THE OIL REFINERS' CONVENTION.

THE convention of petroleum refiners which dissolved on Wednesday was held mainly for the purpose of regulating the standard of crude oil, deciding the question of whether it should be sold by weight in future as has been proposed, and, if possible. of inducing the trade to cease the practice of buying and selling "short" for future delivery. In the debate on the first of these questions, the fact was called out that it has been customary to pour naphtha between the pumps and casings of wells in order to clean them. It soon became common to pour down more than was necessary, in order to adulterate the oil. A further dishonorable step was then taken, and the naptha was deposited in the tanks themselves. The average adulteration of crude oil that comes to market is therefore fifteen per cent It reaches sometimes twenty-five per cent. Naphtha costs but about three cents a gallon, and crude oil fourteen cents. It was resolved, therefore, that the standard gravity of crude petroleum in its natural state shall be 46 degrees, and after the 1st of January, 1870, all contracts shall be made at between 44 and 48 degrees gravity. Oil bearing a gravity above 48 degrees, shall not be merchantable, and will not be received by a purchaser except upon an agreement of a reduction. If the seller wishes to deliver crude oil of a lighter gravity than 46 degrees, and not over 48, a deduction of 3½ per cent on the price per barrel or gallon for each degree or part of a degree shall be made above 46 degrees If, on the other hand, the seller shall deliver unadulterated oil below 46 and not below 44 gravity, then the buyer shall allow 3½ per cent on each degree.

With regard to selling by weight or measure, opinions differed widely. In this country sales are made by measurement, but in Europe by weight. It generally, therefore, occurs that a loss takes place in Europe upon each barrel, and shippers are anxious that sales should also take place here by weight, with an allowance of actual tare. Those who advocate sales by weight argue that much fraud exists in the manufacture of barrels, and that guaging can rarely be done correctly. A rod plunged into a bunghole strikes the opposite side only of the barrel in its length, while it is often the case that thick inequalities exist in the wood of the upper part which takes up the space which should be given to oil. Advocates of guaging plead past custom and greater care in obtaining contents. The question was argued at much length, and a resolution offered to the effect that after January first no oil should be sold except by actual weight. A vote was finally taken on this troublesome question against the measure, and it was resolved to postpone it, after which the convention adjourned *sine die*.

It is to be regretted that the refiners, while in convention, did not either unanimously or by a majority, propose a definite basis of measurement in accordance with the views of the foreign merchants who actually buy and pay for all the exported petroleum. It would have been well for the refiners to remember that the parties who pay for a commodity are those who, in the end, will have the style of measurement—whether it be of yard, pound or gallon—to suit their ideas; and even when the style of measurement is conceded to the buyers, there is nothing to prevent the sellers from fixing the price so as to yield them as much profit as any previous measurement yielded. The price of refined oil or naphtha sold by the pound can be proportioned to the price of crude oil sold by weight, with just as much exactness as the price between them can be proportioned when crude and refined oil are sold by the gallon. It seems to us the refusal (hitherto) of the refiners to sell by weight is founded only on a prejudice in favor of an old system of measurement, as against a new system almost uiversally favored by actual buyers abroad, and against which, on principle, no sound argument can be urged.

One of the objects for which the refiners' convention was called was that of suggesting, at least, some means that would prevent the "buying and selling short," which system is so ruinous to the refiner and to the legitimate buyer of his products. The convention seems to have ignored this object, and so have committed a grave error. It is absolutely certain that, as long as mere speculators will pay more than *bona fide* exporters for buyers' or sellers' "options," just so long will the inevitable fluctuation of the prices render both refiner and exporter simply the prey of the speculator. It is wholly in the true interest of refiners and exporters that they put a stop to the present speculation in "options"; and the sooner they do this the sooner and more absolutely will they establish the oil trade on a thoroughly and permanently legitimate basis.—*N. Y. Bulletin.*

THE ABUSES OF THE CREDIT SYSTEM.

