

to reach the salt. But in the counties of Kent and Lambton, what agreements were entered into, purchases made, and wells erected where the indications were promising. Unfortunately the fever and the price of oil reached their greatest height at one and the same time. The oil poured forth, the price went steadily down, and unwary speculators found themselves with unsaleable lands on their hands, investors with wells yielding rivers of oil, worth little more than the waters of the adjacent creek, hotel keepers had rats for boarders, and deserted villages to look upon from their front doors. Now the unhappy owners of real estate think of nothing but how to get rid of it, and so land in the western counties can be got at prices far below its actual worth as farming lands. So disgusted are they with their bargains that hardly any notice is taken of the announcement that Judge Higgins has been able to buy up all the oil in the market and what will be produced this fall, on such terms that by Christmas day the learned judge and his associates will probably be hundreds of thousands of dollars richer in consequence of this judicious investment.

In the oil regions of Pennsylvania, a similar revulsion took place. There, however, the people persevered until by this time a market has been found for the oil, and prosperity has rewarded the energy put forward. I have no statistics to show what the consumption of petroleum is in the United States, yet it must be an increasing one; but we have those published in the *New York Shipping and Commercial List*, and they show that this year, from the 1st of January up to the 8th of August, the petroleum exported was 53,280,000 gallons, against 36,139,000 during the corresponding period of last year. This increasing trade is not so much with England as the Continent; the exports up to the above date were respectively to the following ports: 1868, Bremen, 5,902,000 gals.; 1867, 2,629,000 gals.; 1868, Antwerp, 3,850,000 gals.; 1867, 827,000 gals. So that the United States, with an internal consumption at least as great as it ever was in the time of the wildest excitement, has developed an export trade which will reach, this year, probably 80,000,000 gals., and hardly existed three years ago.

The prices at which petroleum is quoted in New York are on the above date:

Crude oil in bulk 17½¢ per gal., or \$7 a barrel of 40 gallons; crude oil in shipping order 23½¢ per gal., or \$9.30 a barrel; refined standard white 34½¢ per gal. or \$13.80 a barrel. In view of the comparisons I propose making, I may here mention that the difference of 5½¢, represented by the difference between the price of oil in "bulk" and shipping order, consists of the barrels and the cost of filling, &c. In quoting Canadian prices the barrels are always included unless specially excepted.

The effect this had upon the oil districts of Pennsylvania is thus given by a correspondent of the *N. Y. Tribune* writing from Oil City: "The oil region has recuperated, and is now being operated upon sound business principles. Lands heretofore deemed worthless for oil boring purposes, are in good demand, and the extent of territory now in course of development is fully quadruple in extent of that of all previous years. This development is being made by the

oil operators to a great extent, and in all portions of the oil fields, oil is being obtained in paying quantities from a larger percentage of wells than many previous years. Lands that were freely offered one year ago at prices ranging from \$10 to \$100 per acre, are now held at \$1000 to \$1,200, and \$3000 per acre is being freely paid at Pleasantville oil fields. The excitement is intense, but has taken a decidedly practical shape. Lands are bought for development not for speculation. \$5 per barrel for oil at the wells pays the producer very handsomely for producing and development. At present the demand is fully equal to the supply, and every effort is being made to keep up this last to an average. Those versed in the statistical history of this business tell us that to keep up the present daily production it is necessary to have not less than 300 new wells going down, or rather in process of drilling. Never, to my recollection, has general business been in a more prosperous state, or has the future of the oil region looked so bright. Oil on the creek and at the wells in different localities is being sold at \$4 to \$6.75 per barrel, and commands at Oil City \$6 per barrel. The demand is good, and the tendency still upward."

How different have been the Canadian oil interests, they have been truly "killed off" by the supply exceeding the local demand. Several things have been against us, a strong prejudice in England, the difficulty of deadoringizing our oil, and the fact that a great part of the capital invested came from the United States and the investors considering the first loss the best, have abandoned their money and the country together. It has been impossible to send oil to the States owing to the prohibitory duty; the only resource open was to export it to other countries, and this has not been done for the reasons I have just mentioned. Some time ago Mr. McCrae, a Liverpool oil broker, examined a sample of oil refined at London, Ont., and pronounced it equal to the best American standard white. Before Mr. Higgins' "corner" this oil was selling wholesale at 10 and 12¢ a gallon, including barrels and excluding the duty, which would not affect oil shipped for exportation. Crude oil was a complete drug and could be bought at from 25 to 35 cents a barrel at the wells—including the barrels. Surely there is a margin here for some one to take advantage of—an advantage which would be productive of the greatest benefit to the country generally. My only surprise has been that refiners have not attempted to create this trade themselves instead of joining, as they are said to have done, Judge Higgins in his operation which at best can only secure a temporary advantage to the parties to the transaction.

