

Changes to legislation: There are currently no known outstanding effects for the British North America Act 1949. (See end of Document for details)

SCHEDULE **U.K.**

TERMS OF UNION OF NEWFOUNDLAND WITH CANADA

TERMS OF UNION

U.K.

MISCELLANEOUS PROVISIONS

Salaries of Lieutenant-Governor and Judges

- 30 The salary of the Lieutenant-Governor and the salaries, allowances, and pensions of the judges of such superior, district, and county courts as are now or may hereafter be constituted in the Province of Newfoundland shall be fixed and provided by the Parliament of Canada.

Public Services, Works and Property

- 31 At the date of Union, or as soon thereafter as practicable, Canada will take over the following services and will as from the date of Union relieve the Province of Newfoundland of the public costs incurred in respect of each service taken over, namely,
- (a) the Newfoundland Railway, including steamship and other marine services;
 - (b) the Newfoundland Hotel, if requested by the Government of the Province of Newfoundland within six months from the date of Union;
 - (c) postal and publicly-owned telecommunication services;
 - (d) civil aviation, including Gander Airport;
 - (e) customs and excise;
 - (f) defence;
 - (g) protection and encouragement of fisheries and operation of bait services;
 - (h) geological, topographical, geodetic, and hydrographic surveys;
 - (i) lighthouses, fog alarms, buoys, beacons, and other public works and services in aid of navigation and shipping;
 - (j) marine hospitals, quarantine, and the care of ship-wrecked crews;
 - (k) the public radio broadcasting system; and
 - (l) other public services similar in kind to those provided at the date of Union for the people of Canada generally.
- 32 (1) Canada will maintain in accordance with the traffic offering a freight and passenger 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) For the purpose of railway rate regulation the Island of Newfoundland will be included in the Maritime region of Canada, and through-traffic moving between North Sydney and Port aux Basques will be treated as all-rail traffic.
- (3) All legislation of the Parliament of Canada providing for special rates on traffic moving within, into, or out of, the Maritime region will, as far as appropriate, be made applicable to the Island of Newfoundland.

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- 33 The following public works and property of Newfoundland shall become the property of Canada when the service concerned is taken over by Canada, subject to any trusts existing in respect thereof, and to any interest other than that of Newfoundland in the same, namely,
- (a) the Newfoundland Railway, including rights of way, wharves, drydocks, and other real property, rolling stock, equipment, ships, and other personal property;
 - (b) the Newfoundland Airport at Gander, including buildings and equipment, together with any other property used for the operation of the Airport;
 - (c) the Newfoundland Hotel and equipment;
 - (d) public harbours, wharves, break-waters, and aids to navigation;
 - (e) bait depots and the motor vessel Malakoff;
 - (f) military and naval property, stores, and equipment;
 - (g) public dredges and vessels except those used for services that remain the responsibility of Newfoundland and except the nine motor vessels known as the Clarenville boats;
 - (h) the public telecommunication system, including rights of way, land lines, cables, telephones, radio stations, and other real and personal property;
 - (i) real and personal property of the Broadcasting Corporation of Newfoundland; and
 - (j) subject to the provisions of Term thirty-four, customs houses, and post-offices and generally all public works and property, real and personal, used primarily for services taken over by Canada.
- 34 Where at the date of Union any public buildings of Newfoundland included in paragraph (j) of Term thirty-three are used partly for services taken over by Canada and partly for services of the Province of Newfoundland the following provisions shall apply:
- (a) where more than half the floor space of a building is used for services taken over by Canada the building shall become the property of Canada and where more than half the floor space of a building is used for services of the Province of Newfoundland the building shall remain the property of the Province of Newfoundland;
 - (b) Canada shall be entitled to rent from the Province of Newfoundland on terms to be mutually agreed such space in the buildings owned by the Province of Newfoundland as is used for the services taken over by Canada and the Province of Newfoundland shall be entitled to rent from Canada on terms to be mutually agreed such space in the buildings owned by Canada as is used for the services of the Province of Newfoundland;
 - (c) the division of buildings for the purposes of this Term shall be made by agreement between the Government of Canada and the Government of the Province of Newfoundland as soon as practicable after the date of Union; and
 - (d) if the division in accordance with the foregoing provisions results in either Canada or the Province of Newfoundland having a total ownership that is substantially out of proportion to the total floor space used for its services an adjustment of the division will be made by mutual agreement between the two Governments.
- 35 Newfoundland public works and property not transferred to Canada by or under these Terms will remain the property of the Province of Newfoundland.

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- 36 Without prejudice to the legislative authority of the Parliament of Canada under the British North America Acts 1867 to 1946, any works, property, or services taken over by Canada pursuant to these Terms shall thereupon be subject to the legislative authority of the Parliament of Canada.

