

unpleasant road towards financial trouble. It is for individuals to take heed. Those who keep a sharp look-out and curtail credit—both the giving and the taking—will fare the best when the day of trial comes.

THE PETROLEUM TRADE IN CANADA AND THE STATES.

The present is an opportune time to review the business of petroleum production in Canada and the United States, since the statistics of the production and export of the latter country are before us, and it is now possible to look calmly at the position and prospects of the industry at home. We gather from enquiry in London, in Petrolea, and in this city, that the petroleum trade of Canada during 1882 has been uniformly healthy. The production of crude oil has been increased by the discovery of producing spots outside the old limits and by the permanent resuscitation of the Oil Springs Territory, the original oil field of Canada. The average production during the year just past may fairly be estimated at 45,000 barrels a month, or say 540,000 barrels for the year. Prices opened in January at \$1.40 per barrel for crude, and gradually stiffened to \$1.50, which ruled till end of June, when the petroleum market all over the world was weakened by the enormous deposits at Cherry Grove, Warren County, Pennsylvania, being discovered and thrown upon the market. Prices here sympathized and fell back to \$1.30 to \$1.35 per barrel. This quotation ruled till October, when it advanced to \$1.50. The monetary pressure which then began to make itself felt, forcing holders to realize, again reduced quotation, and the market closed for the year at \$1.35 per barrel for crude oil.

The science of petroleum refining is year by year becoming better known. The great change in the mode of manufacture, necessitated by our legislation of two years ago, has resulted in the adoption, by refiners, of a rigid system, and the utilization of all products some of which were formerly wasted, is becoming the rule. The qualities of the various burning and lubricating oils are much improved, and taking all things into account it may be affirmed that the petroleum trade of Canada was never healthier nor more promising than at present.

In the United States, during the early portion of the year the market remained steady. For several years the daily production of the Bradford and Richburg regions had continued to be slightly greater than the daily consumption, but the yield was pretty well defined and this was never considered alarming. But when, in May, the developments at Cherry Grove were made known, the holders, formerly confident, lost heart, and the market gradually dropped from 80 cents per barrel, or there about, to 50 cents and a fraction under—the lowest point touched since the year 1873-4. The first wells were large and the output of the new field soon advanced to thirty thousand barrels *per diem*, with a promise of twenty thousand better. Prices were paid for leases that the oil regions had never heard of before. The excitement culminated in July. The district was discovered to be a "pool" and was speedily exhausted. From

a production of thirty thousand barrels it declined so rapidly that at the close of the year it was reported to be returning daily only about two thousand barrels. The market soon went back to the old figures, and then passed them. When it reached one dollar, the supposition was that it would pause, but it made no decided halt until it reached the unusual figure of \$1.36½. Then came alternate declines and recoveries until it receded to 76 cents, from which point it again reacted and closed with the year at 91½ cents in New York and 92 at some other Exchanges. "In the story of the brief life of the Cherry Grove and other new and evanescent districts," says the New York *Shipping List*, "we may read a suggestive moral. It tells us that the best of the Pennsylvania Oil region has been drawn upon with a prodigality that, unless more economy be introduced into the manner of producing, there will come a period when this vast and valuable industry will have perished by exhaustion. At various stages in the history of the trade efforts have been made to confine the production to the needs of consumers, but all such attempts have been only temporarily successful, and the fears are that the spoliation method will be continued until the earth refuses to respond to the demands of reckless greed." The same journal remarks that a number of refineries, some thirty or forty, have come into operation of late years independently of that huge monopoly, the Standard Oil Company. A fair proportion of these has been opened within the last twelve months. What will be the situation when the whole of the crude transit between "the region" and the seaboard shall be done by pipe lines it is impossible to predict. There are now completed to the New York harbor two pipe lines from the Oil Country, two more are being constructed through Pennsylvania, one to terminate at Philadelphia, and the other at Chester. The right of way for two similar lines ending in Baltimore was secured by two corporations several years ago, but that city seems indisposed to push the transport or export of oil. As a consequence, she is losing the trade, for where in 1877 she exported 44,858,000 gallons, she exported in 1882 only 11,842,000 gallons. The Philadelphia *Record* admits, that that city has, "by stupidity at Harrisburg and a narrow near-sightedness as to the resources and capabilities of our own State," forced the petroleum export business away—to New York. In proof of this, that journal asserts that while in 1873, Philadelphia shipped 1,900,000 barrels (say 67,800,000 gallons) against 2,694,000 barrels from New York in 1882, she shipped only 1,674,000 barrels, (say 67,080,000 gallons) while New York shipped 7,366,000 barrels, or nearly five times as much. Because "it occurred to the railroad companies that it was more profitable to them to carry oil by rail than to allow it to be carried through pipes," it fell out that New York city, says the *Record*, "has a practical monopoly of the export trade, and the Standard Oil Company has obtained almost a monopoly of both the refining and transportation of oil for the whole country."