Yours, &c.,

OIL.

MONTREAL MONEY MARKET.

(From our own Correspondent.)

MONTREAL, Aug. 18, 1868.

The money market remains much the same as last week, if anything rather easier; loans of round sums, say \$50,000 or over, could be obtained at six per cent. on undoubted security. The bank rates are from seven to eight per cent for good paper, very little is offering in the streets, and rates are uncertain; there are still more renewals on the market than usual, but when money begins to circulate freely, it is expected they will to a large extent disappear. For all building purposes, or for public improvements, there is abundance of capital at reasonable rates.

In the Auditor's statement of the condition of the banks in Quebec and Ontario on the 30th June last, the circulation is given at \$7,286,588, against \$8,404,377 same time last year, showing a decrease of \$1,117,789, which is to be accounted for by the quantity of silver in use, not only in the country but also in the towns. I notice that the "silver nuisance" is attracting consider-

able attention in Western Canada, but I fear that I shall prove a true prophet, and that the combination will soon fall through. Here we have done nothing, putting up with the evil as incurable till the Government takes some decided action in the premises. The deposits in the banks 30th June, 1868, are \$30,167,534, against \$28,704,326 last year, an increase of \$1,463,208; this shows the steady increase in the material prosperity of the country, which is further evidenced by the fact that the deposits are nearly \$4,000,000 in excess of the paid up capital of the banks. Gold has not fluctuated very materially this week, and opinions here and in New York are very divided as to the prospects of a rise or fall. For my part I believe it will rise, especially if we look at the fact that the imports into the States, 1st January to 1st Aug., are \$145,173,534 specie, exclusive of freight and duty, and the exports for same period \$59,079,058 currency, the difference has to be provided for either in Gold or by the sale of U. S. Debentures, of which a large quantity, has been shipped to Europe, but it is believed on speculation and not bona fide sales. There is at present a great amount of reckless gold speculation in New York, chiefly short sales by weak parties, we have already seen one large failure, and need not be surprised soon to hear of more.

Stocks of all sorts are buoyant, but business has been limited. Sales of Bank of Montreal at 134½, but buyers are asking 135. Our stock and share lists will give full particulars of prices.

TORONTO STOCK MARKET.

(Reported by Pellatt & Osler, Brokers.)

There was a fair business done this week, the demand for investment is greater than the supply.

Bank Stock.—Montreal has again advanced, and is to-day in demand at 133½ to 134. British, nominal, at 103. There were transactions in Ontario at 99 and 98½; a limited demand exists at the latter figure. Toronto sold at 114½ and 114½, and is in demand at the latter rate. There were considerable sales of Royal Canadian at 81½ to 82; the latter rate is freely offered. Commerce is in great demand at 103; very little offered. No Gore in market. Merchants is offered at 106 with buyers at 105. Molsons in demand at 101, little offering. There were small sales of City at 101½ to 102 and the stock is in demand. Buyers offer 107 for Du Peuple and 105½ for Nationale; other banks nominal.

Debentures.—Canada sterling fives and sixes are in great demand. Toronto offering to pay 7 per cent interest. There were considerable sales of County at high rates.

Sundries.—Building Society stock is again higher; Canada Permanent sold early in the week, at 115½ to 115½, but buyers now offer 116 for it, and there are no sellers; Western Canada is in great demand, buyers are numerous and would advance but there is none in market; there are no sellers of Freehold, buyers would give 103 to 103½. Sales of Canada Limited Credit stock, all calls paid, took place at 62½. City gas sold at 105 and is in demand at that figure. No Montreal Telegraph in market. Mortgages are readily placed at 8 per cent.; there is a fair demand for money.

BANK OF ENGLAND RETURNS.

The Bank Returns for the week ending, Saturday, 8th August, compared with the corresponding periods of 1867, 1866, are as follows:—

	1868.	1867.	1866.
Bank Bullion.....	£21,371,980	£21,255,564	£13,622,429
Res'v'e of Notes.....	10,255,485	12,009,355	2,733,060
Notes in circ'n.....	24,903,380	24,343,480	25,042,200
Rate of Disc't.....	2 per cent.	2½ per cent.	10 per cent.
Con's for money.....	93½	94½	87½