Natural Resources

- 37 All lands, mines, minerals, and royalties belonging to Newfoundland at the date of Union, and all sums then due or payable for such lands, mines, minerals, or royalties, shall belong to the Province of Newfoundland, subject to any trusts existing in respect thereof, and to any interest other than that of the Province in the same.

Veterans

- 38 Canada will make available to Newfoundland veterans the following benefits, on the same basis as they are from time to time available to Canadian veterans, as if the Newfoundland veterans had served in His Majesty's Canadian forces, namely,
- (a) The War Veterans Allowance Act 1946, free hospitalization and treatment, and civil service preference will be extended to Newfoundland veterans who served in the First World War or the Second World War or both;
 - (b) Canada will assume as from the date of Union the Newfoundland pension liability in respect of the First World War, and in respect of the Second World War Canada will assume as from the date of Union the cost of supplementing disability and dependants' pensions paid by the Government of the United Kingdom or an Allied country to Newfoundland veterans up to the level of the Canadian rates of pensions, and, in addition, Canada will pay pensions arising from disabilities that are pensionable under Canadian law but not pensionable either under the laws of the United Kingdom or under the laws of an Allied country;
 - (c) The Veterans' Land Act 1942, Part IV of the Unemployment Insurance Act 1940, The Veterans' Business and Professional Loans Act, and The Veterans Insurance Act will be extended to Newfoundland veterans who served in the Second World War;
 - (d) a re-establishment credit will be made available to Newfoundland veterans who served in the Second World War equal to the re-establishment credit that might have been made available to them under The War Service Grants Act 1944, if their service in the Second World War had been service in the Canadian forces, less the amount of any pecuniary benefits of the same nature granted or paid by the Government of any country other than Canada;
 - (e) Canada will assume, as from the date of Union, the cost of vocational and educational training of Newfoundland veterans of the Second World War on the same basis as if they had served in His Majesty's Canadian forces; and
 - (f) sections six, seven, and eight of The Veterans Rehabilitation Act will be extended to Newfoundland veterans of the Second World War who have not received similar benefits from the Government of any country other than Canada.

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Public Servants

- 39 (1) Employees of the Government of Newfoundland in the services taken over by Canada pursuant to these Terms will be offered employment in these services or in similar Canadian services under the terms and conditions from time to time governing employment in those services, but without reduction in salary or loss of pension rights acquired by reason of service in Newfoundland.
- (2) Canada will provide the pensions for such employees so that the employees will not be prejudiced, and the Government of the Province of Newfoundland will reimburse Canada for the pensions for, or at its option make to Canada contributions in respect of, the service of these employees with the Government of Newfoundland prior to the date of Union, but these payments or contributions will be such that the burden on the Government of the Province of Newfoundland in respect of pension rights acquired by reason of service in Newfoundland will not be increased by reason of the transfer.
- (3) Pensions of employees of the Government of Newfoundland who were retired on pension before the service concerned is taken over by Canada will remain the responsibility of the Province of Newfoundland.

Welfare and Other Public Services

- 40 Subject to these Terms, Canada will extend to the Province of Newfoundland, on the same basis and subject to the same terms and conditions as in the case of other provinces of Canada, the welfare and other public services provided from time to time by Canada for the people of Canada generally, which, in addition to the veterans' benefits, unemployment insurance benefits, and merchant seamen benefits set out in Terms thirty-eight, forty-one, and forty-two respectively, include family allowances under The Family Allowances Act 1944, unemployment insurance under The Unemployment Insurance Act 1940, sick mariners' benefits for merchant seamen and fishermen under the Canada Shipping Act 1934, assistance for housing under The National Housing Act 1944, and, subject to the Province of Newfoundland entering into the necessary agreements or making the necessary contributions, financial assistance under The National Physical Fitness Act for carrying out plans of physical fitness, health grants, and contributions under the Old Age Pensions Act for old age pensions and pensions for the blind.

Unemployment Insurance

- 41 (1) Subject to this Term, Canada will provide that residents of the Province of Newfoundland in insurable employment who lose their employment within six months prior to the date of Union and are still unemployed at that date, or who lose their employment within a two-year period after that date, will be entitled for a period of six months from the date of Union or six months from the date of unemployment, whichever is the later, to assistance on the same scale and under the same conditions as unemployment insurance benefits.
- (2) The rates of payment will be based on the individual's wage record for the three months preceding his loss of employment, and to qualify for assistance a person must have been employed in insurable employment for at least thirty per centum of the working days within the period of three months preceding his loss of employment or thirty per centum of the working days within the period since the date of Union, whichever period is the longer.

