

compound 1 per cent on that also? In short, why insure at all? To this Mr. Wright would probably answer, that the object of insurance is to cover the risk of an early death; this we deny, and reply, that the case of an early death is an exceptional one, and that life insurance is intended to provide not for exceptional but for average cases. The upholders of the note system seem to us involved in this dilemma. Either the notes given will be paid by dividends or they will not; in other words, the notes are necessary or they are not. If necessary, then they will be outstanding at death, and to the amount of them the life will not have been insured; if not necessary, then why go through the farce of giving them for the purpose of cancelling them in a year or two, by dividends.

We have always been under the impression that one of the main objects of Life Insurance was the very one which Mr. Wright appears to think so absurd, viz.; as a sort of Savings Bank, and that those who had once entered into an insurance contract should feel partly bound in honor to carry it on to the end for the sake of their families or others who might be dependent upon them, their creditors &c. and partially to prevent them from spending their means wastefully and extravagantly which, in spite of Mr. Wright, we believe that the majority of men are somewhat apt to do. A commoner case even than these, is that of a man with a family, having about enough to live upon, and who without an insurance, would infallibly live up to his income, but who on insuring his life would probably pinch himself so as to keep up the policy. We freely admit that there are cases when it would be a boon to a policy-holder to be allowed to withdraw partially or wholly from his bargain, as where he becomes too poor to keep it up or where his family have died and no one remains dependent upon him but such cases are exceptional and besides are not Life Insurance, and are therefore beside the question under discussion, which is not what beneficial bargains of any kind men may enter into, but which is the more or less beneficial mode of Life Insurance, in other words, the securing of a certain specified and ascertained sum of money at death.

Communications.

THE EXPORT OF CANADIAN PETROLEUM.

To the Editor of the Monetary Times.

SIR,—In a letter which appeared in your valuable Journal of the 17th September, I endeavoured to show some of the advantages to be derived from the export of Canadian Petroleum, and since then it is pleasing to note that a movement has commenced in that direction. The Canadian Land and Mineral Company operating at Petrolia, advertised last month for a vessel to carry 2,500

barrels of refined petroleum from Hamilton, Ont., to London, England, and have, I believe, since made a considerable shipment. A contemporary of the 10th inst. says, that "a few of the refiners are making a very superior article of refined oil for exportation to Europe. An effort has lately been made to open up a market in Europe for the crude article. The prospects of opening up a market there for both crude and refined, were never better than at the present moment." Mr. Macrea, the Oil Broker in Liverpool, an acknowledged authority upon the subject, recently published a letter with regard to Canadian petroleum, in which he advised the exportation of the best refined oil, but did not encourage the shipment of crude. There may, however, shortly arise a large demand for the crude oil, in consequence of the marked success of experiments lately made in Europe for burning crude petroleum on locomotives in the place of coal. The last *Illustrated Times* contains an illustration of the Emperor Napoleon riding on the engine of a railway train, for the purpose of personally examining the apparatus for using petroleum as fuel. On this occasion the train travelled a distance of 18 miles, and the method of raising steam by means of liquid fuel, was pronounced to be completely successful. The importance of these experiments cannot be over-estimated, for should petroleum be generally adopted as fuel for locomotives, it would be found still more advantageous for steam vessels, and the demand for these purposes would be enormous.

