by Newfoundland of buildings and Royal Canadian Air Force equipment at Gander;
- (3) The Newfoundland Hotel and equipment, if taken over by Canada (*see clause 5, (2) above*);
- (4) Public harbours, wharves, break-waters and aids to navigation;
- (5) Military and naval property, stores and equipment;
- (6) Public dredges and vessels except those used for services which remain the responsibility of Newfoundland;
- (7) The public telegraph system, including rights of way, land lines, cables and other real and personal property;
- (8) Real and personal property of the Broadcasting Corporation of Newfoundland;
- (9) Customs houses and post offices; and
- (10) Generally all public works and property, real and personal, used primarily for services taken over by Canada.

Newfoundland public works and property not hereby transferred to Canada will remain the property of the Province of Newfoundland.

### *Accumulated Financial Surplus*

9. Newfoundland will retain its financial surplus accumulated to the time of union, subject to the following conditions:

- (1) One-third of the surplus at the time of union shall be set aside during the first eight years of union, either in trust or on deposit with the Government of Canada at Newfoundland's option, withdrawable by the Newfoundland Government as required only for expenditures on current account in order to facilitate the maintenance and improvement of Newfoundland public services, any unspent portion thereof at the end of the eight-year period to become available for the unrestricted use of Newfoundland;