

EUROPEAN ASSURANCE SOCIETY.

WE have received the Directors' Report of the business of this Company for 1864, and we have also read, with pleasure, the Report of the annual meeting of the shareholders which was held in London on the 1st instant. We say that we have read these reports with pleasure, because it is always very pleasing to oneself to be able to say things that must be pleasing to others. There is a large number of people in Canada interested in the "European," and had the Directors' Report been unfavourable, our duty must have been unpleasant.

The following are the most interesting items in the report:

The new premiums on the Life and Guarantee department for the year, amounted to \$15,750.

The premiums from the Fire department for six months (the Society commenced the Fire business in June, 1864) amounted to \$31,330, the losses to \$31,876.

The gross amount received in premiums during the year, from all sources, was \$54,220.

The total amount of claims paid during the year was \$43,585, or a little over one half the receipts.

The progress of the Society's business for the past six years is shown by the following figures:

PREMIUMS RECEIVED.

	Increase on 1859.	Increase on 1860.	Increase on 1861.	Increase on 1862.	Increase on 1863.
1859	\$517,250				
1860	577,530	\$60,280			
1861	620,435	133,176	\$42,905		
1862	625,615	148,368	63,195	\$15,280	
1863	707,820	240,671	170,679	117,455	\$102,115
1864	818,200	341,031	250,530	177,855	182,475
					\$479,500

PER CENTAGE INCREASE.

	Increase p.c. on 1859.	Increase p.c. on 1860.	Increase p.c. on 1861.	Increase p.c. on 1862.	Increase p.c. on 1863.
1859	\$517,250				
1860	577,530	15 p.c.			
1861	620,435	25 p.c.	9 p.c.		
1862	625,615	23 p.c.	11 p.c.	2 p.c.	
1863	707,820	48 p.c.	24 p.c.	18 p.c.	13 p.c.
1864	818,200	61 p.c.	42 p.c.	31 p.c.	27 p.c.

These figures speak well for the prosperity of the Society. In six years the premiums have increased 61 per cent., and, as will be seen by the above table, this has not been the result of a spasmodic effort, but a gradual and comparatively steady growth. In 1859 the increase was fifteen and a half per cent.; in 1861, nine per cent.; in 1862, two and a half per cent.; in 1863, fifteen and a third per cent.; and in 1864, ten and a half per cent. We regret that we have not at hand the amount of claims paid each year for the same period, which, for the sake of comparison, would be very desirable.

In the middle of 1864 the business of the Mercantile Union Fire Insurance Company was transferred to the "European," and the report shows that at the beginning of the present year the British Nation Life Assurance Association also became united with it. This has had the effect of increasing the capital of the European Society to over \$3,500,000, held by upwards of twelve hundred persons. The united income of the three companies for 1864 was a little over \$1,500,000, and the chairman stated that—judging by the result of the first few months of the year—the new premiums for 1865 were expected to reach \$250,000, which would give the Society a gross annual income of a million and three quarters of dollars.

CANADIAN PETROLEUM.

THE Petroleum business of Western Canada still continues to afford promise of the best results, although, as some may think strange, we hear as yet of no large shipments, nor of wells pouring out their thousands of barrels a day. This is easily explained. The new proprietors are sound practical men, who will not do their work by halves, and having the means to carry on operations on an extensive and efficient scale, it is evident that they are determined to complete the wells before attempting to "realize." It is not many months since the wells have come into the hands of their new owners; since then a complete revolution has taken place in the system of working. This system involves the widening and deepening of the old wells: it may be said in fact to involve their complete reconstruction, requiring almost as much time and labour as sinking them anew. Of the two hundred and fifty wells in course of construction and reconstruction at Enniskillen, not more than twenty are as yet in working order. These are fair yielding and paying wells, but the amount of oil pumped by them at present is not a correct estimate of

what the same wells will do when the remaining unfinished ones get into operation, as experience shows that the more wells there are at work the more oil is procured from each. So reliable is this rule considered, that the owners of some wells which are ready for pumping are deferring a commencement until some of the adjacent ones are ready also. The reason of this is simple. The water in some places is very considerable, and cannot be exhausted sufficiently to admit of a large flow of oil unless several wells are working at the same time, and uniting their efforts to overcome it. It is easily understood how the yield during this transition state should be very limited, and for the same reason how rapidly it must increase as new wells get to work. In the Bothwell district this same difficulty is met with, but it is overcome to a great extent by the large size of the pumps and engines used,—one well being able to throw a volume of oil and water equal to three such wells as were formerly constructed. The largest well here at present, pumping sixty barrels a day, takes forty-eight hours to overcome the water when pumping alone, but when an adjoining well is at work the oil is reached much sooner and more of it is got. The chief cause of the backwardness of this district is that many of the wells first sunk, being narrow, will not admit pumps of a sufficient size to allow a slow and safe action of the machinery. In order to exhaust the water the machinery has to be driven beyond its capacity. The consequence is that the proprietors do not long enjoy the sight of a dark stream of oil from their wells before the overtaken machinery, nearly racked to pieces, breaks down. Something gives way which cannot be replaced on the spot, and which has to be procured from Buffalo or some distant place. This involves the most vexatious delays and great disappointment. Happily this state of affairs cannot be of long continuance, all the new wells having sufficient capacity,—the proprietors being satisfied that to succeed they must use large pumps, large engines (not less than twenty horse power), and work with a slow action. Wells, with such appliances, must yield large quantities, as it is an ascertained fact, from the results of boring, that the oil permeates the rock for many miles in all directions from this place.

