

our two countries which will serve to promote the welfare of both and protect the interests of each.

The Terms of Union which we have just signed on behalf of our Governments embody the agreement reached on financial, economic and constitutional matters and with the British North America Acts, will form the basis on which the constitutional edifice of the proposed new province will rest. Of less formality but great practical importance is another document which deals largely with administrative matters and records Government policy respecting them in their application to Newfoundland during the period immediately following union.

The great constitutional principles applying to this Federal system of Government were worked out prior to 1867 by the Fathers of Confederation and applied to the four original provinces when they united to form one Dominion under the name of Canada, and these principles also applied with but slight, if any, variation to provinces subsequently admitted to the union. Apart from providing for the machinery of Government in the province, because of the present constitutional position of Newfoundland, it has not been found necessary to deal to any great extent with constitutional matters.

Since 1867, however, great developments have taken place in Newfoundland and her economy has broadened considerably. The people of this new province will depend upon its economy to provide a livelihood for themselves and their families and careful consideration of economic questions was necessary at the recent discussions in order, as far as possible, to ensure the existence of conditions which would provide reasonable prosperity in its industries.

With the Government of the Province will remain the responsibility of providing the major public services which are so essential to the welfare of the people. Financial questions of great importance to the province arose for discussion, as undoubtedly they have on similar occasions in the past. After long and careful study of the services provided in Newfoundland the costs involved in providing necessary services for a thinly scattered population, the system of raising public revenues at present applying and the sources from which revenues may within provincial powers be drawn, agreement on these important questions was reached.

In many respects and for different reasons the policy of Newfoundland, particularly that respecting regulation of trade and commerce and promotion of industrial enterprises, has differed from the policy of Canada, and provision has in many cases been made respecting matters of importance to Newfoundland in these fields.

Our discussions have, therefore, covered a wide range of topics, because without doubt union will involve changes of great importance for Newfoundland in many directions. Many of the questions were discussed by the committee of the National Convention which in 1947 met representatives of your Government to ascertain whether a fair and equitable basis for union existed. The Proposed Arrangements submitted to the National Convention following those discussions were debated in the Convention and were before the people when in July last they, by a majority, at a referendum voted in favour of union with Canada. In accordance with the undertaking given to the people by the Government of the United Kingdom before the referendum, this delegation was appointed to discuss and settle the full terms of union. In signing the Terms of Union today we, as representatives of Newfoundland, do so with the knowledge that they make more adequate provision for the needs of the proposed new province than those before the people at the referendum, and in our opinion assure to the provincial Government a period of financial stability.