

# The Commercial

WINNIPEG, JULY 13, 1891.

## SUGAR IN THE UNITED STATES.

In view of the sugar situation in Canada, it will be interesting to know how the sugar trade is handled in the United States. This is outlined in a late issue of *Bradstreet's*. An agreement exists between the refiners and jobbers, in regard to sugar, which is mutually beneficial to each. Under the new sugar duties, German sugar could be laid down in the United States to compete to some extent with the home product. The refiners, of course, desired to come to some terms with jobbers, to induce them to refrain from handling the foreign article. On the other hand the jobbers and wholesale dealers wished to control the sale of sugar to the retail trade on a more extensive scale than they have in the past. The requirements of the refiners and the jobbers thus brought the two sections together to negotiate for an arrangement which would be mutually beneficial. The refiners have agreed to sell sugar in quantities not less than 100 barrels, instead of in minimum quantities of twenty barrels as heretofore. The jobbers on their part, reduce their profit from  $\frac{1}{2}$  to  $\frac{1}{4}$  cent per pound, thus causing a larger consumption of sugar, to the benefit of the refiners, and also lessening the possibility of foreign importations. This combination (which it may be termed to some extent) has the effect of reducing the price of sugar to the consumer, and to this extent it differs from the popular notion of trade combinations in general. Speaking of this arrangement, *Bradstreet's* says:—

"This will undoubtedly prove of great advantage to both parties. Refiners have found it very expensive for them to distribute sugar in such small lots. The tendency has been to increase these small orders, as the retailers have come more and more to buy direct from the refiners rather than of wholesalers. This trade, which the jobbers have been losing steadily for over a year, will now come back to them. Although they cut down their present profits from  $\frac{1}{2}$  to  $\frac{1}{4}$  cent per pound, they will, it is thought, more than regain this through larger sales. It has been found that consumption increases in a ratio almost proportionate with the decline in the price of sugar. Hence the aggregate profit to dealers is about the same on a small margin as on a larger."

There is another point in the agreement worthy of notice. While jobbers have agreed to a maximum profit, they are also bound not to sell under the prescribed prices. This secures a uniform schedule of prices to the retail trade, and will also operate to prevent frequent fluctuations in values. Jobbers are also bound by the agreement not to sell sugars on longer time than thirty days, and with not more than one-half of one per cent. discount for cash within ten days. The refiners allow jobbers one per cent. for cash in seven days and one per cent. trade discount on 100 barrel lots. Jobbers who sign the wholesale grocers' association agreement as to prices and terms, also get a rebate of  $\frac{1}{2}$  cent per pound from the refiners. This agreement applies to the sugar trust. There are refiners out of the trust, but their

output is insignificant in comparison with the trust refineries, and their products are selling for 1-16 cent above the lowest prices at which wholesale grocers and dealers can obtain their sugar from the trust.

## MUNICIPAL BONUSES.

The system of municipal bonuses is an evil which this journal has spoken strongly against. This is true of the bonus system generally, but it is especially true in the case of bonuses to railways. *THE COMMERCIAL* put forth the argument long ago, that railways receiving government aid, either local or federal, should be prevented from accepting bonuses from municipalities. It is a matter for satisfaction that this principle has been to some extent recognized, and it could be carried further to public advantage.

In Manitoba the evils arising from the municipal bonus system have been abundantly demonstrated in various ways, but particularly in the railway bonuses voted by the northwestern municipalities. These municipalities have been applying to the local government for relief, on the ground that as the provincial government has undertaken a system of assistance to railways since these bonuses were granted, it should come to the relief of the embarrassed municipalities, by assuming these railway bonuses which were voted before the provincial system of aid to railways was inaugurated. These claims are advanced not without strong argument in their favor.

In the province of Ontario a very similar situation prevails. Ontario municipalities have voted a large number of railway bonuses, since Confederation, aggregating the large sum of \$9,000,000. Since these bonuses were granted, the Dominion government has entered upon a vigorous system of aid to railways. The Ontario municipalities now claim that on this account they should be recouped by the Dominion for the bonuses which they have granted. The argument is that as these municipalities are chargeable with their proportion of the railway aid expenditure of the Dominion, they should be relieved of their special bonus expenditures. They have a further claim upon the Dominion, on the ground that the province of Ontario has not received a fair share of the federal expenditure in the nature of aid to railways. Exclusive of the cost of the Intercolonial, and the aid given the Canadian Pacific, the Dominion has voted about twenty million dollars to railways, only about two and three-quarter millions of which went to Ontario. Quebec province has of course received the lion's share.

The Ontario municipalities, in their appeal to the Dominion government, are practically in the same position as the Manitoba municipalities, which have asked the local government for relief. The Manitoba municipalities could appeal to Ottawa for relief from their railway bonuses, with as good if not better show of reason than the Ontario municipalities. While Ontario has received something, Manitoba has received nothing from the Dominion, out of the twenty millions voted to railways. However, it is not at all likely that either Ontario or Manitoba will ever be recouped for such expenditures by the Dominion.

The Ontario government has gone in rather extensively of late years in granting aid to railways, and the Ontario municipalities could apply to their own provincial government for relief from these railway bonuses, on the same ground that the municipalities in Manitoba ask the provincial government here to assume the burden of their railway bonuses.

## IRRIGATION.

In view of the fact that proposals have recently been made to undertake systems of irrigation in the south western portion of Alberta, it will be interesting to learn the cost of irrigating lands in the United States. Statistics of this nature are available, the cost of irrigation having been one of the matters enquired into in connection with the taking of the recent census of the United States. In New Mexico it is learned that there are more than 3,000 farms wholly or in part under irrigation, for which the cost of water is \$5.58 per acre. Where water is purchased of irrigating companies the average cost is \$1.45 per acre per annum. Lands in this territory that have been taken up under the land laws, reclaimed and made productive by irrigation, have cost on an average \$12.98 per acre. In Arizona the average cost of building ditches was \$7.07 per acre; average annual cost of water per acre \$1.55, and average first cost of preparation for cultivation \$9.60. Bulletins on the same subject for Wyoming, Colorado and other states will be issued later. It is believed the cost of irrigation in these states will be less than in the districts already mentioned.

The figures published will show the cost is considerable, but not too great to prevent the carrying out of the work to a profitable end. Irrigated lands are as a rule more certain of a crop than lands depending upon natural precipitation, and this makes up for the extra cost. Drought is an affliction which almost all countries are subject to, and in the great central region of North America, it is the greatest foe to successful agriculture. Lands which can be rendered safe from this enemy to the crops, by artificial means, are therefore in a comparatively happy position. Relieved from the possible danger of injury or destruction of crops from drought, these lands are often more valuable than farm lands in districts where irrigation is not practiced, and where it is not so urgently needed.

In portions of western Canada included in the territories and British Columbia, there are districts where irrigation must be resorted to, if agriculture is to be followed on an extensive scale. The extent of territory requiring irrigation is very considerable, and it would add vastly to the value of the country as a whole, if it is found practical to carry on irrigation on an extensive scale. To this end private enterprises should be encouraged, and the government might make a move to discover to what extent irrigation is practical, to the lasting benefit of the country.

## CHINA AND JAPAN TRAFFIC.

The Canadian Pacific is not the only trans-continental railway which is reaching out for a carrying trade in Chinese and Japanese