THE forecasting of accounts by many of our merchants in anticipation of "settling day," at the close of the year, reveals the disagreeable fact, that notwithstanding the long-continued contraction of business, it would be better if trade had been still more dull. It is found that in too many cases much of the summer and fall trade was stimulated by credits, upon which it is now difficult to collect returns. This has been more especially the case in the Western trade The September gold panic and the fall in the price of grain have so far unsettled relations in the West, that collections from that section are a matter of no slight anxiety,, and are mostly made in the shape of applications for renewals. The recent news of the break in the English breadstuffs market must still further embarrass the trade on this side of the Atlantic, and exercise no slight influence upon almost every branch of business. As a consequence, the assets of too many of our merchants are likely to include a more than usual proportion of doubtful bills.

This condition of affairs is to be regretted, and all the more because the strain occurs at a time when all classes are diminishing their abligations, and taking in sails in anticipation of changes in the currency and tax laws, that can hardly fail to affect values of all kind. We are not alarmists, and do not believe that, as a rule, the trade of the country is in an unsound position. But it is impossible to elude the fact, there is a growing feeling among business men and capitalists that renders them exceedingly chary of new ventures. They desire to keep their means well in hand, so that the parties who have less to pay are now in a better condition than those who have much to receive.

The state of affairs may be illustrated by the fact, that the bills receivable of a firm in this city that enjoys a well-deserved confidence for the cautiousness and business sagacity of its principals, were recently marked down to 20 per cent. of their face value. There is no reason to suppose that the credits generally would make so bad a show as this. If they did, the business of the country would be in a desperate condition. But there is too much reason to believe that a great deal of our banking business is made up of discounts for renewals which could not otherwise be taken up. Accommodation paper of this kind is not legitimate, and must sooner or later stand for what it is worth.

It is impossible to draw the line where credits should begin and where they should cease. That is a matter of individual judgment and sagacity. But, as a rule, four and six months credits must be regarded as hazardous. Fully ninety per cent. of the business failures occur from long credits. It is almost impossible to forecast the chances of half a year. The fall trade opened with every prospect of activity. Western merchants seemed perfectly justified in laying in large stocks, and Eastern merchants were apparently safe in granting them credits. But we have seen how the pyramid tumbled from the occurrence of events that could scarcely have been anticipated. The farmers were unable to pay their store bills, in consequence of the decline in wheat, and the latter were therefore unable to meet their obligations.

Credit is like a pyramid turned upon its apex. It is always ready to fall by its own weight. The safe rule that no man should go bail for a friend, unless he is in a position to meet the liability, if called upon to do so, applies with commendable force to the credit system. In business it is not pretended that no person should lend or borrow beyond his capital, but business paper should always be drawn against real values. If our banks and business men observed this rule, there would be very little temptation or opportunity for temptation.—*U. S. Economist.*

The London *Free Press* says:—Our immediate neighbourhood is heartily supporting Mr. Weir's silver exporting scheme, London having tendered $25,000, St. Mary's $10,000, and Stratford $11,000. Mr. Weir informs us that he intends visiting the other towns around us as rapidly as possible, so as to secure their co-operation. The silver from this city is being received by the Bank of Montreal, and exported directly from here. This course is being pursued, as far as practicable, throughout the country, as being the most satisfactory to the supporters of the scheme. Mr. Weir is superintending personally the details of the shipments at all points, and was in town on Saturday completing the arrangements for receiving and forwarding the silver."

TRADE WITH THE STATES.

THE NONSENSE ABOUT ANNEXATION.

The Buffalo *Courier*, a fair minded and influential organ of the American Democracy, has the following sensible and just article upon the question of reciprocal trade between Canada and the United States :—

"The inhabitants of our city justly regard the projected bridge across the Niagara in this neighborhood as replete with future advantages to them. Our city, like Detroit and all other places on the frontier, labors under many disadvantages as a commercial metropolis. Such a city under ordinary circumstances draws trade to itself as a centre, from a wide area around it but such places on the Canadian frontier, on either side, draw only on one side, and are cut off on the other, laboring under disadvantages not unlike those of a man, whose arms and legs, and indeed, one of his whole sides is paralyzed.

