

No. 50.

THE MARQUIS OF LANSDOWNE to SIR H. T. HOLLAND.
(Received August 12, 1887.)

SIR,

Cascapedia, New Richmond, July 21, 1887.

I CAUSED to be referred for the consideration of my Ministers, copies of your despatches transmitting correspondence between the Colonial Office and the Liverpool Chamber of Commerce, and between the Colonial Office and the Birmingham Chamber of Commerce, respecting the recent changes in the Canadian duties on iron and steel and manufactures thereof, and I now have the honour to forward herewith, a copy of an approved report of a Committee of the Privy Council, to which is appended a memorandum prepared by my Minister of Finance upon the subject.

I have, &c.

The Right Hon. Sir Henry Holland,
&c. &c. &c.

(Signed) LANSDOWNE.

Enclosure in No. 50.

CERTIFIED COPY of a Report of a Committee of the Honourable the Privy Council for Canada, approved by his Excellency the Governor-General in Council on the 30th June 1887.

The Committee of the Privy Council have had before them despatches, dated respectively 21st and 25th May 1887, from the Right Honourable the Secretary of State for the Colonies, transmitting correspondence between the Colonial Office and the Liverpool Chamber of Commerce, and between the Colonial Office and the Birmingham Chamber of Commerce, respecting the recent changes in the Canadian duties on iron and steel and manufactures thereof.

The Minister of Finance, to whom the papers were referred, submits herewith a memorandum respecting the recent changes made in the above-named duties, showing how they affect the interests of the British Empire as compared with those of foreign countries, from which memorandum it will be seen that in the adjustment of the duties, a large discrimination has been made on the whole in favour of British as against foreign industry, the higher rates of duty being imposed on manufactures the largest proportion of which in the aggregate are being imported from foreign countries.

The Committee recommend that your Excellency be moved to transmit a copy of the memorandum mentioned to the Right Honourable the Secretary of State for the Colonies.

All which is respectfully submitted for your Excellency's approval.

(Signed) JOHN J. MCGEE,
Clerk, Privy Council, Canada.

MEMORANDUM respecting the CANADIAN IRON DUTIES as they affect the interests of the British Empire and of foreign countries.

The increased duties imposed by the Canadian Parliament on iron and steel have been stigmatised as an attack on British industry.

A careful examination of the British-Canadian iron and steel trade, in connection with the tariff changes, will not justify this accusation.

Adjoining the southern border line of Canada there extends from ocean to ocean the United States of America, a great nation of over 50 millions of people. They have attained an enormous industrial development under a highly protective tariff, which is still maintained, and under which comparatively high rates of wages prevail, controlling in a marked degree the price of labour in Canada. Placed in this position and under such circumstances, Canada is compelled in self-defence to adopt a tariff policy in some