From the above facts we may reasonably conclude that before long petroleum must rank as a most important article of commerce in Canada, and the question naturally arises what will we do with it? In a former number we have shown that circumstances, formerly unfavourable, would now afford us a foreign market except in the United States. Since then, we are informed, that owing to the gradually diminishing supplies in Pennsylvania, and the increasing demand for oil, application has been made to the Secretary of the Treasury to permit Canadian crude oil to be refined in bond in the United States. This application, it is said, has been granted, and already a company is being formed in New York for the purpose of taking advantage of this most liberal concession. This must give an additional stimulus to oil operations here, and places us at least on an equality in every respect with producers on the other side.

Something should be said of the quality and yield from the crude Canadian oil. The gravity is from 31° to 32°. From one hundred barrels distilled the following is an approximate estimate of the yield, viz.:

Illuminating oil	80 brls.
Lubricating oil containing Paraffine	8 "
Benzine	1 "
Refuse	5 "
Waste	6 "
	100 "

The above may be taken as a fair average. Some refiners might, however, get the different products in slightly different proportions, as their processes vary. The lubricating oil is allowed to be equal to any other for ordinary machinery, and will command at least double the price of illuminating oil, and the refuse is valuable as a lubricator for cart wheels and railway cars. It is also used with great success by some refiners in the States for mixing with other ingredients for purposes of distillation.

The number of wells in Canada can not be less than four hundred, of which only about thirty are as yet in working order. Twenty of these are at Enniskillen, and ten at Bothwell. The yield is from five to sixty barrels a day. The price at the wells is from \$1 to \$1.75 per barrel. There are besides these several surface wells at Enniskillen which yield a heavy lubricating oil of a specific gravity of 25°. This oil is now much appreciated, and is similar to some crude oils produced in the United States which readily bring from \$20 to \$25 per barrel.

THE BRITISH MARKETS.

ON the 19th inst. the Bank of England reduced its rate of discount to 3 per cent., in accordance with the general tone of the market.

The last statement is a most favorable one, showing the amount of gold had attained the high figure of £13,015,530. Money is now quotable at 3 per cent. in the two chief capitals of Europe, and it is remarkable, as evidence of the altered direction of the bullion current, that the reduction in the rate of discount has been in London, more rapid than in Paris. During the long course of the bullion export movement the pressure was greater in the London market than elsewhere, while, at the present time, the accumulations are productive of greater ease, on account of the payments that have been made abroad—in many cases in anticipation of subsequent arrivals of raw material or produce. The following are the current terms for paper, 31 to 60 days, 5 per cent.; 3 months, 3 per cent.; 4 months, 3 per cent.; 6 months, 4 per cent. The allowance for deposit at the Joint Stock Banks are from 1 per cent. to 2 per cent.

BUYERS' TENDERS. Liverpool, 19th June.—Canadian No 1 Superior, 23s 6d to 24s 6d per bbl.; Extra, 23s 6d to 25s. Wheat, 8s 3d to 9s 6d per cental. The sales of British Wheat, week ending 19th June, was 57,701 qrs.—average price, 41s 6d.; Barley, 2,751 qrs., 28s 8d. Canada Club Wheat, in London, is quoted 31s 6d. per 49 lbs.

The inanimate feeling, so frequently mentioned of late, has continued to influence the tone of the market during the last week.

"The weather has continued fine during the past week, and all accounts we receive from the country agree that the appearances of the crops were never better, and, should there be fine weather until harvest, we might see again one of the largest Wheat crops ever produced in this country."

We are kindly permitted to take the following extracts from private letters:

"Liverpool.—The quotations remain as at Tuesday's market for both Wheat and Flour. The fine weather is the great thing which kills this market, but we are pleased to see, by telegram, that the London market for English Wheat is rather dearer to-day, owing to small supplies. The deliveries of farmers' Wheat is down to 57,000 qrs.—that is, 13,000 qrs. less than last week, and, from what we learn and see, the farmers' deliveries will fall off, and, should bad weather set in, we may see a very smart advance, as stocks of foreign are not large, and if American shipments keep out."

Another says:
"The Wheat continues as fine as ever, and, as far as appearances go, the Wheat crop never looked in a finer state, at the same time there are many things to change the present fine prospect, and we may yet hear as bad a yield as ever we had. The market at present, however, is under influence of their fine appearances, and of considerable receipts from sea, as well as from farmers, and, till the harvest is secured, we could do without the receipt of another bushel of Wheat by sea. The trade, therefore, can only be affected favourably by bad weather."

Lord Stanley, speaking of the advantages of colonies to Great Britain, says:

"If we look to wealth, the colonies receive one-third of our exports, and send us within a fraction of one-third of our imports. If we consider our influence and favour among the nations of the world, it is not due from our army, our diplomacy, our wealth, so much as from the fact that we are at the head of a great confederacy of English speaking nations."

High Wines.

There is very little animation in the local trade for High Wines, but considerable sales of round lots have taken place during the week, at a shade under late quotations. Manufacturers are holding stiffly at 80 c. per gal. in car loads.

Twines and Ropes.

The decline in the value of Cotton has also affected Hemp and Flax to a considerable degree. All kinds of twines are now lower than they have been, and we understand that Shoe and Linen Threads, as also Gilling Twines, are at least from 2s to 3s a dozen lbs., cheaper. Ropes—Manilla, 13 to 13½ c per lb., do Bed-cord, 72 feet, \$1.70 per dozen, do, 60 do, \$1.40 per dozen, do, 48 do, \$1.20 per dozen, tarred rope, 72s. to 76s. per cwt., Kentucky tarred rope, 62s. 6d. to 65s.; do deep sea line, 13½ c.