

Under the circumstances, it will be appreciated that there is little possibility of boundary survey work being undertaken in the near future, and it does not seem possible to give Mr. Bélanger any encouragement in regard to his request.

Yours very truly,

[T. A. CRERAR]

1309.

NPA GN1/3 31/40

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

TELEGRAM 39

[St. John's,] January 23, 1940

CONFIDENTIAL. Woods obtained following information during his recent visit to Canada from McKay, Vice-President of the Labrador Mining & Exploration Company, Limited (see Act 41 of 1938)<sup>1</sup>. There is a possibility of extensive development in the Labrador beginning next season as a result of discoveries of high grade iron ore deposits made by the Company since 1937. A full report on these deposits made by PICKANDS MATHER AND COMPANY and sent by President of Barclays Bank Canada to Chairman Barclays Bank London who in turn handed it to Allen & Overy Solicitors. A synopsis of this report sent on 8th January last to Sir Charles Wright and Sir Andrew Duncan by Campbell, Director of Vickers and Baldwin, Canada. According to McKay PICKANDS MATHER satisfied as to existence of large tonnages high grade ore in Concession Area comparable Lake Superior iron ranges. Deposits vary from 60% to 70% iron ore content and high qualities practically pure hematite. In some of the deposits iron content is supplemented by managese up to 20% with total iron and manganese content in excess of 60%. This ore is of much higher quality than Wabana ore and should be able to compete successfully with foreign ores for permanent share of British market. Development would start next summer if the interest concerned could be assured within next few months that there would be a market in the United Kingdom for 2,000,000 tons per annum over and above 1,000,000 tons per annum which Bethlehem Steel Company would take. The work involved would include over 300 miles of railway of which more than half would be in Newfoundland Labrador and construction of mining towns and hydro-electric development and would cost some \$40,000,000. Estimated that production would begin within 3 years of start of development work. We should be grateful if you would use your influence to stimulate interest of British steel trade in developing this new Empire source and would advise us as to their reactions to the idea of quantity named being absorbed by them and as to any action we could take to enlist their support. We understand financial participation by United Kingdom interest would be acceptable but is not in any way necessary.

<sup>1</sup> Non reproduit.

<sup>1</sup> Not printed.