

The Commercial

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BONUSING.

A great deal of attention is at present being given in Ontario to the question of bonusing. Many instances of the evils resulting from the granting of bonuses, have been made apparent in that province, but notwithstanding past experiences, there seems to be a renewal of the disposition to grant bonuses. Some towns have even gone so far as to make standing offers for the establishment of certain specified industries. Another serious evil as a result of the system is the removal of industries from one town to another. This pernicious bonusing system has been carried to such an extent that an agitation has been developed against it. The Provincial Government has taken up the matter, and by passing a bill amending the municipal act, has rendered extensive bonusing impossible. The bill provides as follows:—

(1) The vote of two-thirds in the affirmative of the ratepayers who are entitled to vote upon any by-law granting aid to or for promoting the establishment of a manufactory or manufacturing establishment, or for lending money to such company, person or establishment, or guaranteeing the payment of money borrowed in any municipality shall be necessary in order to the carrying out the by-law. (2) No municipality shall grant a bonus to a manufacturer under this section who proposes to establish an industry of a similar nature to one already established in such municipality without any such bonus. (3) No bonus shall be granted by a municipality to secure the removal thereto of an industry already established elsewhere in the province. (4) No municipality shall grant a bonus in aid of any manufacturing industry, when the granting of such bonus would, for its payment, together with the payment of similar bonuses already granted by said municipality, require an annual levy for principal and interest, exceeding ten per cent of the total annual municipal taxation thereof.

The effect of this bill will be to almost completely do away with bonusing. The first clause, which provides that a two-thirds affirmative vote is necessary to the adoption of a bonus by-law, would not in itself prove very effective. Very often the infatuation surrounding these bonus schemes is so great that almost a unanimous vote is received in their favor. The fourth clause, however, is the one which it will be difficult to get over. As soon as a municipality has granted bonuses, the annual payments upon which amount to

ten per cent of the total taxation, the end of the rope has been reached. The business must end there. This clause it will be seen confines the bonusing system to a comparatively harmless scope, though still leaving quite sufficient room for its exercise. Clauses two and three are both useful and sensible. The one prevents injustice to parties already established in business; the other will do away with the practice, which has at times been adopted, of extorting a bonus by threatening to move an industry to a rival town.

The press of Ontario, especially the commercial and industrial portion, has vigorously supported this measure for the restricting of bonusing. The principle of bonusing is so plainly pernicious, that it is a wonder that the business has not been restricted before now. But if the principle be pernicious, the practical results have very often been equally as bad. Still there seems to be an infatuation about granting bonuses which has been very hard to overcome. Persons who whilst even admitting that the principle is wrong, would invariably see in the case in hand some exceptional features which rendered it worthy of support. Thus though the good sense of the people revolted against the principle of bonusing, as a matter of fact bonus by-laws were usually carried when it came to a vote. Very often it is a spirit of rivalry which prompts the granting of bonus. Indeed to this cause may be attributed the great abuse of the bonus system which has been going on. One town vying with a neighbor for supremacy, has been led into many foolish and pernicious bonus schemes, with the hope of worsting the rival. Bonus hunters have been careful to work on this feeling, in the furtherance of their personal designs. The proposed industry is put up for sale to the highest bidder, and by pitting one town against another, exorbitant bonuses have been secured. All this is bad in the extreme, and unsound in principle.

But whilst hopes are very great in granting these bonuses, the result is not unfrequently very disappointing. Bolstered industries are often established, which under natural conditions could not exist. With the bait of a bonus in view, industries have been established which were entirely unfitted for the particular locality, and after dragging along for a time, have finally been abandoned. It is therefore wise on the part of the legislature to step in with a measure to restrict

bonusing, and endeavor to put an end to the extortions of bonus hunters, and the rivalries between towns, which so often lead to injury to all concerned.

Manitoba has suffered most severely from the system of granting bonuses, exemptions, etc. There is scarcely a town in the province, of any consequence, which has not had some reason to regret the granting of bonuses or exemptions, whilst several towns of good promise have been financially ruined thereby. It would seem to be time that our legislators should give attention to this matter, with a view to a further restriction of the freedom of municipalities, in granting bonuses, exemptions, etc. In no particular has the bonus system been more outrageously abused than in connection with railways. Railway corporations, by threatening to give a particular town or locality the go-by, have been enabled to extort bonuses and exemptions, right and left. It would be well to absolutely prohibit the granting of exemptions and bonuses to railways. As nearly all Canadian railways receive either federal or provincial aid, or both, it could be made a condition in their charters, that the acceptance of such aid should debar them from receiving assistance from the municipalities. If some such measure had been in force in Manitoba a few years ago, many of our municipalities which are now in difficulties, or laboring under heavy debts, would be in a comparatively happy state financially.

HANDLING BUTTER.

There has been a noticeable falling off in exports of Canadian butter to Great Britain, and this is said to be due to the poor quality of the Canadian article. The trouble seems to be largely due to the faulty custom of marketing butter generally followed in this country. It must not be supposed that Canada is not capable of producing as good butter as any part of the globe. THE COMMERCIAL has frequently drawn attention to the faulty mode of handling butter, and so long as this mode of handling is persisted in, the proportion of poor butter will be very great. Manitoba has great natural advantages in climate and herbage, for the manufacture of an excellent article of butter, yet the quantity of even passably good butter reaching this market is small, in comparison with the large amount of poor stuff. Winnipeg is at present crowded with butter, yet within the past few days, some of our dealers have been una-