

BANK OF MONTREAL

Established 1817

Capital Paid Up	- - - - -	\$ 16,000,000.00
Reserve Fund	- - - - -	16,000,000.00
Undivided Profits	- - - - -	1,321,193.00
Total Assets	- - - - -	390,421,701.00

BOARD OF DIRECTORS:

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Head Office, MONTREAL

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Bankers in Canada and London, England, for the Government of the Dominion of Canada.

Branches established throughout Canada and Newfoundland; also in London, England, New York, Chicago, and Spokane.

Savings Department at all Canadian Branches. Deposits from \$1. upwards received and interest allowed at current rates.

A GENERAL BANKING BUSINESS TRANSACTED

NEW FRENCH LOAN IN U. S.

Corporation Organized to Handle \$100,000,000 Loan.

Details of the proposed transactions in the United States for a \$100,000,000 loan to the Government of France were announced by J. P. Morgan and Co., last week.

A corporation to be known as the "American Foreign Securities Company," with \$10,000,000 of capital, is to be organized, and it will advance the funds to the Republic of France. The loan is to be secured by the deposit of securities of various neutral nations, as well as securities of the Province of Quebec, of Egypt, shares of the Suez Canal Company and stocks and bonds of American corporations. The collateral will provide a margin of 20 per cent. The corporation will in turn issue to the extent of about \$95,000,000 three-year, five per cent notes which it will sell to the public. The issuing price will be 98, placing the notes on a 5½ per cent basis.

Robert Bacon, formerly American Ambassador to France, will be the president of the corporation, and the directors will include the presidents of the largest banks and trust companies in New York, Philadelphia, Chicago, St. Paul and Pittsburg, as well as representatives of some of the leading investment houses in New York and Boston.

It is expected that the notes will be listed on the New York Exchange. A syndicate is now being formed and the plans contemplate an offering of the notes some time next week.

The American Foreign Securities Company has the option of converting the \$100,000,000 loan, or a part of it, into twenty-year 5 per cent French Government bonds, at maturity. The conversion privilege is only accorded to the company and may be availed of in lots of \$20,000,000.

IMPERIAL LOAN DENIED.

Sir Frederick Williams-Taylor, general manager of the Bank of Montreal, who is at present in London in connection with the Banbury case, has denied the current report that he had gone to London to arrange a loan to the Imperial Government from Canadian banks. Sir Frederick explained in connection with the report that on the day he left Montreal for this country, Canadian banks arranged to advance an additional \$25,000,000 to the Imperial Munitions Board, representing contracts placed in Canada.

NEW DOMESTIC WAR LOAN

The second domestic war loan will be issued in September, according to a statement made last week by Finance Minister, Sir Thomas White. General notice is given now so that the public may make adequate preparations, but the exact amount, terms and price will only be settled a few days before the date of the issue, and will not be announced until the prospectus is published.

FRENCH BORROWING IN U. S.

Besides its participation in the Anglo-French \$500,000,000 loan of last October, the Government of France has borrowed in the United States market since the outbreak of the European war between \$75,000,000 and \$100,000,000 in the form of notes and bank credits, part of which has been paid off.

MANITOBA'S FINANCING SCHEME.

It is reported that Manitoba is to undertake a scheme whereby it shall pay off London for securities held there, at the same time realizing a considerable profit. The pending project is as follows:

The province will borrow \$10,000,000 in New York where a comparatively low interest rate can be obtained, and with it retire bonds in England. This would net a saving of \$2,000,000 on the principal, plus an interest gain. In addition to this amount the city of Winnipeg will borrow \$9,000,000 for a like purpose, profiting to the extent of \$1,876,000.

It is considered advisable to retire these securities at a time which is doubly favorable, owing to the depreciation of Canadian securities on the London market, and to the good credit which Canadian borrowers enjoy in the United States. The idea was that of Hon. Edward Brown, provincial treasurer of Manitoba, who has for months been communicating with London and New York with a view to consummating the bargain.

HAND-BOOK OF SECURITIES.

The July, 1916, number of the Hand-Book of Securities, issued this week by the publishers of the "Commercial and Financial Chronicle," contains a monthly range of prices for the year ended July 1, of stocks and bonds sold at the Stock Exchanges in York, Boston, Chicago, and Pittsburgh. There is also a yearly range of prices for bonds and stocks sold on the New York Stock Exchange for the past 6½ years, and a yearly range for 3½ years of Boston and Philadelphia prices. In addition the book contains elaborate tables with details of securities, together with the earnings and fixed charges of the respective companies, and showing as nearly as practicable the surplus available to meet charges and dividends. There is a table of dividend payments for 9½ years. The book contains 200 pages. Price one dollar, or to "Chronicle" subscribers 75 cents, including postage. Copies may also be had at the "Chronicle" office, 513 Monadnock Building, Chicago, or from Edwards and Smith, 1 Drapers Gardens, London.

U. S. FOREIGN TRADE.

The total foreign trade of the United States during the fiscal year ended June 30 last, amounted to over six and a half billion dollars, exports being valued at \$4,345,000,000, and imports at \$2,180,000,000. This is the largest in the history of the country. It was in 1872 that United States foreign trade first exceeded one billion dollars. By 1900 it crossed the two billion dollar mark, by 1907 it exceeded three billion and by 1913 it had risen above four billion, remaining around that level until the year just ended when the six billion dollar mark was exceeded.

CANADA'S REVENUE SHOWS INCREASE.

A statement of the financial condition of the Dominion for the first three months of the current fiscal year shows that the consolidated revenue of Canada for the three months of the fiscal year, ended June 30, was \$50,772,903, and the expenditure was \$37,055,289. The revenue from all sources amounted to \$56,000,000. Of the expenditure only \$10,528,045 comes under consolidated fund account, while \$26,527,243 is under capital and \$22,173,031 of the latter is war outlay.

During the three month period the expenditure on both capital and revenue accounts, outside of the capital outlay on war, has decreased substantially, due to the policy of rigid economy adhered to by the spending departments of the Government.

The June revenue increased from \$11,433,970 to \$17,600,149, the increase being found in nearly all branches.

The buoyancy of the Dominion's financial situation is shown throughout the statement. The total assets of the Dominion on June 30 were \$420,395,783, as against \$257,943,948 a year ago. The net debt increased from \$450,287,721 to \$593,910,637, but the increase for the month was \$16,013,946.95, or nearly \$2,000,000 less than a year ago.

The credit Canada has extended to the British Government now totals \$150,000,000. Munition orders in this amount have been placed in Canada by the Imperial Government.

Canadian deposits on savings account total over \$700,000,000, having increased a little over \$100,000,000 during the 20 months of the war.

ESTABLISHED 1832

Paid-Up Capital
\$6,500,000



Reserve Fund
\$12,000,000

TOTAL ASSETS OVER \$100,000,000

The strong position of the Bank of Nova Scotia not only assures the safety of funds left on deposit with the Bank but also places it in a position where it can readily care for any legitimate business needs of its customers. We invite banking business of every description.

THE BANK OF NOVA SCOTIA