

1310.

NPA GN1/3 31/40

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

[London,] February 25, 1940

TELEGRAM 106

CONFIDENTIAL. Your telegram of January 23rd No. 39, Confidential. I am informed that while British iron and steel trade would naturally welcome any addition to Empire sources of supply of iron ore, it is not thought that, having regard to climatic conditions both at deposits and on sea-board and distance of these from tidewater, Labrador ore could be marketed in the United Kingdom at prices competitive with similar ores available from other sources more favourably situated. Trade cannot, therefore, give assurance that market for two million tons can be found in the United Kingdom. Iron and Steel Control add from their point of view that the fact that no output can be obtained for three years would seem to rule out these deposits.

1311.

PRO DO 35 1151 N601/3 X/J 9827

Le sous-secrétaire d'État aux Dominions au haut commissaire
de Grande-Bretagne
Under-Secretary of State for Dominions to High Commissioner
of Great Britain

London, March 18, 1943

Dear Malcolm [MacDonald],

We have recently seen a number of references in the Newfoundland Press to a request stated to have been addressed to Mr. Mackenzie King by Mr. Godbout, the Premier of Quebec, that negotiations should be opened for the transfer of Labrador to Canada.

We notice too that a somewhat similar suggestion, though falling short apparently of an actual transfer of territory, was made in the Canadian House of Commons by Mr. L. P. Picard during the recent debate on the Address (pp. 516-517 of the Official Report for February 17th).

No doubt we can safely assume that suggestions of this kind are unlikely to be taken seriously in Canadian Government circles, but it would be interesting to have any side-light you can give us on Mr. Godbout's initiative. We had thought at first that possibly the developments at Goose Bay plus the important iron-ore discoveries inland, in which Canadian mining and financial interests are interested, were responsible for whetting the appetite of Quebec, but I see that Mr. Picard's remarks were directed primarily to the "vast water powers on the Hamilton River", the potentialities of which have, of course, been canvassed for many years. It looks in any case as