

WATFORD, MAR. 1, 1907.

THE INDUSTRIAL MORTGAGE AND SAVINGS CO.

THE SHAREHOLDERS OF THIS PROSPEROUS COMPANY HELD THEIR 17TH ANNUAL MEETING

Authorized Capital to be Increased from \$500,000 to \$1,000,000 and New Stock to be Issued.

The Seventeenth Annual Meeting of the shareholders of the Industrial Mortgage and Savings Co. was held in the Company's office on Tuesday, Feb. 12, 1907.

Among the shareholders present were: Wm. Armstrong, Wm. McFay, Jno. Gibb, Christopher Bell, R. T. Marshall, Arch. Dewar, Jos. Hall, Thos. Howden, Jno. Page, Peter McPhedran, Malcolm Brodie, James Young, Henry Hossie, Mark Wellington, George Lutton, James Lanhun, A. R. McKay, P. J. Clement, W. G. Wainwright, D. McIntyre, John Wardrop, D. W. Johnston, Geo. Boulton, Jas. Hackney, Mr. Duncan McDonald, Douglas Simpson, Peter Grant, Wm. H. Young, Jno. G. Grant, Ed. Gowing, Jno. McFarlane, Byron Stephens, W. C. Firman, Alex. D. Menzies, Duncan McIntyre, Walter Sproule, Neil Leckie, Jno. Cowan, Robert Anderson, F. C. Watson, Jno. T. Foller, James C. Gould, Thos. Symington, T. J. Essex, Jno. D. Beatty, David Stokes, Clement White, W. J. Warwick, Geo. A. Proctor, Thos. Paul, A. C. Park, Arch. Menzies, W. J. Ward, Alex. J. Kelly, Sam Smith, Alf. O. Collins, A. C. Neal, T. H. Carter, Alex. Lamont, D. D. Mosher, Colin McLaughlin, Donald McDonald, Chas. Bedard, Robt. I. Towers, F. S. Carruthers.

Following is the Director's report and Financial Statement:

SEVENTEENTH ANNUAL REPORT.

To the Shareholders of The Industrial Mortgage and Savings Company:

Your Directors are gratified at being able to present what they feel assured will be to you a most satisfactory report of the business of the Company for the year 1906.

The assets of the Company, consisting almost wholly of first-class mortgages and municipal debentures, now amount to practically One and a Half Million Dollars, the exact amount being \$1,494,825.85.

As arranged at last annual meeting, some \$25,000.00 of stock of the Company was disposed of during the past year at 35 per cent, premium, all of which was most eagerly sought for by investors.

A marked increase in the loans of the Company were made during the year, and your Directors have been able, after paying two half yearly dividends of 61 per cent, and meeting all expenses, to add \$15,801.68 to the Reserve Fund, making the Reserve now to amount to \$144,847.10.

The greatest care has been taken by your Directors in the accepting of mortgages, nothing having been taken or considered, but what was found to be first-class, and the properties held by the Company have been under the constant and careful supervision of the Manager. Your Directors believe that at no time in the history of the Company were its assets in a better condition.

The continued expansion of the Company's assets and investments forced upon your Directors the consideration of increasing the authorized capital stock of the Company to \$1,000,000.00, and a by-law for such purpose will be submitted to you at the annual meeting for confirmation.

The extent of deposits, both on current account and by way of debentures, has rendered this step absolutely necessary.

The Directors express their high appreciation of the faithful performance of their duties by the manager and staff of the Company.

The business of the Company has been carefully audited as heretofore.

All of which is respectfully submitted.

JOHN COWAN, President.

January 14, 1907.

FINANCIAL STATEMENT FOR THE YEAR ENDING DECEMBER 31, 1906.

CASH ACCOUNT.

