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DOMINION BUDGET TO SHOW ECONOMY

Efforts of Ministers Has Been to Keep Within the Revenues.

Special Despatch to THE SUN AND NEW YORK HERALD.

OTTAWA, Feb. 2.—When the budget for the fiscal year beginning April 1, 1920, is presented to Parliament at the session which opens at Ottawa February 26 it will demonstrate the efforts of the Minister of Finance to get all expenditure on consolidated account, or ordinary expenditure, within the revenue. Retrenchment and economy are the mainsprings of the movement now proceeding to bring all departments to a sound basis of efficiency.

The Department of Militia has cut the staff from 9,000 a year ago to 1,900 at present. The Printing Bureau has been under the scrutiny of experts and will be still further reduced. The revenue for the current year ending March 31 will be approximately $350,000,000, an increase of $38,000,000 over the year 1918-19. Revenue for the nine months ending December 31 was $253,964,722, and if that rate continues for the succeeding three months the problem of the Minister will be measurably lessened.

Final authority on the budget rests with the Cabinet in council. Wide responsibility is with the individual Ministers, and the Minster of Finance must dictate what are the limits. But all weighty decisions on policy are made by the Cabinet. Last year the Minister was able to show a surplus of $80,215,000. That will not be possible this time, for expenditure is closely following up on the higher receipts. Interest on public debt, pensions Government railways, the militia, will all show increases, amounting to approximately $115,000,000. Interest alone will call for $140,000,000, pensions for $35,000,000, railway deficits for $30,000,000, and the militia for $15,000,000. This latter has been paid out of war account, except for regular staffs and local affairs.

Canadian trade returns for the calendar year 1919, just issued in advance sheets, give ground for confidence to all who are responsible or in any way interested in the affairs of this young giant nation.

The total trade for the year was $2,235,928,072, which is within $365,000,000 of the height reached in 1917, when $435,000,000 in explosives alone were exported from Canada. In that year also shipment of wheat amounted to $247,695,186, against $156,004,868 last year. That great record was possible for two important reasons—the wonderful crop of 1915, which was not all sold in 1916, and the average crop of the succeeding year; and the transportation conditions due to the war. Yet in face of all the changes consequent upon readjustment here and elsewhere, exports of Canada for 1919 were $1,294,920,372.

Exports of paper amounted to $60,000,000, as against $35,000,000 in 1917 and $42,600,000 in 1918, chiefly to the United States. Meat exports to the value of $108,000,000 were exported in 1919, an increase of about one-third in value over each of the two previous years. Iron and steel show increases of about 25 per cent., amounting to $65,616,701. Vehicles, chiefly autos and auto parts, went to $16,744,000, lumber to $93,215,547, being an increase of about 50 per cent. for autos and of 35 per cent. for lumber. Pulp wood and manufactured lumber went to $40,000,000, a substantial increase.

Gold and silver were both below previous years, but the labor difficulties explain that. The outlook is better for this year and prices very encouraging. There was a fall in cheese exports and a sharp increase in butter, the total for dairy products being about equal to the record of previous two years, or approximately $40,000,000. Fish exports reached $45,042,374 and furs $19,435,174, both being heavy gains on former years.

Total exports to the United States went to the high point of $454,686,294, being $21,500,000 over 1918 and $53,000,000 over 1917. Under normal conditions Canada should continue to increase exports to the big American market, for this country is rich in natural products.

But it is not so clear that the United States can continue to hold this market for so large a share of Canadian trade once Europe can get raw materials and labor is put to work steadily. Last year Canada bought $740,580,225, less than a million below the figure for the previous year and within $90,000,000 of the purchases in 1917, when Canada was buying so much raw and partly finished material from the United States. Canada only bought $87,516,819 from the United Kingdom last year, being less than a sixth of what Canada sold to Great Britain and Ireland.

AUTOSALES EXPANDS.

Buys 50 Per Cent. Interest in Peerless Weighing.

