

(2) I am convinced that, if union takes place, the great majority of the people in Newfoundland will accept it without question. It seemed to be generally assumed after the results of the vote became apparent, and at least until the press indicated hesitation on the part of the Canadian Government, that Confederation would be proceeded with.

(3) I feel strongly that any public announcement of the Government's intention to go ahead should indicate that we are prepared to "negotiate" on the basis of the terms with an authorized delegation from Newfoundland, rather than merely to "complete the final arrangements," which would indicate merely dotting i's and crossing t's. One important factor in the vote for Responsible Government was undoubtedly the resentment of Newfoundlanders against being treated as a colony, their self-respect demanding that they should handle their own business. From the standpoint of Newfoundlanders who feel this way, negotiations by a Responsible Government would no doubt be the ideal, but I think they would be prepared to settle for negotiations by a representative group, most of whom presumably would subsequently accept responsibility by standing for election.

(4) I also feel that the Government should be prepared to make some concessions from the original terms. Minor changes in financial arrangements which would not impose any substantial new burden on the Canadian taxpayer would go some distance, but perhaps even more important is some assurance that the present organization of the Newfoundland fishing industry under the aegis of the Newfoundland Fisheries Board would not be substantially changed by union.

(5) I also feel that the prospective date of union should be announced as quickly as possible in order to give some assurance to Newfoundlanders since they must import their winter supplies within the next few weeks and in order to put an end generally to the present uncertainty.

(6) I think also we should make some provision for the transitional period, although this could be done during the negotiations. It is highly important that some of the benefits of Confederation should begin to flow towards the Newfoundland people as quickly as possible. I have some ideas along this line which can be put forward at the appropriate time.

(7) Delay in reaching and in announcing a decision is dangerous since it tends to give aid and comfort to the irreconcilables.

[ANNEXE 1 À LA PIÈCE JOINTE/SUB-ENCLOSURE 1]

SECRET

July 26, 1948

FIRST CONVERSATION WITH GOVERNOR AND  
COMMISSIONERS WALSH AND POTTLE

The Governor said that it cannot be said that there might not be some trouble in the event of Confederation being proceeded with. It seemed to be agreed that