

OTTAWA WATCHES FARMERS' MOVEMENT

Trade and Commerce Department May Have New Head—
Growth of Newsprint Manufacture(Special to *The Monetary Times*.)

Ottawa, Nov. 20th, 1919.

WITH parliament prorogued, Sir Robert Borden recuperating at American resorts, Hon. N. W. Rowell and Hon. Gideon Robertson attending the Labor Conference at Washington and the majority of the ministers taking brief holidays, things political at the capital are exceedingly quiet. However, those who are on the job are keeping a close eye on the developments of the farmers' movement. This movement originally was treated somewhat as a political joke at the capital. It was felt that it would never make more headway than the Patrons of Industry campaign a generation ago or the Populists' wave of the western States of the same period. The sweep in industrial Ontario by which a United Farmers' party headed the polls and now has installed a cabinet has opened the eyes of Ottawa. That it is a Dominion-wide movement which promises to prove a regular whirlwind in its intensity is apparent by the results of the recent federal by-elections. Outside of Quebec, no riding is safe at the present time, and the leaders of both the old-line parties are sitting back, praying that the present tide will have ebbed before the next elections come around.

With the majority of the ministers out of the city, there are no definite rumors as to political changes. The old story is being revived that Sir George Foster will become Canadian High Commissioner in London to succeed Sir George Perley. When the latter recently returned to London, he told his friends in Ottawa that he expected to be back shortly for good. It is known that Sir George Foster, after nearly forty years of a strenuous political life, would like to retire to some more peaceful position. If he took the post in England the salary would have to be increased in order that he could fittingly maintain Canada's position in the old land. He is a poor man.

The production of newsprint is rapidly becoming one of Canada's greatest industries. Probably no industry is doing so much to help level our balance of trade with the United States as the pulp and paper industry, as the largest part of the product of our Canadian mills is being shipped to American newspapers. According to official figures at Ottawa Canada is now producing 2,775 tons of newsprint per day, or about 800 thousand tons a year. Four of the largest mills, namely, Price Bros., Abitibi, Spanish River and Laurentide will increase this output by an average of 90,000 tons a year according to their present plans for expansion. In addition, three new big projects are contemplated. Announcement has been made that Price Bros. are planning a new plant at Chicoutimi, where they propose to build a brand-new port. The International Paper Co. propose to build at Three Rivers, and a five-million-dollar plant is to be erected by the Great Lakes Pulp and Paper Co., at Port Arthur.

Ottawa is somewhat worried over the coal situation. Since the American strike began about November 1st, not a pound of coal has entered Canada; and although the strike is now officially off, the United States authorities are still refusing to export any coal to Canada. As soon as it was seen that the situation was serious, Mr. C. A. Magrath was reappointed fuel controller by the government. He has been in Washington for the past week, urging the American authorities to allow certain supplies to be shipped to Canada, but so far without success. He has called in the services of Hon. N. W. Rowell and Hon. Gideon Robertson, who are in Washington attending the labor conference and they have taken the matter up with the American Cabinet. They will be back in Ottawa this week-end, and will discuss the situation with the federal ministers.

The export of Canadian coal has been forbidden except by license, while a complete ban has been put on the exportation of coal to Europe. In view of this, the government

here feel that the United States should go out of its way to supply Central Canada with any supplies which are urgently needed, as the Nova Scotia mines are bunkering American ships, and shipping to New England, while British Columbia mines are shipping to the Pacific Coast of the United States and Alaska. In view of these facts and also that a large amount of electrical energy is transmitted from Canada to the United States the government are preparing to make strong representations on the matter to Washington.

BANK OF MONTREAL STATEMENT

Total Assets Increase \$55,000,000—Holdings of Government
Securities Over \$60,000,000

OF outstanding interest each year is the annual statement of the Bank of Montreal because of the close relations of this bank not only with business throughout the country, but also with financial affairs of the government. The Bank of Montreal's financial year ends October 31st, and that for the year just ended covers what is almost entirely a peace year. The profit and loss account shows the following items in comparison with last year:—

	1918.	1919.
Balance brought forward.....	\$1,664,893	\$1,901,613
Profits for the year	2,562,720	3,314,227
Premiums on new stock.....	3,500,000
Total	\$4,227,613	\$8,715,840
Dividends	1,900,000	2,372,250
War tax on circulation	160,000	190,986
Subscriptions to patriotic funds....	46,000	39,750
Reservation for bank premises....	200,000	300,000
Credited to rest accounts	4,000,000
Balance carried forward	1,901,613	1,812,854

The following are some of the items in the balance sheet compared with 1918:—

	1918.	1919.
Liabilities to shareholders	\$ 42,268,652	\$ 42,421,475
Notes in circulation	41,011,084	43,922,844
Demand deposits	124,736,111	129,946,641
Savings deposits	268,167,111	312,655,964
Gold and silver coin	24,743,935	24,742,634
Dominion notes	54,107,243	49,865,151
Deposits in central gold reserves	24,700,000	25,200,000
Call and 30-day loans in Great Britain and United States.	76,653,440	78,255,625
Government securities	18,442,993	63,984,255
Total liquid assets	293,980,708	337,980,858
Current loans in Canada	157,683,463	164,182,581
Total assets	489,271,197	545,304,809

The statement indicates how quickly the bank is meeting peace conditions throughout Canada. During the war period the bank assumed heavy commitments to assist the financing of the Dominion and Imperial governments, but since the armistice every endeavor has evidently been centred on getting back to normal line of business. Peace conditions naturally make for greater opportunities of trade and manufacture, and in providing for them there is a big gain in current loans throughout the country.

FAILURES IN CANADA

The following is a list of business failures in the Dominion from October 24 to November 14, as reported by R. G. Dun and Co.:—

Week Ended	Ont.	Que.	Man.	Alta.	Sask.	B.C.	N.S.	N.B.	P.E.I.	Total.	1918.
Nov. 14	1	6	2	1	1	0	0	3	0	14	12
Nov. 7	5	6	0	0	0	0	0	0	0	11	
Oct. 31	3	8	3	0	3	1	0	0	0	18	11