Announcement that the Autosales Corporation had purchased a 50 per cent. interest in the Peerless Weighing Machine Corporation, said to be the largest organization in the country operating penny and nickel slot weighing machines, was made yesterday. The Peerless has 14,000 machines in operation from California to Maine, which with 10,000 machines in operation by the Autosales Corporation, will give the new combination 24,000 machines, said to be ten times as many as any other company operates.

The Peerless in 1920, it is estimated, will earn $300,000 net over all expense. It will continue to be managed and operated by F. A. Westbrook.

Montreal Iron Workers Strike.

MONTREAL, Que., Feb. 2.—Two hundred and twenty-five architectural iron workers employed by six Montreal firms struck this afternoon, demanding an eight hour day and an increase of ten cents an hour over present wages of fifty, sixty and sixty and one-half cents an hour.

Montreal Strike Settled.

MONTREAL, Feb. 2.—Settlement of the strike of employes of the municipal water works, which has been in effect since January 1, was announced today. The men are to return at once and the dispute as to wages and hours is to be referred to a board of arbitration.

PULP WOOD FIGHT REACHES SENATE

Mr. Underwood Calls for Commission to Seek End of Canadian Restrictions.

HINTS AT RETALIATION

Supply in United States Exhausted and Prices Are Soaring.

Special Despatch to THE SUN AND NEW YORK HERALD.

WASHINGTON, Feb. 2.—A rather pointed suggestion that a movement may be started in Congress for retaliatory action against Canada because of restrictions placed on the exportation of pulp wood to paper mills in the United States is contained in a resolution introduced in the Senate to-day by Senator Underwood (Ala.).

The resolution requests the President to appoint a commission of five members to open negotiations with the Dominion Government or with the provincial governments of Quebec, Ontario and New Brunswick, looking to a modification of the existing restrictions which are working great hardships to users of print paper in this country, but it contains also the significant provision that in case a mutual agreement cannot be reached the commission shall report to Congress what action should be taken that will aid in removing the difficulty.

The preamble of the Underwood resolution recites that the pulp wood supply in the eastern part of the United States is being rapidly exhausted by the growing demand and the price is being advanced to unprecedented levels.

"The existing scarcity of pulp wood and its threatened total exhaustion in the United States," the preamble continues, "has become a matter of such grave concern to the paper industry, the users and manufacturers of forest products, the Federal Government and the general public, that the Forest Service, the lumber and pulp and paper associations and the Forestry authorities of the country are now formulating a broad and comprehensive national forest conservation and reforestation plan for early adoption."

Protest Against Restrictions.

Senator Underwood further explains that prior to 1910 American paper producers purchased leases of Crown lands in Canada with the consent of the Canadian Provinces for the purpose of cutting pulp wood and shipping it to the paper mills in the United States. In 1910 the Lieutenant Governor of Quebec issued an order prohibiting exportation of pulp wood cut from Crown lands unless manufactured into lumber or paper "thereby invalidating the rights of property by statute conveyed and doing grievous and irreparable injury to said American interests by making valueless their large investments in river shipments and wood preparing and shipping plants and depriving said American interests of the wood to which they had been conveyed all property rights."

These American interests, says Senator Underwood, now hold leases for about 10,000 square miles of such lands in the Province of Quebec, or about five per cent of the total wooded area of the province, upon which they have regularly paid the prescribed fees and rentals. The wood on this area is sufficient to meet the demand in this country and the annual increment great enough to prevent exhaustion of the supply. Similar restrictive orders are in effect in the provinces of Ontario and New Brunswick.

Duties of the Commission.

The resolution then continues: "That the President of the United States is hereby requested to appoint a commission of five and by appropriate authority to confer on this commission the right on behalf of the administration and the Congress to present the Dominion government or the provincial governments of Quebec, Ontario and New Brunswick, as may be proper, the claims of the American interests now holding leases of crown lands acquired prior to the passage of the several restrictive orders in council of the three provinces aforesaid and to negotiate with said Dominion government or with the said provincial governments the cancellation of said restrictive orders in council as they may apply to crown land leases acquired by American interests prior to the passage of said restrictive orders, and.

