ENGLISH Newspapers exchanging with this Journal will oblige by directing all papers *vià* Canadian steamer.

A correspondent enters fully into the practical question as to the profitable export of Canadian Petroleum. His letter contains interesting facts, which go to show that we might share in the extensive trade done with Europeans by the Americans in this article, had we only the necessary enterprise. We cannot do more than refer to the matter this week, reserving our observations on the subject to a future issue.

THE Equitable Life Insurance Society of New York is expected to make a deposit next week.

Communications.

THE EXPORTATION OF CANADIAN PETROLEUM.

To the Editor of the Monetary Times.

SIR,—Some short time ago a letter appeared in your valuable journal under the head of "Wasted Investments," which referred to the deplorably dull state of the Canadian oil trade; many valuable facts were brought out in that letter, but as the oil business in Canada is, or ought to be, one of the most important branches of industry in the Dominion, I may be excused for bringing forward the subject again.

It has been a matter of surprise to many that Petroleum, which is intrinsically one of the most valuable articles bestowed upon us by Providence, should for nearly the last two years have been almost valueless to the producer in Canada; for when crude oil is sold for 25 cents a barrel, or little more than half a cent a gallon, it is almost equivalent to giving it away, and at this price numbers of barrels have been sold in Enniskillen since 1866. The crude being in this state it is not to be wondered at that refined oil has been, until recently, sold at ridiculously low prices; for instance large quantities of excellent refined oil were sold by the car load at ten cents a gallon (barrels *included*); and notwithstanding the trouble of handling and storing, was sold retail as low as 17 cents a gallon. I well remember when, about eight years ago, refined oil was first introduced here the price was $1.25 per gallon retail, which was readily given, and it was considered then by far the cheapest light to be had. On reflection it will be seen how marvelously cheap refined oil is at 10 cents a gallon, or $4 per barrel; the barrel itself is worth $2, which leaves only $2 for the 40 gallons of oil, or 5 cents per gallon wholesale for what we used to consider cheap at $1.25 per gallon retail, or 25 times the price which it pays the refiner to sell it at now. The prices mentioned so far, are as they were before the recent duty upon refined petroleum was imposed, but that makes no difference as to the matter under consideration, for the duty of 5 cents a gallon recently imposed is merely an excise duty for home consumption, and does not affect the question of export. Nor does the increased price of oil in Canada for the last few weeks make any difference, for that is only the consequence of Judge Higgins having bought up most of the oil and virtually controlling the market for the present. In a few months Mr. Higgins' reign will be over, and prices will again recede as low as they have previously been, unless some effort is made to place the Oil Trade of Canada upon a firm and permanent basis. This cannot be done unless an export trade is established for our oil; nothing but exportation will really relieve the market, and the reason is obvious. We are now in the somewhat peculiar position of having an article of real and acknowleged intrinsic value, almost a drug upon our hands. At present only the Canadian market is open for the sale of Canadian oil, and probably one or two of the large wells in Enniskillen could, if regularly worked, supply sufficient oil for the whole of Canada. What, then, are the other wells to do? Are dozens of wells to remain idle because one or two can supply the Canadian demand? In most cases the necessities of the owners drive them to work their wells and sell the oil at any price, and hence the reason that the price has been as low as 25 cents, and I believe even 15 cents a barrel. The great complaint of oil men has been that there is too much oil. Can there be too much of a valuable article? The oil men will answer in the affirmative, and tell you that when a large well is struck it is one of the greatest misfortunes for the oil interest generally. Now is not all this contrary to reason? Has there not been something radically wrong in the way of canvassing this matter? We have not far to go for the true answer and the real explanation of these questions. If we look across the border and see what has been done in the United States in this same oil busines, we shall find an example worthy to be followed. In 1865 the oil business of the United States was in nearly as low a state as the Canadian oil trade is now; great quantities of oil being produced, the price went rapidly down, the bubble Companies that had been started on bogus principles collapsed, no export trade of any consequence had been established and general stagnation was the result. Did matters long remain thus in the American oil regions? Did the oil men all agree that too much oil was being produced, and endeavour to make combinations (as our people have done) to keep the price up to a certain figure? No, our neighbours have a different way of getting over a difficulty; they looked the evil full in the face and set to work to apply the remedy. They saw that such an exceedingly valuable product as petroleum was never destined to remain hidden in the ground, for the reason that there was too much of it, but that if there was too great an abundance for home comsumption the surplus was given them to export to other countries, that the rest of the civilized world might share in the valuable article so profusely bestowed upon them, and they accordingly went to work in real earnest to find the most suitable markets in which to dispose of their oil. And with most triumphant success have their efforts been crowned; the extent of the import trade of Petroleum from the United States is something marvellous, when we take into consideration the exceedingly short space of time it has taken to establish that trade, and it still appears to be increasing at a wonderfully rapid rate.

