

FIFTH ANNUAL REPORT

Canadian Bond and Mortgage Corporation

Authorized Capital, \$5,000,000.00

HEAD OFFICE, WINNIPEG, CANADA

Subscribed Capital, \$890,800.00

President: J. C. McGAVIN.

Vice-Presidents: C. H. ENDERTON, A. R. DAVIDSON.

Secretary: R. F. McMILLIN.

Bankers:

The Canadian Bank of Commerce.

Solicitors:

Messrs. Moran, Anderson and Guy.

Auditors:

Messrs. Webb, Read, Hegan, Callingham and Company.

Board of Directors: Sir Douglas C. Cameron, K.C.M.G., A. R. Davidson, C. H. Enderton, E. W. Kneeland, J. D. McArthur, J. C. McGavin, W. H. McWilliams, G. W. Matheson.

Balance Sheet as at April 30th, 1917.

ASSETS	
CASH:	
On hand	\$ 989.24
Can. Bank of Commerce	849.88
	<u>\$1,839.10</u>
INVESTMENTS:	
Mortgage Principal	382,841.56
Mortgage Interest	18,691.08
	<u>401,532.64</u>
Property	923.49
Debenture	4,000.00
NOTES RECEIVABLE	
(Shareholders for stock)	64,552.35
OFFICE FURNITURE AND SUPPLIES	166.97
ORGANIZATION EXPENSES	\$2,129.56
LESS Written off to date	1,064.80
	<u>1,064.76</u>
DEFERRED CHARGE TO REVENUE	
Commissions	1,326.83
INTEREST ACCRUED:	
Mortgages	12,438.11
Debentures	196.00
Notes Receivable	3,751.04
	<u>16,385.15</u>
	<u>\$491,791.29</u>

LIABILITIES	
ACCOUNTS PAYABLE	\$437.97
DISCOUNTS UNEARNED	160.80
DIVIDENDS UNPAID	2,193.86
CANADIAN BANK OF COMMERCE	
Loan	\$2,500.00
Interest Accrued	7.80
	<u>2,507.80</u>
CAPITAL	
Authorized \$5,000,000.00	
Subscribed, 8908 shares of \$100 each,	
\$890,800.00	
Instalments due per terms of subscription	520,840.00
Less Calls in arrear	108,327.50
	<u>\$412,512.50</u>
Add Calls in advance	22,850.00
	<u>435,362.50</u>
PAID UP (Including shareholders' notes per contra)	435,362.50
PROFIT AND LOSS:	
Balance as per statement	51,128.36
	<u>486,490.86</u>
	<u>\$491,791.29</u>

We have audited the Books and Accounts of the Canadian Bond and Mortgage Corporation for the year ended 30th April, 1917, and report to the Shareholders that we have received all the information and explanations that we have required.

We have examined the Mortgages constituting the security for the Corporation's investments and have found same in order, the Corporation's Solicitors certifying to the sufficiency of the title and conveyancing.

In our opinion the above Balance Sheet is properly drawn so as to exhibit a true and correct view of the affairs of the Corporation, according to the best of our information, the explanations given us, and as shown by the books, subject to the accompanying report.

WEBB, READ, HEGAN, CALLINGHAM & CO.,
Chartered Accountants.

WINNIPEG, 14th May, 1917.

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the week ended July 13th, 1917:—

McKinley-Darragh-Savage Mines, 82,853; Trethewey Silver Mine, 52,966; Beaver Mines, 73,916; Buffalo Mines, 62,149; La Rose Mines, 136,247; Nipissing Mining Company, 498,265. Total, 906,396 pounds, or 458 tons.

The total shipments since January 1st, 1917, now amount to 15,033,702 pounds, or 7,566.8 tons.

FURTHER SUGGESTIONS ON RAILROAD PROBLEM

Writing to *The Monetary Times* regarding the railroad problem, Mr. A. T. Drummond, LL.D., Toronto, says:—

"Two circumstances must be kept in view when considering the question of future government action: (1) Whatever course is adopted, even if a receiver were appointed, the different governments must come to the aid of these railways, at least to the extent of the guarantees; and (2) the Dominion government, by constructing such an unnecessary and unprofitable length of line from Winnipeg to Moncton; by not adopting on the western prairies a policy of concentration of population, under which new districts would not be opened to settlement and to railways until the older districts were fairly populated; and by encouraging, through land grants, guarantees and cash subsidies, so many branch, parallel and competing lines, through thinly-settled territory, has aggravated the situation very greatly. And the provincial governments, by their free-handed giving of guarantees, have been equally blameable.

"Under these circumstances, a suggestive way of solving the question would be to maintain the status quo, with the following conditions: That the Dominion government should aid the roads, by way of loans, to pay their interest for, if necessary, a year to come; that for a period of five or more years passenger and freight rates in Canada should be raised 10 to 12 per cent. to enable the railways to increase their

net revenue sufficiently to meet interest, and, at the same time, to increase their credit, in order that needed capital for equipment and for improvements would be more readily forthcoming; that no extensions or branches or new issues of capital be permitted without the approval of the Dominion Railway Commission; that the two aided railways should transfer a total of 60 per cent. of their capital stock to the Dominion government, to be held permanently for the people of Canada, but the remaining stockholders to be allowed, through their directors, to control so long as efficient management prevailed; and that the government should retain its own systems, but that to help the traffic on them the Canadian Northern and Grand Trunk Pacific should, where not utilizing the lake route, send, via the government roads, their shipments from the west intended for maritime points and for export to Europe, and the imports, through them, from Europe for the west, wherever they control the route, and should devote the connecting lines they have between Ontario and Winnipeg to Ontario business.

"Twelve per cent. increase in traffic rates will probably afford to these two railways upwards of ten million dollars annually. With manufacturers and farmers, for a long time past, cheerfully demanding advances of, in some cases, 100 per cent. for their products, there should be no grumbling over an advance of 12 per cent. in railway rates. The moral effect of the 60 per cent. holdings by the government would be efficiency, but if trustees ever had to be installed, they should be trained railway experts, appointed by an independent body, like the judges of the Supreme Court or the Railway Commission, and should have full control."

The Lake of Bays is one of the jewels in the Highlands of Ontario. The whole territory is one great mass of lakes, streams and forests. Speckled trout, salmon trout and black bass are plentiful in these waters. The altitude is 1,000 feet above the sea, making the air rare and invigorating. There is splendid hotel accommodation. Literature regarding the district can be had free on application to C. E. Horning, D.P.A., Toronto, Ont.