THE SUEZ CANAL AND THE COTTON SUPPLY OF EUROPE.

THE importance of the Suez Canal as a channel for the marketing of India cotton has been over rated; and there is less to fear from the competition of the Indian and American staples than was anticipated. The subject of the production and shipment of Indian cotton is attracting much attention in Europe, and especially in England. It is also a matter of no little importance to cot on growers in the United States. In the circular of Messrs. Ellison & Haywood, of Liverpool, lately received, we find the following concerning shipments of India cotton *via* Suez:—

"Just now American cotton is relatively dearer than Surats, the margin between middling upland and fair Dhollerah being about three pence per pound. Two months hence we should not be surprised to see this margin reduced to two pence or less, either by a fall in American or a rise in Dhollerah, or a combination of both movements. Early in the new year good Surats will become very scarce. The stock may be replenished *via* Suez; but it would be a mistake to look for much assistance in this direction; for it is obvious from the latest advices that some time must elapse before the canal can be in a fair working order. Our impression is that too much importance has been attached to the probable influence of the new route upon the movements of the Indian crop. Suppo ing the most sanguine expectations of M. de Lesseps, as in the engineering success of his enterprise, to be realized, it does not follow that the canal will be extensively used by shippers of Indian produce. Everything will depend upon the state of the markets. Hitherto the bulk of the Indian crop has arrived here in the autumn, when the supply of American is running down; but if shipped *via* Suez it would arrive here in the spring and early summer, when the supply of American is large. Is it reasonable to suppose that merchants will hurry their cotton forward by an expensive route to meet the competition of the cream of the American crop? If the supply of the American is small and prices are thereby enhanced no doubt the canal will be freely used, supposing it to be in working order; but if the supply of American is large and prices are thereby depressed, the bulk of the Bombay crop will be detained in India until late in the season, or sent *via* the Cape so as to arrive here when the stock of American is approaching its minimum. Buyers of Surat to arrive are ruled by the same considerations as guide the shippers, hence the bulk of the forward contracts entered into the course of the past month has been for cotton to be shipped *via* the Cape. Much of the cotton said to arrive is sold before it is shipped, and if merchan s find it less easy to sell *via* Suez than by way of the Cape, they will sell by way of the latter route, and telegraph shippings accordingly. Prices will fluctuate according to circumstances. In American cotton sometimes distant parcels are higher priced than near ones, and sometimes near cotton is higher priced than distant. So will be the Indian crop; at times canal cotton will be cheaper than Cape, and at other times Cape will be cheaper than canal.

These predictions, of course, are based on the assumption that the canal will always be navigable by large steamers, or those of the average size at least. Should it prove otherwise, the efforts the British cotton-growers in India to secure a monopoly of the European market will stand a smaller chance of success than they do now. The American growers must not be too confident, however, of their ability to hold their own against competition. A cheap and abundant supply of cotton is needed in Europe, and unless it can be obtained from this country it will be found elsewhere. The foolish policy pursued by the planters of the Southern States, and unwisely recommended by Commissioner Wells that of limiting the supply for the purpose of maintaining the present high price of cotton is suicidal, and, if persisted in, will destroy the industry it aims to protect. Unless the United States can supply the world with cotton at a lower price than it can be obtained in India, the production of the staple in that country will be stimulated by the introduction of British capital and the encouragement afforded by the British government through the extension of railroads throughout the cotton-growing distticts; and the American growers will find the demand for their cotton constantly decreasing in ratio proportionate to the increase of the Indian product. No immediate danger from this source need be apprehended, but it should be borne in mind that the establishment in India of cheap and convenient routes from the interior provinces to the seaboard is having its effect of stimulating the production, as well as lowering the price of the India staple. The British Cotton Commissioner of India has published in the Government *Gazette* the return showing the extent of the cotton cultivation in the Bombay Presidency and in a few of the native states this year, compared with the previous season. The result of the comparison is an increase of no less than 42 per cent in the land under cultivation in 1869. This statement, of course, only refers to a portion of the cotton-producing districts, Kattywar, the Berars and the rest of the Nizam's dominions, Baroda and other native states not being included. Still it shows the effect the high rates ruling at sowing time produced on planting, and the circular adds, "we must expect to see a very large crop from all quarters."—*New York Bulletin.*

HOPS.—There is very little doing in the country just now. The dealers would take prime hops freely at 20c to 25c, but most of the growers are waiting to see whether they will not command higher prices before the 1st of February. The resident dealers in Otsego county have handled about 18,000 bales this season—for which they have paid about $650,000.—*Ex.*

IRON AND STEEL RAILS.