To illustrate this, let us look at a few facts as taken from the "New York Shipping and Commercial List;" the Petroleum exported from the United States to foreign ports from January 1st, 1868, to September 8th, 1867, amounts to 67,167,432 gallons, against 41,590,031 gallons for the same time in 1867. The amount exported for the same time in 1865, was only 12,536,485 gallons; so that the export of 1868 is more than fifty per cent. in advance of 1867, and more than five times that of 1865. What other trade has increased in anything like this proportion? The great increase has taken place in the continent of Europe, although a considerable amount has been shipped to Central and South America, the West Indies, and Australia, and some to India and Japan. Havre takes five times as much this year as in 1867; Marseilles more than twice as much; Antwerp six times as much; Bremen, Hamburg, Cronstadt, Konisberg and Stettin, more than double. Alexandria in Egypt takes more than three times the amount of last year; many ports in Spain and Portugal, and Genoa and Leghorn, more than five times; Naples and Palermo, nearly a million gallons this year against 62,000 last year; Trieste, 900,000 against 37,600; Constantinople 308,000 against 24,500 last year, while the trade with Brazil and Mexico has increased more than double, and with Chili and Peru more than threefold; and this year considerable shipments have been made to various ports for the first time.

What a contrast is this to the Canadian Oil Trade; there is no complaining in the Siates of a superabundance of oil; no grumbling at Providence for giving them too much of a good thing. Canadian oil dealers can surely take a lesson from this. What is to prevent refined oil being exported in the same way that it is from the States? The Canadian Oil Region has every advantage in this respect. Petrolia, the great producing region, capable probably of producing more oil than any other region of its size in the world, is situate upon the Great Western Railway, and is within about 20 miles by Railway from Sarnia, from whence, if desired, the oil can be shipped to any part of the world, or it could be sent by rail to Hamilton and shipped from thence. As we have previously stated, refined oil has been sold as $4 per barrel wholesale, and it may be concluded that the refiner made a profit of not less than 50 cents per barrel; this then shows that the refiner, if he had wells of his own, could always produce refined oil at a cost of not more than $3.50 per barrel, including the barrel; for if he had good wells he could produce the crude oil as cheaply as it has ever been sold, say for 25 cents per barrel. The following is a computation made by a practical refiner from actual experience of the cost of shipping oil to Liverpool:

Cost of barrel of refined oil at Petrolia, inclusive of barrel (provided refiner has his own wells)	$3 50
Freight per G. W. R. to Hamilton.	0 80
Freight by vessel from Hamilton to Quebec	0 70
Expenses of coopering barrels, &c., at Quebec	0 20
Ocean freight from Quebec to Liverpool.	1 00
Insurance, 20 cents; Expenses at Liverpool, 30 cents	0 50
Commission	0 30
	$7 00

Thus making a total cost of $7.00 per barrel when delivered in Liverpool ready for sale; the present price at which refined petroleum is quoted in Liverpool is 1s 6d sterling per imperial gallon; one of our barrels of refined oil contains 33 imperial gallons, and the market value of the barrel would therefore be £2 9s 6d stg., or a little better than $12; from this deduct the cost of the barrel of oil laid down in Liverpool, $7.00, and a clear profit of $5.00 per barrel remains, which surely shows a larger margin of profit than the exportation of any other Canadian article, and far larger profit than any ordinary business will yield. A refinery capable of turning out 100 barrels of refined oil daily, would make according to the above calculation, a clear profit of $500 per day, by exporting the oil, which would probably pay several hundred per cent. per annum upon the capital invested in wells, refinery, and every outlay. Upon a large scale it is believed that the cost of barrels and freights could be considerably reduced; a large establishment making its own barrels would save at least 25 cents upon the manufacture of each barrel. In the above estimate the oil is transhipped at Hamilton and Quebec; but there is no reason, if the exporter has vessels of his own, why the oil should not be shipped direct from Sarnia to Liverpool, and thus have only 20 miles of land carriage altogether. It may be said that the present price of refined oil in Liverpool, (1s 6d per gallon), is higher than the price at which it is likely to continue; but supposing it to be so, a very handsome, profit would still be made if the price were two pence per gallon less than it is now. If our people were once to commence the exportation of refined oil, and find out from actual experience how profitable it