

There is, I know, a certain amount of discussion going on in the Department of External Affairs about the post-war position of Newfoundland as a whole, and I understand that the original draft put up to the Prime Minister for a reply to Mr. Roy's question was much more detailed and hinted at the possibility of Canada considering the incorporation of Newfoundland in Confederation. I do not think, however, that any serious consideration is being given to the possibility that Canada might absorb Labrador alone, though there is no doubt that the Canadians are anxious to make the most of the concession which they have acquired at Goose Bay and the facilities which they have constructed there.

Yours sincerely,

MALCOLM MACDONALD

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*Le gouverneur de Terre-Neuve au secrétaire aux Dominions*  
*Governor of Newfoundland to Dominions Secretary*

TELEGRAM 65

[St. John's,] June 9, 1943

Negotiations as shown below have been carried on in recent months between the Commission of Government and Labrador Mining and Exploration Company Limited.

2. In January the Commissioner for Public Utilities, during a visit to Montreal, discussed with the President (Jules R. Timmins) and officials of the Company certain clauses of the Agreement and model lease at present in force under the Labrador Mining and Exploration Company Limited Act of 1938 which the experience gained by the Company in its work in Labrador had shown in their opinion to require clarification and modification. On 17th February the Company addressed a letter to the Commission of Government in which the following specific requests were made:

- (1) that the period of the Agreement be extended from 31st December, 1946 to 31st December, 1953. (Sec. 3 of Agreement)<sup>1</sup>
- (2) that the annual release of 15% of the area as required under Section 18 of the Agreement be postponed until the end of the proposed termination of the Agreement, i.e. 31st December, 1953, at which date the Company would release the whole of the concession area with the exception of the 2,000 square miles which it is allowed to hold under Section 19 of the Agreement.
- (3) that Clause 6 of the Lessees' Covenants in the Lease be re-worded in such a manner as to make it clear that the requirement "to work and get the demised ores . . . in a skilful and workmanlike manner according to the most approved practice" be interpreted as imposing

<sup>1</sup> Non reproduit.

<sup>1</sup> Not printed.