The figures given by that journal as describing the total export of refined oil and

other products of petroleum from the United States (9 270,000 barrels for 1882, as compared with 9,500,000 for 1881, refined) do not exactly agree with those of the New York *Shipping List*, whose weekly or monthly tables of such export are a valuable feature, and are, we think, to be preferred as a guide. We quote from them as below:

TOTAL EXPORT FROM NEW YORK CITY OF REFINED OIL.

1882.....	330,743,218 gallons.
1881.....	307,963,525 "
1880.....	214,374,213 "

Of this total, of three hundred and thirty million gallons, there was shipped during 1882, in round figures, to:—

Great Britain	51,546,000 gallons.
Germany	97,235,000 "
Belgium.....	26,651,000 "
Holland.....	13,091,000 "
Austria	12,566,000 "
India	20,504,000 "
China and Japan.....	31,637,000 "
East Indies.....	25,198,000 "

And sundry millions of gallons to South America, Australia and various European countries, besides 1,609,000 gallons to Russia and 664,580 gallons to British North America. Of the 41,000,000 gallons of crude oil exported *via* New York, Spain took 12,814,000; France, 24,000,000; Cuba, 3,202,000; Bremen and Antwerp the rest. Naphtha was exported to the extent of 14,782,000 gallons in the year, principally to Great Britain, France and Germany. The total export, from the United States, of crude and refined oil and other petroleum products was as under:

	1882.	1881.	1879.
New York.....	387,332,070	367,890,069	293,992,095
Boston.....	7,281,244	10,793,556	5,998,025
Phil'd'phia.....	85,568,134	110,240,610	92,243,108
Baltimore.....	11,842,410	18,165,817	22,986,928
Richmond.....	382,239	215,484	2,328,370
Portland	120,018

Total.....492,409,097 507,310,506 417,648,544
Equal brls.

of 40 galls.. 12,310,227 12,682,763 10,441,213
We observe, in conclusion, that the average daily production of the Pennsylvania oil fields was 23,000 barrels in 1875; 42,000 in 1878; 67,000 in 1880, and 87,000 barrels in 1882.

The annual New York review of the trade makes light of the competitor with the United States which has arisen on the shores of the Caspian Sea. Although the refiners of the Caucasus are already supplying the Russian people with more than three quarters of the petroleum consumed in the Empire. They have the advantage, it is admitted of "large and cheap wells, and a territory promising almost endless development, while we have to our credit a decidedly better quality of crude, more skill and larger experience in refining, and reaching the consumer. Still, it may be a source of instruction, if not amusement, to watch our distant neighbor who nibbles away at his candle ends on the shore of the Caspian, and calmly kindles his *astatki* fires under the 195 refineries in and around Baku. In 1881 he forced from his sterile soil 4,000,000 brls., and he promises 5,000,000 as the result of his labors for the past year."

In the presence of the millions with which we have been dealing, it is perhaps as well not to speak too freely of the prospect of Canada, with her present 500,000 or 600,000 barrels' annual product, becoming a competitor for the supply of European require-