

The freehold properties are held under Crown titles, and the owners of the lands over which the perpetual mining rights are held obtained their titles from the Crown.

The Petroleum Oil Trust, Limited, the parent of this offspring, was registered in 1891 with an authorized capital of £430,000; £330,000 in ordinary shares of £1, and £100,000 in preference shares of £10. £368,310 has been allotted and paid. The preference dividend of 7% per annum has been regularly paid, and in 1895-6 it was officially reported that the profits (presumably derived from sale of lands) amounted to £13,906. At its organization the Trust controlled some 40,137 acres freehold, with mining rights over 10,220 acres. When Mr. Obalski, the Inspector of Mines for Quebec, visited the property of the Company last year he found 33 wells completed and in operation. Some of these had been sunk to a great depth, the deepest being down to 3,600 feet. In two cases the oil flowed naturally, but since then pumps have been used. Of the last and most important discovery, made in the summer of 1897, at well 27, Mr. Obalski says: "As it was not expected that oil would be found at so slight a depth, no preparation had been made, and before the stream could be controlled about 1,000 barrels were lost. After tubing the well and connecting it with a tank, it continued to flow in an intermittent manner for some time, but after that a pump was put in and three wooden tanks were built, 16 feet in diameter by 12 in height, and pumping was carried on daily." It is pertinent here to observe that Mr. Obalski does not inform us whether he obtained this information from the management at second hand or whether he knew as an actual matter of fact that such a discovery had been made. We suspect he was informed for, in the very next sentence, he says "I was assured that these three tanks had been filled."

The company had so much to gain by demonstrating beyond a peradventure the truthfulness of these statements that we cannot understand why he was not permitted to see the *inside* of the tanks and measure up the quantity of oil which they contained.

In 1896, the Petroleum Oil Trust sold 5,041 acres of land to the Société Belge des Pétroles du Canada for 7,750,000 francs in fully paid shares of 500 francs each of that company, and in the same year a contract was entered into with the Irish Proprietary Oil Fields of Gaspé, Canada, Limited, a subsidiary company, for the sale of an area comprising 1,500 acres of mining rights, the purchase consideration being £66,000, payable £333,333 in fully paid ordinary shares and £25,000 in cash and the balance in cash or shares. The prospectus of this undertaking contained many surprising statements. It announced that eight pumping wells were yielding a daily average of 8,000 gallons. Six others contained oil "which will flow without pumping when connected by short pipe lines to the main pipe line to receiving tanks. It is estimated that the daily output of these wells will average 7,000 gallons. The treatment of only 20,000 gallons daily of the company's crude oil would, apart from the by products for which there is a profitable market, give a daily production of about 12,000 gallons of refined or kerosene, or 3,600,000 gallons per annum, from which a profit of £72,000 per annum could be obtained, and double this sum would be obtained if the refinery was worked to its full capacity."

Owing to the extremely mysterious and secretive manner in which the Petroleum Oil Trust has conducted its operations in Gaspé, no one in Canada is in a position to confirm or refute these statements. Sir William Logan and Dr. Sterry Hunt, whose reports to the Geological Survey are conspicuously quoted in the prospectus, were dead years before its organization, and Dr. Robert Bell, we imagine, has not been on the ground since work was begun. The only other independent authority who has visited the property recently is Mr. Obalski, the Quebec Inspector of Mines, and he is careful to point out that though

operations have been carried on over a long period and at a heavy expenditure, "the work is only of a *preliminary character*, and while petroleum exists in the region of a superior quality, *it remains to be seen whether it is to be found in paying quantities*." It is also significant that he was refused permission to examine the books of the company. Nowhere does he speak of a production of oil on such a scale as that claimed by the promoters, the only information he gives on this very material point being obtained at second hand from the management.

For the sake of the investors who have put so much money into it and for the good name of the country we sincerely trust that this enterprise is not what many claim it to be—a failure, and even worse. The success of these companies would do much to attract to Quebec the capital she so much requires for the development of her undoubtedly valuable mineral and other natural resources.

Mining in Ontario: Its Condition and Outlook.

Passing rapidly in review the present condition and outlook of the various branches of the mining industry of Ontario, the product which heads the list in value of annual output may be taken first. It is somewhat remarkable that petroleum has continued for so long to be produced on a considerable scale from a field of limited area without sign of notable diminution. In 1897 there were 25,556,591 gallons of crude oil brought to the surface, having a value after being refined, of \$1,777,591, the whole, or almost the whole, of which came from wells averaging a yield of not more than one-third or one-half a barrel per diem. The year previous the product was 27,380,588 gallons of crude, worth after refining \$1,884,580. There seems every reason to believe that petroleum will continue to be produced in Lambton county for many years to come, and will remain the basis of a prosperous and important industry.

Another non-metallic substance is found in great abundance in the Onondaga series of the rocks which underlie the most westerly margin of the tier of counties bordering on lakes Huron and St. Clair. The salt wells of Huron, Bruce, Lambton and Essex are still producing brine and evaporating salt, but the business is not a growing one. The output of the wells in 1897 was 54,686 tons valued at \$249,880.

The natural gas fields of Ontario are two in number, one being in Essex County and the other in Welland. The yield in 1897 was valued at \$308,448. The larger part of the product from both fields is piped across the international boundary line, that from Essex going to Detroit, and that from Welland to Buffalo. The prospect of course is that if this free export is continued, with its accompanying drain on the resources of the fields, the underground supply will sooner or later fail, and the natural gas industry will cease to have a being. The rock pressure has already been reduced, especially in Welland, and a pretty strong local feeling has grown up in favor of stopping the piping of gas to points outside of the Province. It is doubtful, however, if the Dominion Parliament would interfere with an established business to this extent. Efforts made to locate productive gas fields in other parts of the Province have not resulted in much success.

GOLD.

The gold fields of western Ontario have now been under development for three or four years, and their true character is being established. It is no longer possible to entertain the exaggerated views of their richness which were common at first, and it may be regarded as settled that, speaking generally, the district is one of low grade ores. Surface showings have in some cases given high values, and occasionally these have been well maintained on opening up the veins, but in the majority of cases development work has demonstrated that the gold contents are comparatively low, certainly under \$10 per ton. To offset this feature,