Receipts.	
Cash on Hand December 31st, 1905.....	\$ 1,964.04
Repayments on Loans.....	23,662.17
Deposits.....	257,598.92
Deposits Interest Paid.....	734,398.00
Dividends.....	144,649.08
General Interest.....	28.67
Premium on Stock.....	8,750.00
Withdrawn from Traders' Bank.....	745,044.39
	\$1,913,143.96
Disbursements.	
Loans During Year.....	\$ 272,568.39
General Interest.....	279.80
Deposits.....	721,085.66
Deposits Interest Paid.....	378.46
Expenses.....	4,233.03
Rent of Office.....	400.00
Dividend January 2, 1906.....	13,530.80
Dividend July 2nd, 1906.....	14,840.80
Municipal Taxes.....	148.44
Tax to Ontario Government.....	290.54
Debentures.....	105,675.36
Deben. Interest Paid.....	11,605.45
Registration.....	115.00
Commission on Loans.....	174.10
Deposited in Traders' Bank.....	757,398.13
Cash on Hand.....	10,997.40
	\$1,913,143.96
PROFIT AND LOSS.	
Dr.	
Ordinary Debenture Interest:	
June 30, 1906.....	\$6,149.63
Dec. 30, 1906.....	6,484.80
	\$12,633.93
Interest on Deposits:	
Paid.....	375.45
Accrued.....	15,307.24
	15,682.70
Dividend July 2nd, 1906.....	14,840.80
Dividend Jan. 2nd, 1907.....	13,530.80
Taxes, Ont. Govt. and Mun.....	488.99
	30,447.20
Registration.....	115.00
Rent of Office.....	400.00
Expenses.....	4,233.03
General Interest.....	28.67
Commission on Loans.....	174.10
Carried to Reserve.....	15,801.68
	\$ 79,630.26
Cr.	
Interest on Loans.....	\$ 70,889.29
Premium on Loans.....	8,750.00
	\$ 79,639.29

BALANCE SHEET.	
Resources.	
Loans.....	\$7,400,000.19
Due from Traders' Bank.....	17,647.26
Cash on Hand.....	10,997.40
	\$7,428,644.85
Liabilities.	
Stock Paid Up.....	\$400,000.00
Deposits.....	144,597.36
Deposits Interest.....	15,207.24
Debentures.....	357,107.64
Debentures Interest.....	6,411.22
Dividend Due January 2nd, 1907.....	15,167.91
	\$1,494,825.85

We hereby certify that we have audited the accounts of the Industrial Mortgage and Savings Company for the year ending December 31st, 1906, and find the same correct and in accordance with the above statement. We have examined the Cash and Bank Accounts and Vouchers, and have carefully checked every entry in the Company's ledgers, and we have examined the Company's securities, and find them in order.

D. D. MOSHER, } Auditors.
A. Y. COLLINS, }

Sarnia, January 15, 1907.

After reading the minutes of the last meeting and adopting the same, the consideration of the report was taken up.

MR. COWAN—I devolves upon me to move the adoption of this report, and in doing so I can assure you that the Directors of this Company are more than delighted to see so many shareholders present to-day, which convinces us that the shareholders take an interest in the operation of the Company. It is a matter of a great deal of satisfaction to me to be able on this occasion to move the adoption of what seems to me to be the very best report that has ever been presented to the Shareholders of the Company. The reports that have hitherto been presented have been satisfactory, but I am sure that when you look at this report and investigate it, you will find that it is the most satisfactory we have ever had. I do not intend on this occasion to take up much of your time, as there is some extra business which will come before you.

There are some things in this report which, in justice to the Directors and management, I should take the opportunity of drawing your attention to. I wish first to direct your attention to the fact that during the past year there has been a turn over of monies in connection with the operations of this Company to no less an extent than \$1,913,000.00, that is close on to \$2,000,000.00. When you consider that that has to be taken care of in such a way that not a cent can be lost, you can appreciate that the management has not been idle. You will notice that we have loaned out on mortgages during the past year no less a sum than \$272,000, \$30,000 more than the preceding year. The Company has been doing business on a profitable basis. The earnings during the present year have been no less a sum than \$70,889.00, an excess from interest alone of \$3,000 more than in 1905, not taking into consideration the sum of \$8,750 which we realized on \$25,000 stock which we took the authority from the shareholders to issue last year. So that the income in that regard has been most satisfactory, and all that I think the shareholders could ask for. Out of that income we have been able to pay the interest on debentures and upon the deposits that have been entrusted to our management. We have also paid \$30,000 in dividends, which is \$4,000 more than we ever paid before.