THE question of economy in railroad materials of all kinds, but more particularly in rails, is one of much interest, and should be carefully considered by the directors of the several companies now building or proposing to build new roads throughout the country. Our experience of the relative endurance of the different kind of rails is so short that it can hardly be assumed as conclusive. It is known that changes in temperature affect steel less seriously than iron and that owing to the changeableness of the climate of many of the northern portions of the United States, rails of good quality are more needed here than in Great Britain or Continental Europe. But the experiments made with rails to determine which most perfectly combine the qualities of cheapness and durability have, in some instances, led to widely various conclusions, and contradictory results. It has been found that some of the iron rails on the G. T. R. lasted six times as long as others, under the same description of traffic, and that some cheap rails had lasted longer than those for which a higher price had been paid. The reason why more breakages occur in winter than in summer, it is asserted, is that the extreme cold renders the ballast and sleepers rigid. Mr. Sandberg's experiments on iron rails in Sweden resulted in showing that on an average the strength of a rail in winter is not more than one-fourth of the strength exhibited by the same bar in summer. Steel rails have been laid on the Hudson River road, and the 10 miles of Bessemer track on the Erie have given satisfaction. In the last report of the Grand Trunk it is stated that "the experience of all railways on the American continent has proved that iron rails, as now manufactured, do not stand the strain of a heavy traffic, and they are of course more severely tried in the northern climate. All the trunk lines are now renewing the heaviest worked portions of their roads in Bessemer steel rails, they having found that the best iron rails obtainable do not last more than an average of five years, and in most cases considerably less. The Directors have decided in future to relay those parts of the main line where the traffic is heaviest and the climate most severe with Bessemer steel, and they will next year send to Canada 5 000 tons of these rails."

It has been assumed that under a very heavy traffic common iron rails will last five years; steel-headed rails, fifteen years; and solid steel rails, thirty years. The cost of iron rails is about $35 per ton; steel-headed rails, $50 per ton; and solid steel, $55. A table whose calculations were based on this assumption, shows that solid steel rails are the cheapest up to ten years' wear of iron rails; that steel-headed rails are cheapest for between ten and twenty years; and that iron rails are cheapest when they last twenty years or more. The conclusion to be drawn from this is that the amount of traffic must decide which material it is the most economical to use for the maintenance of permanent way.—*N. Y. Bulletin.*

THE CUBAN SUGAR TRADE.

THE Havana *Market Report* of December 31st, in its review of the sugar trade, says:—We expect that after the holidays are over there will be more animation in the market, especially if the difference which exists between buyers and planters with regard to the new tare is resolved satisfactorily to both parties.

The last crop of sugar in boxes, according to exports and stock remaining on hand December 31st has been as large in 1869 as in 1868, the decrease being unimportant, and the general opinion is that 1870 will show an equal production if grinding is not interrupted in the districts which are the largest produces of box sugar. Sugar in hogsheads, or Muscovadoes, show a heavy decrease, in 1869, as compared with 1868, but a large production is, from estimates made at this date counted upon for 1870, because, in spite of the insurrection, the principal producing districts are now fully at work, including St. Yago which last year suffered serious damages from being partly occupied by the insurrection.

The receipts of sugar at the warehouses at the port of Havana during 1869, were 1,376,560 boxes, against 1,439,090 in 1868. The clearances during the same period were 1 343.000 boxes, against 1,438,000 in 1868; and the stock remaining at the close of December last was 54.208 boxes, against 23,000 in 1868 and 17,000 in 1867. The exports from Havana and Matanzas during 18669 show a decrease of 46 795 boxes as compared with 1868, and an increase of 232.749 boxes as compared with 1867. The decrease last year was compensated, however, by the increase in the exports of sugar in hogsheads, which equals an increase of 46,270 boxes. The total exports from Havana and Matanzas from January 1st to December 31st for the past three years compare as follows:—

	1869.	1868.	1867.
United States	584.600	455.115	383.695
Great Britain	596.460	728,121	592.955
Northern Europe	41.694	64.404	79,359
France	196 424	199 890	122,254
Spain	189.557	185 623	189.956
Southern Europe	12,829	14,420	9.881
Other parts	11,683	22 254	22,842
Total boxes	1 633,142	1,679,987	1,400.393
	Stocks in 1869.	1868.	1867.
Havana	54 208	23,898	19 858
Matanzas	12,590	6,243	4,973
Total boxes	66,798	30,141	24,831

—*New York paper,*

NEW DEVELOPMENT AT EPTROLIA.

PETROLEA, Jan. 3, 1870.