"This weakened and isolated condition is not necessarily the result of the lake and river. They are easily crossed, and in some respects serve to bring trade to us. We can all see the advantage of a bridge to bind us and the Canadians together and enable us to exchange our productions with each other, and few things can be plainer than this, for if it is beneficial to tax and diminish our commerce and send it down the St. Lawrence on one side, it will complete our arrangements for our own prosperity to institute a similar system on the other side, and let our city be as much alone as possible.

"Our political relations with Canada are usually brought forward when commerce with her is discussed, as a reason why we should place impediments on our trade with her; but if the trade is undesirable under our present relations it would remain undesirable under any other. Many who freely admit that the trade would be valuable to both parties imagine we ought to refuse it, that we may thus coerce or bribe the Dominion to enter the Union. The plain way of looking at this part of the case is the best. Do we increase the desire of any one for an increase of intimate relations with us, by a repeal of intercourse and neighbourly offices? Would the state of Maine or New York, or any other, be influenced by any such consideration to unite itself to a foreign government? In such affairs as this, the Canadians are very much like ourselves.

"The position the United States now occupy as to commercial affairs does not remove the influence of the repulsive attitude our legislators and a considerable proportion of our press assume towards Canada, whose people see in the common talk on this side about annexation a desire to bring them under the power of our monopolists.

"There are a few Canadians, said to be representatives of the old Canadian French rebel element, with perhaps two or three of the Anglo-Saxon race, who are said to be diffusing the shallow belief that trade with Canada will defeat hopes of annexation, and that non-intercourse would lead to an early demand for union with us. This is not a new theory; and the further time has progressed since it was started, the more remote does its realization seem to be. Annexation is something that should be sought from us, for it is to be valuable to us, and is of very little value and very poor source of pride and satisfaction if it comes from any kind of coercion.

"One of the very few Canadian volunteers in favour of annexation gives us the following woeful picture of Canadian distress, in which he seems to rejoice gleefully and luxuriously. He says :

'"You know that business is at a standstill; that being deprived of a market by the repeal of the reciprocity treaty, our commerce is entirely broken down; that we are producing less than one-half of what we have to pay for our importations; that emigration is going on at a fearful rate; that the past summer one-fifth of our cultivatable lands did not give any crops from the want of hands to till them, and that our list of insolvents is longer than that of the whole northern and western states together.'

"It need not surprise any one that those who rejoice in such a state of affairs as Mr. Aubin depicts do not see that he is endeaving to play the part of such a secessionist as we all condemn when our own country is the object of such attacks. He professes to believe that reciprocity would turn all this distress among his own countrymen to prosperity, and yet he does his utmost in opposing the beneficial change.

"But let us examine his statement. By the latest authentic records, the exports of Canada instead of being less than one-half of the importations, were nearly six-sevenths, or as 57 to 71; and considering that Canada might expect to be paid more abroad for her productions than they were worth at home, that a considerable amount of European capital is every year, with advantage to Canada, finding its way there, and that a considerable amount of the goods imported into the Dominion are resold for use on this side of the line—the exhibit is not a bad one. A shrewd observer might travel a long time through Canada without discovering any of those symptoms of distress which answer the purpose of Mr. Aubin's argument.

"The breadstuffs and other agricultural productions of Canada find the same market as the surplus of our own, at the same prices. No doubt 60 or 75 cents is a poor price for Canadian wheat, but the farmers in many of our best wheat producing states have to take less. Their lumber and their products in general have usually brought higher prices since the reciprocity treaty was repealed, than before.

"If annexation is the only object to be desired in connection with the Dominion, friendly feelings and liberal commercial intercourse should be cultivated with it. Certainly such a course would not only be the best final policy, but would begin at once to bring its own reward in promoting our national industry, and by putting money into the pockets of the citizens of Buffalo. It is quite as plain regarding the whole nation as it is, as to the city of Buffalo or Detroit; and if the policy of non-intercourse, or that of obstructing trade between us, is the best, the same principles would be profitable as to the trade between the state of New York and the rest of the Union."