There is also this feature in connection with the operations of this Company during the past year which is noticeable. The expenses in connection with the turn over of so large an amount of money, extra loans, extra dividend, etc., are not as large this year as in 1905 by some \$50.00, so that you will see that the management is careful in its expenditures. Another feature to which I wish to direct your attention is the commission on loans, and something that great credit should be given to the shareholders for. We have taken loans on property scattered through the length and breadth of this county and we only had to pay this last year the sum of \$174.00 as commissions on loans. This is on account of the interest taken by the shareholders in bringing business to their Company. There is no Company doing business in Ontario that can show such a record. We have had all the loans we have had money for. We have put through loans to the extent of \$272,000 and only paid \$174.00. After paying an increased dividend, all our expenses, and interest, we have been able to lay by to the reserve \$15,801.68, which now makes our reserve fund some one hundred and forty-four thousand odd dollars. That gives us a substantial reserve.

We never had a decline and we have had an increase this year by \$110,000. We have assets now to the extent of \$1,495,000, practically one and a half million dollars, and the best thing in connection with these assets are that they are made up almost entirely of loans on real estate and Municipal Debentures. The loans being the very best kind of loans, investments on which if we ever had to realize we could realize at any time, there is nothing in the statement that is not what it is represented and upon which you can depend, so that the statements in this regard is the very best we ever had to present.

At the last meeting we took authority from you to dispose of \$25,000 worth of stock. I may say to you that that stock has all been taken up most readily. People realize that the investment is a safe investment, and seek the stock. I am sure that the Directors feel more than satisfied that the determination which they came to last year to pay a dividend of 6 1/2 instead of 6 as heretofore on the stock has worked out satisfactorily. Without a large sum of money we cannot do business. The effect of paying this increased dividend has been that it requires more earnings than it would require to pay a dividend of six per cent., but as I have said to you before, the earnings have been sufficient to do that, and after paying that increased dividend we have no less a sum than \$15,801.68 to lay to the reserve fund and that fund will some day allow us to increase the dividend from 6 1/2 to something higher. Yet the success of a company does not depend so much upon the size of its reserve fund as upon the nature of its securities and the way they are looked after.

With regard to the mortgage securities, I think that during the whole history of the Company there never has been greater prudence taken than has been taken by the directors during the past year in getting

SPECIAL ORDERED CLOTHING SALE

\$15 - SUITS TO MEASURE - \$15

This is the great surprise to clothing buyers to see such fine goods and new shadings, choice patterns, sold at such low prices. Only \$15.00 a Suit.

MAKING AND LININGS FIRST-CLASS

Four months ago we had this in view, NOW it goes into effect and Next Week we will make the biggest Fifteen Dollar Display of Ordered Suits in the County of Lambton. The Sale Conditions: Order Now, Pay on or before the 1st of April. We make your suit as soon as possible. See the Goods.

PLACE YOUR ORDER WE DO THE REST

SWIFT BROS. SWIFT BROS.

prime loans. We don't have to beg loans. They come to us from all over, and we get the choice ones. The directors of this morning passed \$57,000 worth of loans for the past three months. The value of the property on which we lent this amount and a conservative value at that, was \$120,000, and roughly speaking we would be loaning an average of 50 per cent. to the best men in the County. We believe that a loan does not last long upon the man you lend to. If you lend to a good man, you will be sure of good security. During the past year we have been exceedingly careful in that regard, not only in giving the loan, but in keeping the entire investment before us and seeing that loans were not permitted to run bad.

