A duty of 25 per cent. would have a tendency to stimulate the investment of capital in this interest; have doubts whether 20 per cent. would do so. In course of time increased investments would cause over-production; but for a number of years it would only reduce the quantity of imported cottons. The demand is at present in excess of the production.

American tariff, 5cts. per square yard; cotton bagging, 40 per cent. *ad valorem;* Canadian tariff, $17\frac{1}{2}$ per cent. *ad valorem.*

TOBACCO.

Tobacco manufacturers say they can successfully compete in low grades, but not in the finer qualities.

The business was very unprofitable in 1870 and 1871. It is now better, but not at all satisfactory.

If an additional duty were placed on the *fine* American manufactured tobaccos it would encourage the importation of skilled labor. There is sufficient protection in low grades.

McMullen and Adams complain: That there are some restrictions imposed which are worthless as a protection to the Government against fraud, and which embarrass the tobacco business, viz.:—The Inland Revenue Department will not allow us to withdraw and pay duty on sample packages from bond; and require upon export goods certain stamps and marks, which are of use only *here,* as a preventative against fraud—a condition which has been found most onerous in combating the natural prejudices against Canadian manufactured tobacco offered in competition with that from Virginia.

American tariff, 50cts. per pound. Canadian tariff,——

HARDWARE.

Manufacturers of hardware say, business has been good until the past year. Can compete in heavy goods, but not successfully in shelf-hardware, for the reason that iron and coal are cheaper in the United States, and their unlimited market in comparison with ours enables them to manufacture in very large quantities, and consequently cheaper. Again, having to compete with the convict labor of the United States. And lastly, the Canadian market is used by the manufacturers of the United States for the disposal of their surplus stocks, which are sold in our market by travellers for what they will bring; invoices are then made out to the purchaser and duty paid accordingly, and such goods are frequently sold in the Canadian market at one-half what they would be sold for in their own market. Hence we cannot compete against such transactions.

Pillow, Hersey & Co., nail, railway and ship spikes, horse-shoes and merchant bar iron manufacturers, say: "That they cannot always compete with foreign manufacturers, on account of their making Canada a 'slaughter market;' sell the goods here to the trade at cost, and often under cost. Claim that if the United States wish reciprocity, by all means let us have it. If, on the other hand, they exact from us a custom duty of 35 to 50 per cent., we certainly should do the same. The present tariff, allowing *coal, pig-iron* and *puddled bars* to enter *free,* is quite satisfactory."

James Smart, of Brockville, says, that at least ten per cent. advance ought to be put on general hardware.

W. Darling, of W. Darling & Co., entirely dissents from the views expressed by other manufacturers, and is of opinion that all goods should be admitted free, objecting to special duties for the benefit of special interests; notably, sewing cotton and iron wire.

E. R. Moore & Co., St. John, railway spike manufacturers, complain that railway spikes are imported duty free for the use of the Intercolonial Railway, when they have to pay a duty on iron, and strongly advise a duty of 15 per cent. on spikes.

American tariff, nails and spikes, 1.35 per H.; horseshoe nails, $4\frac{1}{2}$ cts. per pound; cross-cut saws 9cts. per lineal foot; hand-saws from $67\frac{1}{2}$cts. to 90cts. per dozen, and 27 per cent. *ad valorem.* Canadian tariff, $17\frac{1}{2}$ per cent. *ad valorem.*