"That in the event the cancellation of said restrictive orders in council cannot be agreed to by mutual arrangement of the Government of the United States and the Dominion of Canada said commission shall investigate, consider and report to the Congress what action should be taken by Congress that will aid in securing cancellation of said restrictive orders in council or their modification, so that they may not continue to militate against the interests of the people of the United States who are now affected by them; and

"That for the necessary expenses of said commission the sum of $50,000 be, and it is, hereby appropriated from the moneys in the Treasury of the United States not otherwise appropriated."

DOMINION'S TRADE GROWS.

Summary for Nine Months Made by Customs Department.

Canada's total trade for the month of December, 1919, was $232,234,749, as against $183,979,787 in the corresponding month of 1918, an increase of nearly fifty millions, according to the summary of Canadian trade issued by the Department of Customs.

For the nine months ending December, 1919, Canada's total trade was $1,797,597,390. It was $1,676,016,825 for the same period in 1918, which means an increase of about $30,000,000.

Exports during the month of December, 1919, show an increase over those of December of the previous year of over $30,000,000, being $110,628,522 in 1918 and $137,681,317 in 1919. The value of imports for this period has increased about $20,000,000, being $73,351,265 in 1918 and $94,553,432 in 1919.

For the nine months ending December, 1919, Canada's total exports of domestic and foreign merchandise reached the value of $976,654,791, as against $950,201,485 for the same period in 1918. Imports for this period in 1919 total $730,942,599, and in 1918, $706,815,340.

For the nine months ending December of 1919 Canada's excess of exports over imports was nearly $150,000,000, representing a substantial balance in her favor in her world trade.

New Jersey Zone Reports.

The report of the New Jersey Zinc Company for the quarter ended on December 31, 1919, shows income, after taxes, charges, etc., of $2,790,412, against $3,025,918 in the preceding quarter. For the year just ended the company's net income was $8,948,095, from which was deducted $7,000,000 for dividends and $368,000 for employes' profit-sharing distribution, leaving a surplus for the year of $1,580,095.

New Low Level in Exchange.

MONTREAL, Feb. 2.—Exchange rates on New York dropped to a new low level today when the American dollar was quoted at a premium of 12½ per cent.

MONTREAL STOCKS.

The following table gives the total sales, high, low and last prices and net changes of all stocks and bonds traded in the Montreal Stock Exchange for the week ended January 31:

STOCKS.

