

WILL FLOAT \$100,000,000 IN STATES

Canada's Next Loan to be Offered There to Investors
at 6 Per Cent.

Messrs. J. P. Morgan and Company announced on Wednesday that arrangements had been perfected for the flotation of a \$100,000,000 loan of the government of the Dominion of Canada, which will be offered to the United States public upon a basis to yield approximately 6 per cent. The loan will be unsecured, and it will run for two years.

The loan to Canada will be the first foreign government transaction that has been undertaken since the United States' entrance into the European war. It was first thought that the United States might make advances to Canada just as it has given credits to Great Britain, France and other enemies of Germany, but when it was found that the government at Washington was not disposed to lend money to Canada, New York bankers were asked to do the financing. They readily consented, but pointed out that in the circumstances it would be necessary to obtain Secretary McAdoo's consent. Sir Thomas White, the Canadian minister of finance, called on the secretary to discuss the matter, and upon the announcement by Mr. McAdoo that he had given permission, the Morgan firm issued the following statement:—

Statement of Morgans.

"We are authorized to state that the Dominion of Canada will shortly offer to American investors, upon approximately a 6 per cent. basis, \$100,000,000 of its two-year notes, adopting this method of offsetting in part the trade balance in excess of \$300,000,000 now existing against Canada and in favor of the United States. The comprehensive statement issued by Secretary McAdoo at Washington indicates clearly the attitude of the Federal treasury in this matter."

The proposed loan is the third to be raised in the United States by the Dominion of Canada since the outbreak of the war. The first loan was for \$45,000,000, consisting of \$25,000,000 of one-year 5 per cent. notes, which matured in August, 1916, and \$20,000,000 of two-year 5 per cent. notes, which become due next Wednesday. The Dominion government has made preparations for meeting the maturity, irrespective of the new transaction. The second Canadian loan was for \$75,000,000, and it was placed in April, 1916. It was in the form of 5 per cent. notes, \$25,000,000 maturing in five years, \$25,000,000 in ten years and \$25,000,000 in 15 years.

The price at which the new loan will be offered to the public is higher than that of the earlier issues, none of which was sold on a basis higher than 5½ per cent.

J. P. Morgan and Company sent out letters on Wednesday inviting participation in the syndicate that is being formed. While all the names have not been made public, it is understood that the list will include the National City Company, Harris, Forbes and Company, Brown Brothers and Company, Lee, Higginson and Company, the Guaranty Trust Company and the Bankers' Trust Company.

United States Government Agreeable.

United States Secretary of the Treasury McAdoo issued the following statement:—

"Sir Thomas White, minister of finance of the Dominion of Canada, called on me recently to ascertain if there would be any objection on the part of our government to Canada's seeking a short-time credit of \$100,000,000 in the American market.

"I stated to Sir Thomas that in view of the fact that the balance of trade between the United States and Canada was running strongly in favor of the United States, I realized that it was desirable for Canada to establish credits in our markets to meet these adverse balances. Therefore, there would be no objection on the part of this government to the proposed offering, but that we should, of course, have to keep control over our own situation by determining each foreign offering on its own merits and with reference to the financial condition prevailing at the time.

"It is important that our commercial and financial relations with Canada shall be conserved in every reasonable way. The proposed transaction is intended for that purpose."

BOND ISSUES AWARDED

Messrs. Mulholland, Bird and Graham, Toronto, have purchased \$12,000 5½ per cent. 20-year and \$2,000 5½ per cent. 5-year local improvement bonds of East View, Ont.

MONEY MARKETS

Messrs Glazebrook and Cronyn, Toronto, exchange and bond brokers, report the following exchange rates to *The Monetary Times*:—

	Buyers.	Sellers.	Counter.
N.Y. funds	3-16 pm	¼ pm	¾ to ½
Mont. funds	par	par	¾ to ¼
Sterling—			
Demand	\$4.76.50	\$4.76.75	\$4.79
Cable transfers	\$4.77.50	\$4.77.75	\$4.80
Rate in New York for sterling demand, \$4.75½.			
Bank of England rate, 5 per cent.			

JUNE BANK STATEMENT

The following statement shows the principal items of the June bank report, with the changes which occurred during the month:—

	June, 1917.	Changes during June, 1917.
Note circulation	\$ 156,627,701	+ \$13,974,105
Reserve fund	113,494,533	+ 1,500
Demand deposits	449,689,670	+ 5,849,823
Notice deposits	900,510,552	+ 7,947,895
Total deposits in Canada	1,350,200,222	+ 13,797,718
Deposits elsewhere	177,974,187	— 28,708,189
Current coin	77,052,527	+ 5,121,480
Dominion notes	122,617,160	— 3,621,745
Deposits, central gold reserve.	43,450,000	+ 3,950,000
Call loans in Canada	76,085,220	+ 2,429,578
Call loans outside	159,409,133	— 9,283,542
Current loans in Canada	839,355,782	+ 5,534,807
Current loans outside	93,150,083	— 5,843,114
Total liabilities	1,790,434,357	— 32,525,354
Total assets	2,033,622,950	— 33,079,640

The statement in detail and the usual analysis will be printed in these columns next week.

NORTHERN ASSURANCE COMPANY

The Northern Assurance Company, of Aberdeen, is one of the veterans in the underwriting field, having completed its 81st year of business. In Canada it has transacted only fire insurance and in that line has built up an excellent business, having established its branch and organization in this country in 1867. Mr. G. E. Moberly is manager of the Canadian branch at Montreal and has proved a very capable officer. He has well maintained the company's reputation for sound business methods and fair dealing with the insuring public. The company has \$814,208 assets in Canada, \$673,000 of which is represented by high-class bonds and debentures. There is also a sum of \$43,428 cash on hand and in banks in this country. At the end of last year the Northern had a net amount at risk of \$91,895,000, a large and well-selected volume of business. The net cash received for premiums in 1916 was \$762,029. The net amount of losses incurred during the year was \$584,822.

According to the statement of the company presented at the recent annual meeting held in Aberdeen the company's total funds are \$39,589,945, made up as follows: Capital (subscribed \$15,000,000) paid up, \$1,500,000; fire reserve fund and unearned premium reserve, \$9,588,800; life and annuity funds, \$24,708,435; endowment and capital redemption fund, \$627,490; employers' liability and accident fund, \$1,081,610; staff funds, \$927,375 and profit and loss balance, \$1,156,235.

In its fire department the company received premiums last year of \$7,177,600, showing an increase of \$568,455 in comparison with those of the previous year. The losses amounted to \$3,607,045, or 50.3 per cent. of the premiums. The expenses of management (including commission to agents and charges of every kind) came to \$2,682,285, or 37.4 per cent. of the premiums. This is an excellent record.