

central Newfoundland; large-scale mining developments began at Bell Island and in the Notre Dame Bay area, and indigenous manufacturing flourished on the basis of the colony's growing population. The construction of giant newsprint complexes, at Grand Falls in 1909 and Corner Brook in 1925, firmly established the economic base for the central and western areas of the island.

The world-wide economic collapse that marked the advent of the Great Depression virtually wiped out the export markets for Newfoundland's resource-oriented economy. The necessity to provide government relief to large numbers of the population and a sharp decline in government revenues led the government of Newfoundland to vote to suspend its Dominion status within the Commonwealth in favour of a commission of government made up of officials appointed from Newfoundland and Britain.

The First World War brought renewed prosperity to Newfoundland. World markets for Newfoundland products improved dramatically during the war and this, coupled with the construction of Canadian and American military bases in Newfoundland and Labrador, resulted in full employment and rapid increases in earned incomes.

After the war the political movement for the restoration of self-

government gained increasing strength and, in June 1948, a referendum was held to determine whether Newfoundland should retain the commission of government, restore responsible government or join the Canadian Confederation. When none of these three options achieved a clear majority, a second referendum was held with the least popular option, retaining the commission of government, being dropped from the ballot paper. On this occasion, the vote in favour of Confederation was narrowly successful and Newfoundland became Canada's newest province just before midnight on March 31, 1949.

#### *The economy*

Newfoundland's economy since 1949 has continued to be dominated by the resource sectors. The giant newsprint mills at Corner Brook and Grand Falls have undergone continual modernization and technological innovation and now have a production capacity of about 769 500 tonnes of newsprint a year. The construction of a linerboard mill at Stephenville provided further expansion in the forest industry. The plant is now undergoing conversion to a newsprint facility.

Newfoundland's economic development owes a great deal to the growth of the mining sector: it now provides the province's most important export in value terms. Since