Sales.		High.	Low.	Last.	Chg's.
140	Abit P & P Ltd	290	290	290	+15
71	Abit P & P Ltd pf	97	97	97	—½
363	Ames Ho McC Ltd	135¼	135	135¼	+ ¾
45	A's H McC Ltd pf	110¾	110¾	110¾	+ 1¾
19	Asb Corp Can Ltd	79	79	79	— 1
447	Asb Cor C Ltd pf	90	89	89	— 1
5066	Atl Sug Ref Ltd	92	87½	87½	— 1⅞
123	Atl Sug R Ltd pf	130	130	130	..
198	Bell Telephone	110	110	110	..
60	B C Fish & Pack	64½	64½	64½	+ ½
2896	Brazil T L & P	46¾	45⅞	46	+ ⅛
1657	Br P & P Ltd ex-d	84	80	80¼	+ ¾
325	Can Cement	72½	71	71½	+ ½
188	Can Cem pf ex-d	99½	99½	99½	—15¼
240	Can C & Fdy Co	62	61½	61½	— 3
370	Can C & P Co pf	101½	100½	101	+ 1
280	Can Cottons Ltd	92	91½	91½	— 1¾
76	Can Cot Ltd pf	83	83	83	..
9014	Can F&P Ltd ex-d	227½	214	222¾	+13½
697	Can Gen Electric	108½	102	107½	+ 5½
125	Can Locomotive	98½	98	98½	+ ½
1140	Can Steamship	77¾	76½	77½	+ 2
463	Can Steamship pf	84	83¾	84	..
1300	Carriage Fact Ltd	43¾	35	36½	— 2
595	Car Fact Ltd pf	87¾	86	86	— 2
1549	Con Min & Smelt	30½	30	30	+ ½
1156	Detroit Unit Ry	115	110	110	..
135	Dom Canners	59	59	59	+ ½
417	Dom B'ge Co ex-d	110	105	105	— 1
15	Dom Coal pf	95	95	95	..
740	Dom Glass Ltd	66	64	64	..
132	Dom Iron & St pf	91	90	91	— ½
1810	Dom Steel Corp	76	73½	73½	..
6	Dom St Corp pf	81	81	81	..
225	Dom Textile	128	124	126	+ 2
43	Dom Textile pf	103	103	103	..
5	Goodwins Ltd	53	53	53	..
5	Goodwins Ltd pf	50	50	50	..
27	Hillcrest Collieries	61¾	61¾	61¾	+ 1¾
116	Holt Renfrew	65	65	65	— 5
5	Holt Renfrew pf	86	85	85	..
186	L of the Woods	190	190	190	—20
525	" rts	36	25	26	+ 4
835	Laurentide	274	269	271	+ 3
15	Laurentide P.†	74	74	74	..
1915	Lyall Con	97½	95	95	+10
1955	Macdonald	45½	42	43	+ 1½
25	Mackay	77	77	77	+ 1
1	" pfd	69¼	69¼	69¼	..
5	Mont Cottons Ltd	87	87	87	..
68	" pfd	104	104	104	..
1847	M L H & P C ex d	89¾	88	88	+ 1
40	Mont Telegraph	124	124	124	..
2	Mont Tramways	150	150	150	..
26500	" deb	71	70	70	..
2185	Nat Breweries	199	196	198	+ 2
30	" pfd	96	96	96	— 1
445	National Brick.†	24	23½	23¾	+ ½
15	" pfd	104	104	104	..
2149	No. Am P & P.†	7	6	7	+ 2
1	Ogilvie Flour M	278	278	278	..
50	" pfd	104	104	104	..
450	Penmans Ltd	115	113	115	+ 1
225	Price B L exponas	300	300	300	+ 2
3040	Que Ry L H & P	29	28¾	28¾	— ⅛
4227	Riendon P & P	193	181	182	+12
15	" pfd	*101	100½	101	..
314	St. Lawrence F	125	118½	118½	— 1½
814	Shawinigan W&P	116	115½	115½	— ¾
1	Sherwin W Paint	60	60	60	..
50	" pfd	90	90	90	..
2586	Spanish River	84	81½	81½	— 2½
2731	" pfd	127	125	125	+ ½
1249	Steel Co of Can	83	82¼	82¼	— ¾
128	" pfd	100	100	100	..
200	Toronto Ry	46½	46	46½	— 2½
60	Span R div vouch	6	6	6	+ ⅛
296	Tramway Power	19	18¾	18¾	..
25	Tuckett Tobacco	85½	85½	85½	— ¾
18	Twin City R T	40	40	40	..
3	Wabasso Cot Lt	102	102	102	..
416	Way P & P Ltd	80	79	79	+ ½
25	Woods Mfg Ld	100	100	100	— 4
42	Woods Mfg Lt pf	83	83	83	+ 2½

BANKS.

Sales.		High.	Low.	Last.	Chg's.
319	Commerce	198½	197½	198	— ¼
14	Hochelaga	157	157	157	..
39	Merchants	189	189	189	— 1
4	Molsons	188	188	188	..
83	Montreal ex div	207	206¾	207	+ 3¾
43	Nova Scotia	271	271	271	— ¼
134	Royal	217½	216½	217½	+ 1½
4	Union	160	160	160	..