Objections have been urged to the shipment of oil direct from Sarnia to Europe, but it would seem that the difficulties are more imaginary than real. The *Cleveland Herald* gives an account of a cargo of oil sailing direct from Cleveland to Liverpool. It says, "The Etowah, of Liverpool, is now loading with refined petroleum direct for Liverpool, at the dock of Thomas Walton. The cargo will consist of 2,000 barrels of oil, manufactured in Cleveland—this is the third or fourth cargo of oil that has been shipped direct to Liverpool from Cleveland. The previous ventures of this kind have proved profitable, and we have no doubt the present one will result the same way." If oil can be shipped profitably from Cleveland, how much more profitably from Sarnia? There are no more difficulties of navigation to contend with from Sarnia than there are from Cleveland, and a cargo of oil for Europe could be dispatched just as easily from one place as the other. The difference in price, however, in favour of Canadian oil is so great that it is surprising no business has hitherto been done in exporting from Sarnia. A refiner, provided he had his own wells, could lay down refined oil in Sarnia, ready for shipment, at \$4 per barrel (including the barrels). I have not statistics to show what the exact price of refined oil would be in Cleveland, but it cannot be very much less than in New York, where the present price per barrel is equal to \$9.50 in gold. Supposing the price in Cleveland to be \$8, this would be double the cost of oil at Sarnia, which is only a day's sail further than Cleveland. Under these circumstances, it is astonishing that Canadians have so long allowed the whole export trade of petroleum to be monopolized by the United States, but it is hoped they are becoming more alive to their interests, and that a new era is about to dawn on the Canadian oil trade. The American oil regions, in consequence of their immense export trade, are flourishing beyond all precedent. Pleasantville, which is now one of the best producing districts of Pennsylvania, has grown into a city within the last few months. The *Cleveland Leader* says: "that mammoth hotels, theatres, boarding houses, restaurants, stores and saloons, have sprung up in every direction, and the building of the city still goes on." It is very fascinating, this oil business. Fortunes are made in a month, a week, sometimes a day. Territory sells from \$500 to \$2,500 per acre, according to location. Town lots for building purposes rent from \$200 to \$1,000 per year." The villages, in Ennis-killen, present a sad contrast to this picture of

prosperity, but no other conclusion can be arrived at but that the difference is owing only to the want of enterprise in our country, and should the same attention be given to our oil regions, there is no reason why they should not be as flourishing as those in Pennsylvania. The *Titusville Herald* has the following excellent remarks upon the petroleum trade:—

"While cotton, grain, tobacco, and other leading agricultural staples of the country combined, are universally regarded as the basis of industry and commerce, little is said of petroleum in the same connection, notwithstanding the fact that there is probably as much money involved in the last mentioned commodity as in any other single article of home production. Petroleum, indeed, has become a product, not only of the first necessity, but of the first importance, at home and abroad; each succeeding year since it became a considerable article of commerce, witnessing an increased consumption in every civilized part of the world; and every year seems to develop new methods for its utilization. It is not only almost universally employed as an illuminator, but in the manufacture of soap, candles, wax, lubricating substances and dye-stuffs, and as a motor, it has become of essential use. After the first flush of excitement attending the discovery of petroleum in Pennsylvania, grave fears were entertained that there might be, sooner or later, an exhaustion of the supply, but these fears have been dispelled by succeeding years, during which there has been an increase of production commensurate with the increase of consumption. Petroleum has been discovered in various parts of the world, but thus far the wants of commerce have been mainly supplied by the United States, which has a practical monopoly of the trade. The exports of petroleum from New York, since the first of January last, are, in round numbers, 43 million gallons, against 23 millions for the corresponding period last year. From the whole of the United States the exports to date from first of January, are, 79 million gallons against 49 millions for the same period last year, being an increase of about sixty-three per cent. The great bulk of the exports are from New York and Philadelphia, though most of the business at the latter port is on New York account. The increase of exports this year is mainly to Continental Europe. Leaving out France, which takes crude almost exclusively, most of the exports to Europe consist of the refined article, which is not only safer to transport (as may be gathered from the fact that vessels carrying crude are subject to an extra insurance premium of 3 or 4 per cent.), but is really cheaper to the foreign dealer and consumer.

As to the risks incident to the transportation of petroleum, there appears to be a great diversity of opinion, though as between crude and refined, it is obvious that the former is by far the most inflammable, and therefore more dangerous to convey; but if the fear of accident was allowed to operate to the prejudice of common carriers, a severe blow would be inflicted upon commercial interests. Considering the immense commerce afforded by petroleum, the accidents directly or indirectly chargeable to the article, it must be confessed, have been proportionately small. Petroleum and its products may be safely transported when not exposed to heat beyond a certain recognized degree, and when carried under proper regulations of packing."

It is hoped that before another year, Canadians will take care to secure for themselves a fair share at least of this great trade.

Yours, &c.,

PETROLEUM.

—The schooner *Sailor Boy* was the other day chartered at Chicago to carry a cargo of oats to Boston direct, via the St. Lawrence and around the coast—the first cargo of oats ever shipped to Boston by this route from Chicago. On arriving at Boston this vessel will engage in the grain-carrying trade between that port and New Orleans.