

CHEMICALS.

The following are the values of articles imported during past three years, according to the Montreal Custom-house returns:—

	1865	1864	1863
Acids (except Vinegar).....	\$12,651	\$11,772	\$21,458
Alum.....	4,279	6,949	3,110
Bleaching Powder.....	10,453	12,582	7,362
Soda Ash.....			
Caustic Soda.....	58,115	43,221	54,228
Sal Ammoniac.....			
Sal Soda.....			
Saltpetre.....	14,455	19,535	13,435
Totals.....	\$99,953	\$94,059	\$99,593

The increase in values during 1865 was \$5,894, or 6½ per cent., as compared with 1864,—the total for 1865 nearly coinciding with that for 1863. It is believed that the actual quantities brought into the Province was much larger than the record indicates.

There was active demand for heavy chemicals, principally from the United States, during the Fall of 1865; the stocks were not in excess of local requirements, prices consequently advanced, and the market was occasionally quite bare of Bleaching Powder, Soda Ash, Caustic Soda, Sal Soda, and Carb. Soda. The sudden opening of markets in the Southern States, after the war had ceased, added very largely to the demand in New York City and Boston, and exhausted stocks in these cities, rendered it necessary for merchants to draw supplies from Canada,—hence the extraordinary activity in this market.

The Canada Glass Company consume large quantities of Soda Ash.

It was stated in the Report for 1864, that the estimated quantities of chemicals used yearly in connection with the Paper-Mills of Canada, were:—Bleaching Powder, 250 tons; Soda Ash, 250 tons, besides considerable quantities of Caustic Soda; Alum, 200 tons; Sulphuric Acid, 250 carboys.

Oil of Vitriol was very scarce and dear in the Fall; it was in good demand for refining purposes, and used in manufacturing Super-Phosphate of Lime. Freight from Scotland could not be obtained for the quantity required, and at the close of the year there was not much to be had here. An effort is about to be made to utilize certain products of Canadian copper mines for the production of Sulphuric Acid.

PAPER-MAKING.

It was stated in the Report for 1864, that the notice of this branch of Canadian industry was given incidentally,—to indicate a variety of articles which entered largely into consumption in Paper-making.

The productive capacity of the mills was not materially changed in 1865; the following statement may, therefore, be repeated:—

"There are eleven Paper manufactories in Canada, in which there are sixteen machines in use, seven being Fourdrinier's patent; the others are commonly called cylinder machines. The estimated quantity of Paper, of all kinds, manufactured in the Province is 4,000 tons per annum; about 600 persons are employed directly at the mills, besides a large number indirectly in collecting materials of various kinds throughout the country. About 7,000 tons of fibrous materials are consumed in the production of the Paper here mentioned, chiefly cotton and linen rags, old ropes, waste paper, straw, wood and grass."

A note-worthy feature in the Paper-trade of 1865 was the filling of very considerable