BONDS.

Sales.		High.	Low.	Last.	Chg's.
$13400	Ash C Can 5s '42	77	77	77	— 2
1000	Can Cement 6s '29	99	99	99	— 1
6000	Can C & F 6s '28	88	87¾	87¾	— ¼
1000	Can C & F 6s '30	87½	87½	87½	..
14200	Can C Rub 6s '46	94	94	94	..
41500	Can Cot Lt 5s '49	84	84	84	..
2400	C R M & P 5s '22	88½	87½	87½	..
2200	C of M 6s Dec '22	102	102	102	..
500	C of M 6s May '23	101	101	101	..
13100	D of C W L 5s '25	95¾	95	95½	— ½
30600	D of C W L 5s '31	95½	95	95½	..
55000	D of C W L 5s '37	99	98¾	99	+ ¼
159400	V R '17 1s 5½s '22	100	100	100	..
26200	V R '17 1s 5½s '27	101½	101½	101½	..
97700	V R '17 1s 5½s '37	104¼	104¼	104¼	..
247200	V R '18 1s 5½s '23	100	100	100	..
240250	V R '18 1s 5½s '33	102¼	102¼	102¼	..
$12500	Dom Coal 5s '40	87½	87	87	..
13000	Dom I & S 5s '29	85½	85	85	..
1000	Dom T S B 6s '25	98½	98½	98½	..
1000	Lake of W 6s '23	99¼	99¼	99¼	..
4000	Nat Brew 6s '29	100	100	100	..
3000	N S S & C 5s '30*	89	89	89	..
1000	Ogil F M 4s '32	100	100	100	..
5000	Og F M S 10s '32	99	99	99	..
14500	Pen Lt 5s '26	89¾	89½	89¾	+ ¾
21200	Price Br Lt 5s '40	83	82¾	83	..
25400	Q R L H & P 5s '25	66½	66	66	— ¾
5000	Rion P & P 6s '42	95	95	95	— 1
3000	St Co of C 6s '40	96	96	96	..
1000	Wab Cot Lt 6s '47	90	90	90	..
2100	W P & P Lt 6s '51	86½	86½	86½	..

*Fractional lots. †Unlisted.

The unit of trading in the Montreal Stock Exchange is: Stocks, 25 shares; banks, 10 shares; mining, 100 shares, and bonds, $2,000.

DOMINION FACES WHISKEY FAMINE

Only Three Months Supply Left in Canada.

Special Despatch to THE SUN AND NEW YORK HERALD.

MONTREAL, Quebec, Feb. 2.—Canada is in for a genuine whiskey famine within three months in the view of Lawrence A. Wilson, president of the Quebec Wine and Spirit Association. The flood of orders from the other provinces is the prime cause for this dark prospect. On the head of events of the last month Mr. Wilson says he is willing to give his expert services to the Federal Government for a year at a salary of $1 and guarantee them $100,000,000 in revenue and the public pure liquor, with the genuine name and selling price on every label, if sensible legislation is passed.

The Government must forthwith allow the distillers to make some alcohol at once for good purposes without the two year age limit, Mr. Wilson said. This concession, he said, would not put on the market an inferior or dangerous article. There is not a drop of alcohol for medicinal, scientific or manufacturing purposes available to-day, and the situation has become alarming.

CANADIAN CLUB LUNCHEONS.

The Rev. Dr. Charles A. Eaton spoke on "The Real Labor Problem" at last Saturday's luncheon. T. Chambers Reid presided. Next Saturday Edwin Boyd Jackson, vice president Willys-Overland Company, will speak on "Purchasing Partnership."

Last Saturday evening there was a well-attended "smoker," at which the entertainment was provided by Messrs. Waterson, Berlin & Snyder, and one of the numbers was a song specialty, "The River's End." Through the courtesy of the Canadian Pacific Railway there was presented a film of fascinating interest, "Across Canada With the Prince." His Royal Highness visited almost every part of the Dominion; and what he did and saw, and Canada's spontaneous welcome wherever he went made up a picture both entertaining and instructive. Supper was served at 11 o'clock.

