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FINANCE AND INSURANCE REVIEW.

MONTREAL, FEBRUARY 13, 1880.

REVENUE STATEMENTS.

In our last issue we gave comparative statements of the imports of a number of leading articles of consumption during the six months ending 31st December last and the twelve months of the year 1878. We propose noticing a few more of the principal articles, but we think it may be interesting, in view of the discussions that have taken place as to the effect of the tariff both on the aggregate imports and on the average duties, to institute a general comparison between the six months of 1879 and the previous years. The imports during the eleven years ending with June, 1878, averaged rather more than ninety-six millions per annum, while for the last six months of 1879 they were \$33,267,960, the average duty on which was about 19 4-10 against an average of 12½. It will, however, be more satisfactory to state the averages on the goods subject to duty. These were in 1874 19 per cent., 1875 19 6-10, 1876 21½, 1877 20½, 1878 21 4-10, and in 1879 for six months 26.85, or a difference of 5.45 per cent. as compared with 1878. The difference is much less than has been generally supposed, and, if allowance be made for \$750,000 of duties

estimated to have been paid during the first six months of 1879 in anticipation of the increase in the tariff, the result is far from discouraging.

We shall proceed to notice a few more leading articles: Silks were imported in 1879 of the value of \$939,904, the duty having been \$278,962. In 1878 the value of silks was \$1,409,523, and duty \$246,669. The duty on silks has been increased, but the value was notwithstanding considerably more during the six months than one-half of the imports of 1878.

Earthenware, stone and china ware, value in 1879 \$460,264, duty \$69,708, against \$483,813 in 1878, duty \$84,662. Leather and manufactures thereof, value \$530,835, and duty \$117,821, against \$1,217,212, and duty \$202,976. Spirits, value \$285,574, and duty \$421,475 in 1879, against \$864,440 value, and duty \$1,001,565 in 1878. Molasses, value in 1879 \$348,361, and duty \$53,005, against value in 1878 \$940,725, and duty \$235,173. This is one of the articles on which there was a reduction of duty, which was a great boon to the Maritime Provinces, where it is largely consumed. Wood and manufactures thereof, \$261,223 in value, and \$67,461 duty in 1879, against \$853,717 value, and \$147,469 duty in 1878. Tobacco and cigars, value in 1879 \$69,620, and duty \$37,819, against \$332,952 value, and \$188,530 in 1878.

The foregoing statements will enable our readers to judge for themselves as to the effect of the tariff, both on the aggregate imports and on a number of the principal articles of consumption.

THE BUILDING AND LOAN ASSOCIATION.

That the articles on the Loan Society system of Ontario which have appeared from time to time in these pages were not heedlessly considered is beginning to be felt in financial circles east and west. The Loan Societies have had a career of prosperity scarcely uninterrupted even by the years of depression, but it was not difficult to foresee that certain causes at work beneath the surface must one day produce a state of things that would set people wondering at their own short-sightedness. The Building and Loan Association of Toronto is the first to show up, and the action of the new manager in the premises is highly commendable. The thorough investigation set on foot some time ago by Mr. Galbraith has resulted in an exposure for which not even the least sanguine of the directors could have been prepared. "The investigation," say the directors, "has shown that considerable losses have been incurred, mainly through

shrinkage in the value of all kinds of property."

The fact is, notwithstanding the emphasis placed upon the "hard times," that the great competition for business, owing to the increasing number of loan societies in the Province, has induced the managers to make loans upon lands and property far beyond their actual value, just as the Fire Insurance Companies have been doing, and those who were not sufficiently wide-awake have been made receptacles for the unloading of their keener neighbors. The farmer, finding that his land is not as productive as in former years, when he first obtained his loan of say \$3,000,—that the timber and firewood are nearly all exhausted, begins to realize that the interest he is compelled to pay is of itself a high rental for the property; and seeing little prospect of paying off the principal even at the end of the term of ten or twenty years, he manages to get a new valuation by which he borrows \$4,000 on a property supposed to be worth \$6,000 to \$7,000, pays off the \$3,000, and begins at once to realize all he possibly can out of the place; every marketable tree is cut down and sold, the land is worked for all it will produce, and in the course of a few years, when the land has been completely "skinned," and the stock sold off, the farmer moves to fresh fields, leaving the Loan Society to get its principal and interest the best way it can. The agent has meantime got all he wants,—his commission, and in these commissions lies a great part of the mischief.

The directors of the Building and Loan acknowledge to have had in their possession on the 31st December last property on which they had advanced \$136,213.55. They are careful to state that this is not the "true value but the amount charged against the securities," under the circumstances a somewhat equivocal expression. The farmers and others, like the over-insured of late years, have been selling their properties to the Loan Societies. "The losses from causes above mentioned, though not yet ascertained, are estimated by the B. & L. at \$159,408.50," wiping out the "rest" of \$90,000 and encroaching upon the capital of the association to the extent of \$69,408.50; and yet the company have declared a dividend of over \$25,000. Paying dividends out of capital stock instead of out of the profits may be a very easy method of conciliating the shareholders for the deterioration in the value of their property, but we question whether it received the unanimous sanction of the board or of the practical business men present at the annual meeting. It is understood that considerable