

consider and discuss among themselves as elected representatives of the Newfoundland people, the changes that have taken place in the financial and economic situation of the island since 1934, and bearing in mind the extent to which the high revenues of recent years have been due to war-time conditions, to examine the position of the country, and to make recommendations to His Majesty's Government as to possible forms of future government to be put before the people in a national referendum."

The Convention was elected in June, 1946, and its 45 members met in September. Since that time it has devoted itself largely to a detailed study of the economic and financial situation of Newfoundland. In recent months, it has also given consideration to possible forms of future government. In April, 1947, a resolution that the Convention send a delegation to Washington to ascertain the terms upon which federal union with the United States might be effected, was defeated by a large majority. In May, a delegation went to London to discuss with the U.K. government the fiscal relationships which might be expected to exist between the United Kingdom and Newfoundland under various possible forms of government.

The forms specifically mentioned were the Commission of Government as presently constituted, a modified form of the Commission, and Responsible Government. The delegation returned to St. John's on May 12, and reported to the Convention on its discussions.

Another delegation from the Convention is to be received in Ottawa on June 24. Its purpose will be to ascertain from the Canadian government what equitable basis may exist for federal union of Canada and Newfoundland. In announcing the forthcoming arrival of the delegation from the National Convention, the Secretary of State for External Affairs said in the Canadian House of Commons on April 2, 1947: "We said that the Canadian government is of the opinion that the questions to be discussed with the delegation are of such complexity and of such significance for both countries that it is essential to have a complete and comprehensive exchange of information and a full and careful exploration by both parties of all the issues involved, so that an accurate appreciation of the position may be gained on each side."

#### Economic Survey

The natural resources of Newfoundland are limited, and its population is small. Extensive agricultural development has not been possible due to the generally unfavorable soil and climatic conditions: Newfoundland, twenty times as large as Prince Edward Island, has only one-fifth of the croplands of Canada's smallest province. Industrialization on a wide scale has also not been possible due to the very restricted nature of the home market. Thus, for the bulk of its food and consumer goods, Newfoundland depends upon imports--chiefly from Canada and the United States, with Canada at present supplying almost two-thirds of Newfoundland's imports.

Trade between Canada and Newfoundland is facilitated by the fact that there is a common currency and the same banks operate in both countries. The Canadian dollar has been the accepted currency in Newfoundland since 1894. The transportation systems of the two countries are also closely linked. Total trade between Canada and Newfoundland has increased substantially in recent years--from \$11,650,860 in 1938-39 to \$51,146,754 in 1945-46.

Canadian exports to Newfoundland in 1945 were valued at more than \$40 million, making it Canada's seventh largest export market. During the war, the range of Newfoundland's imports from Canada was greatly expanded: in addition to food and feedstuffs, fuel and oil products, Canada now supplies a variety of manufactures, including apparel and textile lines, building materials, electrical appliances and chemicals. Although