Next Sunday evening there will be a musicale at 8 o'clock.

California Packing Conversion.

It was officially announced yesterday that more than 60 per cent of the outstanding preferred stock of the California Packing Corporation had been deposited for conversion into common stock. There is $8,206,200 senior stock outstanding. It is considered likely that before the conversion privilege expires on March 2 a much larger percentage of the outstanding total will be deposited. All of the preferred stock which remains unconverted into common will be retired on April 1, 1920, at $115 a share, which will leave the company's share capitalization consisting solely of not more than 462,010 shares of common stock of no par value. The holder of preferred stock who converts his shares into common will be the recipient of the equivalent of dividends of $9 a share, as the common stock will pay this year dividends of at least $6. An interest of the company in discussing the condition of California Packing states that the company by the end of its fiscal year, February 28, 1920, will be free from debt, excepting current accounts, and will have about $10,000,000 in cash and Liberty bonds alone.

TORONTO MARKET FEELS DEPRESSION

General Business Good, but Exchange Position Makes Brokers More Cautious.

Special Despatch to THE SUN AND NEW YORK HERALD.

TORONTO, Ont., Feb. 2.—Although general business continues on its old-time buoyant scale, with factories in the industrial centres fully occupied with orders, the stock market is feeling some depression. Whether it is a reflection from Wall Street and a temporary condition, or the sensing of some economic difficulty afar, remains to be seen.

There is no doubt of the exchange position having its effect on the stock market. It has led to a long period of liquidation of Canadian securities held in England, and the recent low rate of sterling has led to heavy selling of this kind. That position now hangs like a cloud over the exchange, and brokers and speculators have not the same confidence they had a month ago. Canada had another heavy favorable trade balance in 1919, but the question is, Can this be maintained in the face of the low rate of exchange?

Sir George Paish, who has been in Toronto for several days, says Canada's future is very bright, provided the international situation is rightly handled and adjusted. Europe's decreased capacity for the production of food is Canada's opportunity, he says. These and other arguments show that we are entering on a farmer's era in Canada and the soaring price of necessities, together with the opportunities for export of foodstuffs, should attract back to the farms many of the men who were lured away by the bright lights years ago.

Annual meetings of banks and loan companies are revealing new condition in regard to sources of capital. Sir Edmund Osler, president of the Dominion Bank, told the shareholders that between $50,000,000 and $75,000,000 had been loaned from Great Britain to various companies here for investment in mortgages. Owing to the exchange situation some of those companies had already arranged to close up their business and send their money back. "No money can be expected from Great Britain for investment in this country," he said, "until the exchange conditions change." The principal change so far announced is the purchase of the Canadian Mortgage Association operating in the West by the Credit Foncier.

NOVA SCOTIA BANK SHOWS INCREASES

Annual Statement Shows Great Activity.

The annual statement of the Bank of Nova Scotia is always of interest to that large circle of American business men who have connections with Canada, in view of the three offices maintained by that bank in the United States at Boston, Chicago and New York.

The 1919 statement, which is the eighty-eighth report of the bank, is of particular interest on account of the purchase and acquisition of the Bank of Ottawa during the year. Total assets are now $238,000,000, and deposits $180,000,000, both showing good increases over the combined figures of the two banks one year ago. Cash, clearing, bank balances and deposit in the central gold reserves, total $69,888,853, being 33.4 per cent. of the public liabilities, and quick assets of $151,080,379 are 72 per cent. of the public liabilities.

The capital was increased during the year by $3,200,000—the new stock being issued to shareholders of the Bank of Ottawa in payment for the assets of that bank—and now stand at $9,700,000. The reserve fund is $18,000,000, being over 183 per cent. of the capital, and was augmented during the year by $5,800,000 from the Bank of Ottawa and $200,000 transferred from profits.