NO doubt you will have heard in London of the excitement that has prevailed here during some days past on account of the new "strike" that has been made. The facts are as follows:—For some time a desire has been felt to demonstrate to American capitalists, refiners, and others, that the oil territory of Petrolea is practically inexhaustible, and thus induce them to make further investments in a business that bids fair to assume an importance in Canada second to no other industrial operation. The first territory that was operated upon, the Flats and Pit-Hole, close to the village of Petrolea, was gradually abandoned in 1866, owing to the uprising of the King Territory. The great "King" well was struck, and flowed and pumped an immense quantity of oil, and the same well is still alive and in profitable operation. Land was quickly taken up around it at prices varying from $600 to $1000 per acre. Numerous wells, some of them like the "Atlantic," proving very large in yields, were got, and matters in the King Territory made lively enough. Still it was circumscribed, and some of the wells running to water, outsiders were not willing to invest largely in refining, not knowing how soon a stand-still might be come to. It is to Mr. McDougall (a brother of the Governor) that the credit is due of making a bold venture into a distant location, for some weeks since he erected a derrick and commenced to drill a well on Lot 7, in the 12th Concession of Enniskillen. The spot is distant more than two miles from the King territory, in a direction due west, and one mile and a quarter further on that line than any oil had been previously found. Last week he was rewarded by finding a good show of oil, and on Tuesday, the depth of 390 feet having been reached, it was evident that a good vein had been struck. While waiting for the necessary pumping apparatus to come up, the well-hole filled with oil and flowed over, the pressure of gas being remarkably strong. It was admitted on all hands that a large well had been struck, but on putting in the pump on Thursday it was found that the yield would not be more than from 15 to 20 barrels a day. To this extent it has flowed, and so far a good thing has been resulted. But the drill not having gone down as yet into the true oil-bearing rock it has been determined to sink about 60 feet further down, and thus reach the same level at which the "King" and "Atlantic" wells found their chief supplies. As it is, however, the great fact has been demonstrated, that the true oil territory exists as far west as a distance of three and a-half miles from the great King territory, and, possibly, still further.

This is of great importance, as demonstrating that an almost unlimited oil-producing area exists and that the yield will be of a kind such as to warrant the outlay of large capital, both for oil producing and refining. As you may suppose, the price of all lands in the neighborhood has jumped up amazingly, and I heard that upon seeing the new well, a noted oil producer offered $1000 for an acre adjoining that of the "Nor'-Wester,"—for it is by that name that Mr. McDougall's well is now appropriately known. Hundreds of persons have been out to see the new strike, and are in bright hopes as to the result. I will keep you informed as to the prospect in and around this new centre of production, and feel sure that every one will wish Mr. McDougall the greatest good luck as the just reward of his enterprise.—*London Free Press Correspondence.*

THE TRADE OF THE LAKES.

THE statistics of the lake trade shows that the number and tonnage of the vessels entering and clearing at the port of Buffalo have steadily declined since 1865. From 1858 to 1861 there was an increase in the number of vessels from 8,318 to 13 866; and of tonnage from 3,329,246 to 5 963,806. From that time the increase went on till 1866, when the number of vessels was 19,444, and the tonnage 7 082,593. Since then it has steadily declined. In 1869 the number of vessels was 10,534; tonnage 4.091,214. It is necessary to have the statistics of the entries at the ports of Lake Ontario, in order to know whether this is a general decline, or a change of lake routes. But we suppose that this is a general decline of the lake trade, and that the called cause is the competition of the railroads. Last summer for the first time, the northern railroad lines offered rates that competed with the lakes and canals, and laid up many vessels and canal boats. This is one of the unmistakeable signs of the change that is gradually taking place by which the more direct through routes are gaining an advantage over the old system as leaders of the lakes and canals. The water routes will continue to offer invaluable facilities with which it would be impossible to dispense; but the railroads form independent lines which will share in the movement of produce throughout the entire year.

The fact that the railroads were able to compete successfully with the canal last summer, is mainly owing to the high tolls, a reduction of which is now recommended by the Canal Board. The management being too unwieldy to act promptly, the boats and vessels suffered, which discouraged the building of more. A reduction of the tolls one-half will probably enable the water route to hold its own. If not, provision should be made for further reduction. It is liable that improvements will be made in the construction of lake vessels that will make freighting more economical. For instance, iron vessels are much fitter for fresh than salt water. British builders contract to build them for the ocean to class A 1 for 21 years. The life of a wooden vessel on the lakes is but 8 or 10 years. When crude iron shall be sold at a fair profit on the cost of production, we shall see it introduced into lake vessels, canal and river boats, as it is rapidly superseding wood on the ocean.—*N. Y. Bulletin.*