FUEL OIL—THE PRODUCER.

In our March 3rd issue mention was made of the fact that a number of manufacturers who are users of fuel oil, had held a meeting in Toronto to discuss the operation of the combination between the Standard Oil Company and the Grand Trunk and Canadian Pacific Railway Companies, and that it was resolved to petition the Dominion Government to remove the duty now imposed on fuel oil imported into Canada. Subsequently, in our March 17th issue, a report was given of what transpired at Ottawa when these manufacturers waited upon the Government to state their grievances. On March 14th a deputation from Petrolea and Sarnia, Ont., waited upon the Government to ask that the manufacturers' demand for the abolition of the duty on fuel oil be not granted. The deputation spoke for the oil producers, who sell the crude article to the refiners. Those present were Mr. John Fraser, M.P, East Lambton, Mr. Charles Mackenzie, ex M.P.P., Sarnia; Mr. J. H. Fairbank, ex-M.P., Mr. C. Jenkins, Petrolea, and Mr. F. A. Fitzgerald, of London. The members of the Government by whom they were received were Sir Wilfrid Laurier, Sir Richard Cartwright, Sir Henri Joly, Messrs. Paterson, Mulock, Fielding, Tarte and Blair.

Mr Fairbank was the first speaker. He said that he was called on once more to take up the crude oil man's burden. He said that when the reduction on the duty on oil was made, some two years ago, the oil producers accepted it, thinking that the matter was fixed for good. After touching on the fuel oil question and making the point that it is not true economy to use crude oil as it comes from the well for fuel, "the still should separate the products and the least valuable be used for fuel," Mr. Fairbank alluded to the manufacturers' deputation whose statements he controverted. As for their fears of financial loss, he said: —"They say they use one and one-half million gallons a year They are charged about four cents a gallon for Canadian oil. The price of this oil to which they refer, in Buffalo, not in Ohio, but in Buffalo, is about three cents a gallon, tariff two and one-half cents, making cost of American five and one-half cents a gallon, while the Canadian oil costs them four cents, causing a loss to them of one and one-half cents per gallon, which upon he one and one half million gallons they say they use yearly would amount to about $22,500. To the Department of the Minister of Finance, where this two and one-half cents would go, there would be a gain of $37,500. But there is no pretence that the shortage could exceed one-third the amount required This would reduce the manufacturers' loss to $7,500, still a considerable amount, but would it close up all manufacturers from Windsor to Montreal? I believe there is no permanent shortage of Canadian fuel oil, even when confined to the products of the still, certainly there cannot be when crude oil is included, which is open to all buyers."

Mr Fairbank contended that there is no degrading of quality, and touched on the relative advantages of light and heavy oils He continued as follows. "As to advance of price, if there were one would it be intolerable? Has there not been an advance in many lines? The consumption of iron at the oil wells is a very heavy item. There has been recently a heavy advance in iron goods. These Canadian manufacturers cannot supply all we require. We are not besieging the Government to make our raw material free. But I do not find any recent advance in fuel oil. I find that in 1895 and 1896, the last years I was a refiner, I sold fuel oil at four cents per gallon. There has been no advance in Canadian crude. We hope there will be, we need it.

"The manufacturers' three allegations are without substantial foundation, and their fourth, that it did not affect the oil wells, is the direct opposite of the fact. They say if it affected the oil wells there would not have been a deputation. Well, it does affect oil wells, as the value of the products of the flour mill affects wheat, and we ask the court for a non-suit. . . You may desire to know of how much importance the matter is to the oil wells. I shall not claim that it is in itself a star of the first magnitude, but it is of much more importance than others that oil men know. To keep up the supply of crude oil the drill must be kept running. To keep the drill running there must be confidence. The oil wells have been hit a number of times since 1894, and if the splinters are to fly at every shot the men at the guns will quit, and the manufacturer will see too late his blunder. Leave the oil tariff alone. Let the oil men feel that there is some solid ground under them. The manufacturers will be supplied."

Mr. Fairbanks asserted that no legislation would be required because in a short time the conditions would adjust themselves, and nothing more would be heard about the matter. He said that the manufacturers could not be cornered while crude oil was being produced, because there was no combination or monopoly in crude oil. The crude oil producers were quite independent of the Standard Oil Company. The Standard people were producers themselves, but only to the extent probably of two or three per cent. of the whole. He claimed that crude oil was a good fuel oil, and that manufacturers were open to purchase it. He told the Government that if an investigation were made they would be surprised at the small ground of complaint of many of those who composed the manufacturers' deputation.

Mr. Jenkins pointed out and admitted that it was not possible now to give the quantity of the class of fuel oil to manufacturers as formerly, but they still offered a superior article for the uses wanted, and all that was required was for manufacturers to keep themselves better posted on chemistry, and be able to use an oil of a heavier gravity. The changes that were necessary to enable the manufacturers to use the material of which there was an abundance, were of the most trivial character. He was not a believer in the Government interfering with trade matters, but one had to accept the conditions which existed.

Mr. Fitzgerald said that out of 800,000 barrels of crude oil only about 20,000 were controlled by parties who were associated with the Standard Oil Company. The refining of oil in Canada was not in the hands of the Standard Company, but was controlled by the Imperial Oil Company, the Imperial Company having absorbed the Standard Company's interests. There was no competition in the refining, yet there was nothing to prevent anyone getting into the refining business. About nine-tenths of the crude oil went to the refineries, and about one-third of the stock of the Imperial Oil Company was held by Canadians.

Mr. Charles Mackenzie followed, showing the unwisdom of disturbing the confidence of those engaged in the oil industry by a re-opening of the tariff question. He made the point that oil production was a mining industry which was as much entitled to consideration as iron or coal mining industries.