

concern, such as education, the Government of Canada would not wish to set down any rigid conditions, and it would be prepared to give reasonable consideration to suggestions for modification or addition.

It is our understanding that the National Convention is entrusted with the responsibility of making recommendations to the United Kingdom Government regarding future forms of government to be submitted to the people of

Newfoundland in a national referendum. The Government of Canada would not wish in any way to influence the National Convention nor the decision of the people, should they be requested to decide the issue of confederation. Should the people of Newfoundland indicate clearly and beyond all possibility of misunderstanding their will that Newfoundland should become a province of Canada on the basis of the proposed arrangements, the

Canadian Government, subject to the approval of Parliament, would for its part be prepared to take the necessary constitutional steps to make the union effective at the earliest practicable date.

I should be grateful if you bring this letter, together with its enclosure, to the attention of the National Convention.

Yours sincerely,

(Sgd). W.L. Mackenzie King

PROPOSED ARRANGEMENTS FOR THE ENTRY OF NEWFOUNDLAND INTO CONFEDERATION

Terms believed to constitute a fair and equitable basis for union of Newfoundland with Canada should the people of Newfoundland desire to enter into confederation.

1. Newfoundland will have, as from the date of union, the status of a province of Canada with all the rights, powers, privileges and responsibilities of a province.
2. The Province of Newfoundland will include the territory of Labrador defined by the award of the Judicial Committee of the Privy Council in 1927 as Newfoundland territory.

PUBLIC SERVICES PROVIDED BY CANADA

3. The public services provided from time to time by Canada for the people of Canada generally will be extended to the people of Newfoundland.
4. Welfare services presently provided by Canada, and therefore applicable to Newfoundland after union pursuant to clause 3, include the following:
 - (1) Family allowances, as provided by the Family Allowances Act, 1944 and amendments;
 - (2) Old age pensions and pensions for the blind, as provided by the Old Age Pensions Act, 1927 and amendments, subject to agreement with the Government of the Province;
 - (3) Unemployment insurance, as provided by the Unemployment Insurance Act, 1940 and amendments;
 - (4) Sick mariners' benefits for merchant seamen and fishermen, as provided under the Canada Shipping Act, 1934 and amendments;
 - (5) Assistance for housing, as provided under the National Housing Act, 1944 and amendments.
5. At the union, or as soon as practicable thereafter, the following services will be taken over by Canada and become subject to the jurisdiction of Parliament, Newfoundland to be relieved of the public costs incurred in respect of each service after it is taken over:
 - (1) The Newfoundland Railway, including steamship and other marine services;
 - (2) The Newfoundland Hotel, if requested by the Government of the Province of Newfoundland;
 - (3) Postal and publicly-owned telegraphic services;
 - (4) Civil aviation, including Gander Airport;
 - (5) Customs and Excise;
 - (6) Defence;
 - (7) Pensions and rehabilitation of war veterans and merchant seamen on the basis set forth in Annex I hereto;
 - (8) Protection and encouragement of fisheries;
 - (9) Geological, topographical, geodetic and hydrographic surveys;
 - (10) Lighthouses, fog alarms, buoys, beacons and other public works and services in aid of navigation and shipping;