

ANNEX

CONDITIONS FOR CONSTRUCTION AND OPERATION OF THE LORAN STATION AT CAPE CHRISTIAN, BAFFIN ISLAND

(In this Annex, unless the context otherwise requires, "Canada" means the Government of Canada, and "United States" means the Government of the United States of America.)

(1) *Site*

Canada shall retain title to all the land required for the Loran Station and its ancillary facilities. The Canadian Government grants and assures to the U.S. Government, without charge, such rights of access, use and occupancy as may be required for the construction, equipment and operation of the station, subject to the provisions described in the following paragraphs.

(2) *Plans*

The detailed plans of the buildings, roads, landing and storage facilities, water supply facilities, use of local materials (rock fill, sand, gravel, etc.) and arrangements for disposal of garbage, sewage and rubbish shall require the approval of the Department of Transport and the Department of Northern Affairs and National Resources in advance of the construction. Canadian officials shall have the right of inspection during construction. Any plans for subsequent construction must also be submitted in advance for approval of the appropriate Canadian officials.

(3) *Construction*

- (a) Canadian contractors shall be extended equal consideration with U.S. contractors in the awarding of contracts, and Canadian and U.S. contractors shall have equal consideration in the procurement of materials, equipment and supplies in either Canada or the U.S.
- (b) Any contractors awarded a contract for construction in Canada shall be required to give preference to qualified Canadian labour for such construction. The rates of pay and working conditions for this labour will be set after consultation with the Canadian Department of Labour and will be set in accordance with the Canadian Fair Wages and Hours of Labour Act of 1935.
- (c) Canadian law (e.g. tax laws, labour, workmen's compensation, ordinances of the Northwest Territories, etc.) will apply.
- (d) Subject to the agreement of the appropriate Canadian authorities, the U.S. may use, without charge, gravel and other construction material from Federal Crown lands.

(4) *Ownership of Movable Property*

Ownership of movable property brought into Canada or purchased in Canada by the United States for the Station, shall remain in the United States.