Now, you will remember, or some of you will know that when you gave us authority to issue \$25,000 more stock that we were getting within or very near the limit of our issue, and when the directors found that \$475,000 of our stock had gone, and that they only had \$25,000 more to hand to issue, we began to think that to profitably carry on our business we would have to have more money, and necessarily would have to extend our lines. The Directors recently determined that now is the time to make a step forward and increase the capital stock of the Company. I can remember when the first directors of the Company were determining upon the amount of capital stock of the Company, that we could just as well have capitalized at \$1,000,000 as \$500,000, but they said, "It is in our lifetime that we will need anything like that, so they just capitalized at \$500,000, so that you will see that the progress of the Company has been so much more rapid than was ever anticipated, for the time has now come when we have to extend our lines, and the directors feel that they will have to make an advance forward in that regard, so they determined that we should apply to the Government to have the capital stock increased from \$500,000 to \$1,000,000. We have done all that was necessary in that regard, have had passed by the Directors the necessary bylaw which will be presented to you at this meeting for ratification. If it is going to be in the interests of the Company, we ask that it be ratified, but if not, it will be for the Shareholders to determine otherwise.

While I have stated to you that last year the expenses of the Company were not as great as the year before, still it is just as well to look at the things as they are, because I have no expectation at all that whoever presents the report next year, that they will be able to say the same thing. There is a considerable expense in connection with that business accumulates, and there will be considerable expense in connection with this bylaw. The volume of business increases, so must we be prepared to pay our management a little better than we have done in the past. As far as the outlook of the Company is concerned, I don't think it ever was brighter. We will be asking you to give us authority to sell more stock. That will be taken up within a week or ten days from the time the people know it can be obtained. There is the utmost confidence among those who deposit their money with the Company. It is satisfactory to the directors to know that the management of the Company merits that confidence. No person who deposits money in the Industrial Company loses one cent. That is great satisfaction to know that any person who has stock in the Company cannot lose. As I have said, we can get money, we have no trouble in getting it out on the very best class of mortgages, so that in looking forward to the future operations of the Company, they do appear to be somewhat bright. The Directors of the Company don't intend to sit down and take things easy. As long as I have anything to do with the Company I don't want to do that, for when it ceases to be an active, progressive company it is no use. We have a Company careful in its management, progressive in its operation. There is no satisfaction in being connected with a dying concern. There is no necessity in being connected with a concern of that sort. We believe that the future of the Company is bright, and we ask the Shareholders to present to give us that assistance that they have heretofore given us. I don't like to see the Company get into the hands of a few people, people getting big blocks of stock. We have five hundred shareholders residing throughout the entire county, and all interested in the welfare of the Company. We want to preserve the unity that has always existed, and we ask that you will continue to give us your very best support in that regard, and I can promise you that the Directors will do all in their power to promote the best interests of your Company in a way that will be profitable to you.

I have great pleasure in moving the adoption of this our 17th Annual Report.

MR. HOSKIN—I am sure that we cannot but be more than pleased at the report that has been presented to us today. It is a grand report. I think that we will all agree that the Company has made wonderful progress ever since its inception, and this year exceptionally so, because we have made such great strides ahead. I have much pleasure in seconding the report.

MR. SYMINGTON—I think it would be a very difficult thing to add anything to what Mr. Cowan has said. This is the very best report we ever had. Last year we increased our dividend a half per cent. more. We carried a larger amount of loans last year than ever before. The President has gone over the ground thoroughly. He has told you that our investments are made very largely on farm lands. In addition to that all these investments are made upon securities in our own county on a perfectly sure basis. There are those, no doubt, who loan money on security on the other side, which I have every reason to believe is good security, but at the same time should trouble arise with people who are borrowing from the Company, there is some difficulty in taking the security. Should they have to press them, then we are subjected to the laws of the other side. I am a very strong advocate of investing in close proximity to our own town, because then you can force people to do what is right. The President has pointed out to you the necessity of investing this Company with an additional half million and to issue more stock, which will be issued from time to time. You can make a proviso that we issue \$5,000 out and out, but we would like to be invested with the power to issue any amount that we think necessary. It will have the effect of increasing our shares to a very considerable extent. I have heard many of the prominent farmers of the County express their intention of investing in this stock at the very first opportunity, and as Mr. Cowan has said, I believe that this stock, whatever we decide upon placing on the market at the present, that it will be immediately taken up. We have been adding a few words of congratulation to the President and Management.

