NEWFOUND-LAND. MINERAL RESOURCE. This report is the one (printed)* which I forwarded with my Despatch dated 3rd January 1896. See pages of the printed report numbered 19, 20, and 22.

I am, &c. H. Murray.

No. 10.

GEOLOGICAL SURVEY to COLONIAL OFFICE. (Received March 3, 1896.)

28, Jermyn Street, S.W., March 3, 1896.

Sir,

I REGRET that an unavoidable delay has occured in my reply to your letter of 8th February last regarding the mineral fields of Newfoundland.

I have now considered the various papers enclosed with your letter. As stated in my communication of 1st ultimot on the same subject, I believe Mr. Howley to be so experienced and reliable a geologist that his reports may be accepted as quite trustworthy. From his account of the iron ores of the Colony, it is clear that there must be great abundance of these ores and that they include a considerable variety. The pieces of limonite forwarded with your letter are undoubtedly good specimens of ore, though the average percentage of metallic iron which this ore would yield in practice may possibly not be so high as Mr. Howley estimates. Sir Herbert Murray's informant (letter of 15th January) must have been under a serious misapprehension as to the percentage of iron which this ore would give, 75 per cent. being above the possible yield even of the richest iron ore.

With regard to the coal seams of the Colony enough is known to prove that coal exists in a number of seams of varying quality, but the exact extent of these seams and the geological structure of the ground in which they lie do not appear to have been yet satisfactorily ascertained. There can be no doubt that the development of the coal-fields will be of the utmost importance in

the progress of the Colony.

If the question is to be considered whether any money is to be expended in opening up the mineral-fields of Newfoundland, I would strongly advise that the first object to be aimed at should be a thorough exploration of the areas containing coal. Upon the development of the coal-field all the other mineral industries will largely depend.

With regard to the iron ores, they may, of course, be shipped to England or other centres of manufacture. But I am afraid that in the present state of the iron industry there would need to be some