Profits for the year are $1,925,478, and represent an increase of $84,000 above the profits of the combined banks on the previous year's rate of earning. The balance brought forward from the preceding year was $749,694, which, with the profits for the year made $2,675,172 available. From this, dividends at the rate of sixteen per cent. were paid; war tax took $89,666; $100,000 was contributed to the officers' pension fund; $200,000 written off bank premises, and $200,000 transferred to reserve fund. The balance of profits carried forward is $704,172. Altogether the statement is a creditable one, and indicates that this old established bank is participating fully in the business development of the Dominion of Canada.

EXPECT TO ELECT BLAIR.

Will Succeed Busby as Head of Chicago Surface Lines.

Special Despatch to THE SUN AND NEW YORK HERALD.

CHICAGO, Feb. 2.—Henry A. Blair will be elected president of the Chicago Surface Lines on Wednesday, according to present plans, to succeed Leonard A. Busby, and also will be reelected chairman of the operating board of the lines on next Wednesday.

Matthew Brush of New York city has refused the tentative offer of the presidency of the lines, it is stated authoritatively.

John A. Beslock, formerly head of the Denver Tramways, may be chosen operating chief on Wednesday or later. If an actual operating chief is not named on Wednesday John M. Roach probably will assume those duties with or without the title. He is a practical street railway man, as distinguished from a railroad financier.

ASKS FAIR PLAY IN LEAGUE.

Newton W. Rowell Points to Canada's Sacrifices.

OTTAWA, Feb. 2.—Canada, in demanding representation in the League of Nations, was not asking special favors, but seeking only justice and fair play, Newton W. Rowell, president of the Privy Council, declared in an address here today. The only nation that disputed Canada's right, he said, was the United States.

"One desires to avoid comparisons," he asserted, "but it is a simple statement of fact that in the effort to establish world peace more Canadians fell in battle or died of wounds than soldiers of the United States."

CANADA PACKS HORSE MEAT.

Demand From Europe Develops New Industry.

CALGARY, Alta., Feb. 2.—Five thousand of the small and superfluous horses in this Province will be slaughtered to fill an order for 5,000 barrels of boned and salted horse meat for shipment to Europe. Contracts have been awarded and a new industry is being developed.

There are in Alberta to-day considerably more than 800,000 horses, of which a large percentage are pure bred, with Clydesdales and Percherons predominat-

Ecuador's President to Visit U. S.

GUAYAQUIL, Ecuador, Feb. 2.—Jose Luis Tamayo, who recently was elected President of the Republic, will start on a visit to the United States within three months, according to announcement made here.

PAISH TELLS PLAN OF RECONSTRUCTION

British Financier Addresses Canadian Club on Needs of World Finance.

Special Despatch to THE SUN AND NEW YORK HERALD.

MONTREAL, Feb. 2.—Sir George Paish was greeted by a thousand men at the Canadian Club luncheon to-day, among whom were many notables in the realm of finance, including Sir Henry Drayton, Federal Minister of Finance. Sir George leaves for New York to-night, from where he will sail for England.

Sir George said that under his plan, and based on 1919 trade, Canada would be expected to accept about $175,000,000 a year in the international bonds, guaranteed first by one debtor nation, and secured by the League of Nations. The favorable balance of trade for Canada last year was $352,912,672. But Canada had to meet interest obligation on foreign investment in Canada, which amounted to half the fevorable balance. His plan would operate in the same manner for all countries like Canada, the United States, the Argentine, Japan, Australia and possibly China.

The favorable American balance last year was $4,500,000,000, out of which would be deducted payments for interest on foreign investments. Sir George estimates it will require about $20,000,000,000 to reconstruct Europe and save it from the break that he sees ahead. He would bring the League of Nations into operation right away for the particular purpose of saving the world from financial disaster.