MR. HALL—I don't think I have very much to say. We have done the very best we knew how. We thought it advisable that this stock should be put on the market and sold. The Company is increasing in business, and it is necessary under the existing circumstances that we should go ahead and put it on the market. I am sure we are all more than pleased with your remarks, Mr. President, when you said it was not a bolstered up concern. There is such a thing as making reports that are not what they really appear to be. I believe that what has been put on paper and presented to this meeting are the facts of the case. They are not colored up, but what we have presented to us is the true state of affairs. That is as it ought to be, it is a company is going to succeed and its shareholders reap benefit and prosper. It must certainly put its operations fair and square before the community. I am sure that I voice the sentiments of everyone present when I say this.

A resolution was adopted.

A resolution was moved by Mr. Beatty and seconded by Wm. Young, confirming the bylaw to increase the capital stock of the Company from \$500,000 to \$1,000,000. The vote was taken by ballot after R. I. Towers and W. R. Paul were appointed scrutineers. The resolution was adopted unanimously, over eight hundred votes being cast for it.

On motion of Thos. Paul, seconded by M. Brodie, the Directors were authorized to issue from \$25,000 to \$50,000 of new stock at a premium of 25 per cent.

The retiring Directors, Messrs. Symington, McGugan, Howden, Hall and Purvis, were re-elected on Motion of Geo. A. Proctor, seconded by D. McDonald.

The auditors, D. D. Mosher and A. V. Collins, were reappointed on motion of H. Hossie, seconded by F. Clement.

A hearty vote of thanks was moved by M. Brodie and seconded by Mr. Grant and tendered to all in charge of the affairs of the Company.

This was responded to by D. N. Sinclair, Manager.

After the adjournment of the general meeting, the Board of Directors organized with John Cowan, K. C., President; Thos. Symington, First Vice President; W. G. Willoughby, Second Vice President.

FOREMAN is agitating a curfew bell by-law. In towns where the by-law is in force it is claimed to be not nearly so effective as the butt end of a shingle vigorously applied.

AUCTION SALE

FARM STOCK IMPLEMENTS, ETC.

The undersigned has received instructions from

W. J. GRANN

to offer for sale by public auction at

W. H. Lot 17, Con. 3, S. E. R., Warwick.

—ON—

Thursday, Mar. 7th, 1907

the following valuable stock, etc., viz:

6 cows, supposed in calf; 2 farrow cows, 2 two-year-old steers, 6 three-year-old steers, 1 yearling heifer, 1 two-year-old heifer, 2 calves, 7 pigs, five months old, 1 brood sow in pig, 2 lumber wagons, 1 light wagon, 1 double buggy, 1 pair bobseighs, 1 land roller, 1 corn sheller, 1 plow, 1 seed drill, 1 disc harrow, nearly new; 1 iron harrow, 1 wheelbarrow, 1 long ladder, 1 water tank, 1 hay-fork and slings, 1 parlor stove and pipes, 1 organ and other articles too numerous to mention.

Everything without reserve as the proprietor has rented his farm.

Sale to commence at one o'clock.

TERMS OF SALE—All sums of \$10 and under, cash; over that amount 8 months credit will be given on furnishing approved joint notes, 6 per cent. per annum discount for cash on all sums over \$10.

J. F. ELLIOT, Auctioneer.

SPRING 1907 SPRING

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Try a pair. You'll be glad you did.

The New Styles are Ready.

STEP IN AND LOOK

OUR NEW AMERICAN & CANADIAN MADE SHOES

Are Style Full and for service you can get no shoe to match them.

OUR \$2.25 LADIES' KID BLUCHERS

For Quality, Foot Grace and Tread Ease can't be beat. Newest New York Shapes, Patent Calf, half and high cut, Flexible and Goodyear Welts.

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All Sizes and Prices Very Reasonable.

FOR MEN

KING QUALITY BOX CALF

College Toe, Fine for Spring Wear, Pat. Colt Oxford, and Laced Shoes. You are welcome to see our shoes whether you buy or not.

CHILD'S

THE CLASSIC, THE CORSET SHOE

Stiff Ankle Supports, Rubber Heels, Bring the Children.

DO IT NOW.

Good Butter and Eggs Wanted

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Watford Shoe Parlors