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Merchant Seamen

- 42 (1) Canada will make available to Newfoundland merchant seamen who served in the Second World War on British ships or on ships of Allied countries employed in service essential to the prosecution of the war, the following benefits, on the same basis as they are from time to time available to Canadian merchant seamen, as if they had served on Canadian ships, namely,
- (a) disability and dependants' pensions will be paid, if disability occurred as a result of enemy action or counter-action, including extraordinary marine hazards occasioned by the war, and a Newfoundland merchant seaman in receipt of a pension from the Government of the United Kingdom or an Allied country will be entitled, during residence in Canada, to have his pension raised to the Canadian level; and
 - (b) free hospitalization and treatment, vocational training, The Veterans' Land Act 1942, and The Veterans Insurance Act will be extended to disability pensioners.
- (2) Vocational training, Part IV of The Unemployment Insurance Act 1940, and The Veterans Insurance Act will be extended to Newfoundland merchant seamen who were eligible for a Special Bonus or a War Service Bonus, on the same basis as if they were Canadian merchant seamen.
- (3) The Unemployment Insurance Act 1940, and The Merchant Seamen Compensation Act will be applied to Newfoundland merchant seamen as they are applied to other Canadian merchant seamen.

Citizenship

- 43 Suitable provision will be made for the extension of the Canadian citizenship laws to the Province of Newfoundland.

Defence Establishments

- 44 Canada will provide for the maintenance in the Province of Newfoundland of appropriate reserve units of the Canadian defence forces, which will include the Newfoundland Regiment.

Economic Survey

- 45 (1) Should the Government of the Province of Newfoundland institute an economic survey of the Province of Newfoundland with a view to determining what resources may profitably be developed and what new industries may be established or existing industries expanded, the Government of Canada will make available the services of its technical employees and agencies to assist in the work.
- (2) As soon as may be practicable after the date of Union, the Government of Canada will make a special effort to collect and make available statistical and scientific data about the natural resources and economy of the Province of Newfoundland, in order to bring such information up to the standard attained for the other provinces of Canada.

Oleomargarine

- 46 (1) Oleomargarine or margarine may be manufactured or sold in the Province of Newfoundland after the date of the Union and the Parliament of Canada shall not

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prohibit or restrict such manufacture or sale except at the request of the Legislature of the Province of Newfoundland, but nothing in this Term shall affect the power of the Parliament of Canada to require compliance with standards of quality applicable throughout Canada.

- (2) Unless the Parliament of Canada otherwise provides or unless the sale and manufacture in, and the interprovincial movement between, all provinces of Canada other than Newfoundland, of oleomargarine and margarine, is lawful under the laws of Canada, oleomargarine or margarine shall not be sent, shipped, brought, or carried from the Province of Newfoundland into any other province of Canada.

Income Taxes

- 47 In order to assist in the transition to payment of income tax on a current basis Canada will provide in respect of persons (including corporations) resident in Newfoundland at the date of Union, who were not resident in Canada in 1949 prior to the date of Union, and in respect of income that under the laws of Canada in force immediately prior to the date of Union was not liable to taxation, as follows:
- (a) that prior to the first day of July, 1949, no payment will be required or deduction made from such income on account of income tax;
 - (b) that for income tax purposes no person shall be required to report such income for any period prior to the date of Union;
 - (c) that no person shall be liable to Canada for income tax in respect of such income for any period prior to the date of Union; and
 - (d) that for individuals an amount of income tax for the 1949 taxation year on income for the period after the date of Union shall be forgiven so that the tax on all earned income and on investment income of not more than \$2,250 will be reduced to one-half the tax that would have been payable for the whole year if the income for the period prior to the date of Union were at the same rate as that subsequent to such date.

Statute of Westminster

- 48 From and after the date of Union the Statute of Westminster 1931, shall apply to the Province of Newfoundland as it applies to the other Provinces of Canada.

Saving

- 49 Nothing in these Terms shall be construed as relieving any person from any obligation with respect to the employment of Newfoundland labour incurred or assumed in return for any concession or privilege granted or conferred by the Government of Newfoundland prior to the date of Union.

Coming into Force

- 50 These Terms are agreed to subject to their being approved by the Parliament of Canada and the Government of Newfoundland; shall take effect notwithstanding the Newfoundland Act 1933, or any instrument issued pursuant thereto; and shall come into force immediately before the expiration of the thirty-first day of March 1949, if His Majesty has theretofore given His Assent to an Act of the Parliament of the United Kingdom of Great Britain and Northern Ireland confirming the same.

Signed in duplicate at Ottawa this eleventh day of December 1948.

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