The action of the British Government during the first two and a half years of the war, guaranteeing payment of all bills of exchange, had saved the situation, he said. The present one was more dangerous than at any time during the war and called for strong action. There was a famine in international money, not in national money. The need for food supplies in Europe would prove as great in 1920 as in 1919. In some countries of Europe the agricultural output was still 40 per cent. below normal. Russia, a great producer before the war, was still cut off, though prospects were better.

Unless Canada and the United States were willing to make some such arrangement as he proposed the surplus products of these countries would remain unsold, he said.

Sir George adheres to his project for taking fifteen per cent of all pre-war capital in the United Kingdom, and fifty per cent of all war wealth for the reduction of the British national debt. He believes sufficient would be raised from such a levy to make it unnecessary to increase the income tax above the present rate of six shillings to the pound. That plan is not applied by Sir George to Canada or the United States, for these countries can carry their obligations without resort to such measures.

AMERICAN COMPANY BUYS CANADIAN CAR

W. E. Woodin Elected Chairman of Committee—No Change in Management.

W. E. Woodin, president of the American Car and Foundry Company, announced yesterday that his company has purchased a substantial interest in common and preferred stock in the Canadian Car and Foundry Company, and that he had been elected chairman of the executive committee of that company. The announcement did not come as a surprise to Wall Street, for it has been rumored for weeks that these negotiations were pending. No change is to be made in the management of the Canadian company, Mr. Woodin declared, but with the facilities which will now be placed at its disposal by the American Car and Foundry Company he believes that the new acquisition can be made into an exceedingly profitable concern.

"The American Car and Foundry Company," Mr. Woodin said, "has bought a substantial stock interest in the Canadian Car and Foundry Company, and this purchase has been made as a direct response to Sir Henry Drayton in his recent address here to American industrialists and capitalists to make investments in Canada.

"As far as our interests are concerned, the Canadian Car and Foundry Company will remain under the same management and there will be practically no change made in its present organization. At the last meeting of the board of directors I was elected chairman of the executive committee of the Canadian Car and Foundry Company.

"The plants of that company are in excellent condition and it has a thoroughly efficient and loyal organization. It is in a position to do a great deal of work, and if the very great demand for railroad equipment that is necessary to carry on the railroads of Canada materialize this company should be very profitable for some time to come. There are very many lines of mutual co-operation between the two companies which will work out to the great benefit of both of them. This is especially true in the export business, and we feel that there is going to be a great deal of this in the immediate future. The Montreal works of the Canadian Car and Foundry Company are especially advantageously placed to serve the export trade."

The Canadian Car and Foundry Company is one of the largest manufacturers of equipment in the Dominion. It was incorporated October 29, 1909, under the Canadian Companies act and acquired the properties and business of the Canada Car Company, Ltd., the Dominion Car and Foundry Company, Ltd., the Rhodes, Curry and Company, Ltd., which were at that time, the three largest car manufacturing companies in Canada. It has since added to these plants and acquired other properties by purchase or construction, and now has eight manufacturing plants in which it constructs finished passenger and freight cars or the various parts entering into their construction.

U. S. FOREIGN TRADE GAINS.

Balance Against Europe Increases $4,435,410,566 in 1919.

WASHINGTON, Feb. 2.—America's trade balance against Europe increased $4,435,410,566 in 1919, figures issued to-day by the Department of Commerce, and showing that exports from the United States were $5,185,980,350 and imports $750,569,784.

The trade balance in favor of the United States over the United Kingdom piled up during the year was $1,969,988,783, that over France $769,497,587 and that over Italy $382,628,396. A trade balance of $82,137,085 was registered over Germany.

Exports to the United Kingdom in 1919 were valued at $2,279,178,048 and imports from the United Kingdom at $309,189,265. The figures for France were $893,368,996 in exports and $123,871,409 in imports, and for Italy $442,676,842 in exports and $59,048,446 in imports. Exports to Germany were valued at $92,761,314 and imports at $10,624,229.

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