

generally as appertains to banking." If it be conceded that a bank has such power, the bank might be made liable to an enormous extent, through guarantees and other contracts of that kind, and this without that liability being disclosed to the public or to the shareholders or even to the principal officers of the institution. I cannot imagine that it was intended to leave the door open for such dangerous operations. They are so foreign to what is ordinarily considered the legitimate business of banking that if Parliament decided to give them such unusual powers it would have left it no matter of remote and obscure inference, but have set forth the powers in so many words with safeguarding provisions. In my judgment the bank had not power to enter into the contract on which it is sought to be made liable in this action."

### THE DRAIN ON CANADIAN FUNDS

In its monthly commercial letter for March, the Canadian Bank of Commerce says:—

"While foreign trade returns continue to show a balance in our favour, this being \$263,000,000 for the ten months ending January, it is more than offset by the aggregate of interest charges, credits granted, repurchases of securities held in Great Britain, the redemption of debentures of investment institutions, and the liquidation of many other forms of indebtedness to the United Kingdom. For instance, a very large proportion of our exports is carried in vessels owned outside of Canada and the relative insurance is bought largely from British companies, the cost of these services amounting to a considerable sum. The numerous British insurance companies operating in Canada find it advantageous, owing to present exchange conditions, to remit their profits to London instead of investing them here, as was the practice to some extent when exchange rates were normal. British fire insurance companies are extending their operations by purchasing control of Canadian companies, and this will result in adding to the already large amount paid for this class of insurance to companies outside of Canada. The aggregate premium receipts in Canada of all outside insurance companies are \$60,000,000, of which a considerable proportion goes abroad. Reference was made in our February letter to the fact that Continental holders of mortgages were taking advantage of the exchange situation to dispose of their Canadian holdings, and it is now more evident that many British companies and individual investors are taking full advantage of the advance in exchange to realize on their mortgages and their lands. All these constitute a steady drain upon Canadian funds which more than offsets the favourable trade balance and creates a difficult situation, the danger of which can not be

met by temporary expedients, for these will be of no avail unless they are followed promptly by greater production and by drastic curtailment of unproductive expenditure. Adverse exchange rates, and the higher prices of commodities which inevitably follow, do not appear to have checked the demand for goods, which is as pressing in rural as in industrial districts. The average price of 272 commodities in January was 4.8 per cent. above the level of December, 1919, and 18.1 per cent. above the level of January, 1919. In spite of this it is obvious that the people as a whole are continuing to buy."

### MONCTON, N. B.

Building operations in Moncton, N.B. for 1919 amounted to \$3,000,000 which are divided as follows:—

For business purposes \$1,500,000, residential \$1,000,000, schools \$480,000, and Children Home \$12,000.

The population of Moncton is some 18,000, and for a city of this size, the above indicates considerable growth and prosperity. Its growth, however, has been gradual and continuous on a healthy basis, for some years, without any undue inflation. Owing to its central location in the Maritime Provinces, some important business institutions, have recently opened branches there, such as the T. Eaton Co. of Toronto. The discovery of natural gas, and its introduction into the homes of the people, furnishing cheap fuel for cooking and heating, in addition to its use for industrial purposes, had good advertising value, both in attracting new factories and new population. Its citizens are enterprising, and take an interest in everything that makes for improvement, we understand that Moncton's new Hotel, (said to be one of the best in the Lower Provinces) was built through the enterprise of some of Moncton's leading business men.

### SUMMARY OF THE TRADE OF CANADA

	Twelve months ending February		
	1918 \$	1919 \$	1920 \$
<b>IMPORTS FOR CONSUMPTION</b>			
Dutiable goods.....	516,253,779	528,610,003	619,076,682
Free goods.....	432,263,063	107,255,869	341,793,468
Total imp rts, mds.	978,516,842	935,266,172	993,870,100
Duty collected.....	162,861,605	159,061,948	177,706,266
<b>EXPORTS</b>			
Canadian.....	1,562,588,114	1,216,316,432	1,246,341,000
Foreign.....	46,387,713	49,330,353	48,935,576
Total exports mds.	1,608,975,827	1,265,646,785	1,295,277,176