

## AUDITORS' CERTIFICATE.

We have examined the accounts of the National Trust Company, Limited, for the year ending 31st December, 1899, and have approved the same. We certify that the foregoing profit and loss account and balance sheet are accurate statements of the affairs of the company.

JOHN MACKAY,  
GEO. EDWARDS,

Auditors.

January 23rd, 1900.

The president, in moving the adoption of the report, said: "The result of the year's business is before you in the report which has been presented by the board of directors for your approval.

"I think I may be permitted to say that there is reason to be gratified at the marked success which has attended the company's operations during its initial year.

"The financial statement shows gross earnings of over \$70,000, and net profits exceeding \$52,000, which enabled the directors to declare a dividend of 5 per cent. upon the paid-up capital stock of the company, to add \$10,000 to reserve, and to increase the open balance standing to the credit of profit and loss by over \$4,000. The result is one which I think will be viewed with satisfaction by the company's shareholders.

"The company is now actively engaged in all the various branches of a trust business. During the year, many important trusteeships have been assumed. These cover transactions in almost every province of the Dominion, and number among them business enterprises of great magnitude.

"The trusteeships and agencies tendered to the company in Montreal necessitated the opening of an office in that city, adding at once to the earning power of the company and to its ability to efficiently serve its clients.

"It is gratifying to note that the company is being appointed executor in many wills, of which its officers have had notice, and that its services as trustee and agent for the management of estates and the investment of money are in increasing demand. At the annual general meeting, a year ago, I said, 'the board is determined to have a thoroughly efficient organization for the prompt investment of trust funds, so that the moneys placed with the company may earn for the beneficiaries from the earliest possible moment the largest income consistent with safety.' I desire to reaffirm this statement, and to say that such progress in organization has been made during the year that the company is now fully equipped for making prompt and profitable investments of trust funds for those seeking efficient service of this character.

"With a paid-up capital of \$865,000, and a reserve fund of \$226,500, the financial standing of the company is such as to command the confidence of all who may entrust their business to its care. Before the end of the present year the whole of the subscribed stock will have been fully paid, together with the premium of 25 per cent., making the total paid-up capital \$1,000,000 and the reserve fund \$260,000.

"Within a short time the company's new building will be completed with fully equipped modern safety Deposit vaults and offices suitable for the transaction of the large and representative trust business which is now fully assured.

"The year opens with generally favorable business conditions. The country seems to have entered upon a period of widespread prosperity, and the enlarging business interests are calling into existence corporations with energy and capital to meet the necessarily heavy obligations which arise out of rapidly expanding development. Your directors have confidence that this company will participate fully in this general prosperity, and that its ability to perform with prudence and judgment the duty of trustee for many of these large enterprises will be recognized by those who have them in hand.

"I beg to move, seconded by the vice-president, the adoption of the report."

Mr. Ames, the vice-president, spoke as follows:

"I beg to second the adoption of the report of business submitted to this, the second annual meeting of shareholders of the National Trust Company, Limited.

"This company was in business only for a few months prior to our last annual meeting, and while the organization was commenced with the feeling that there was a special field for a company equipped as this company was designed to be, it is very gratifying that the results already secured have amply demonstrated the soundness of the position then assumed. The subscribed capital, of which 86½ per cent. has been paid in and of which the balance will be paid during the current year, together with the reserve fund—now a little over 25 per cent. of the paid-up capital—form a bulwark of financial protection to the company's present and prospective clients. In addition, the wide business experience of the members of the board and of the officers of the company completes an equipment which it will be our ambition to have increasingly recognized as furnishing a natural avenue for the transaction of all kinds of business in which a trust company may properly be employed. It is a source of great pleasure to the directors, and will, I am sure, be to the shareholders, that this recognition has already been so fully accorded, and, without venturing to prophesy too much, I feel satisfied the future of the National Trust Company will be both influential and profitable."

After the adoption of the report, the following resolution, moved by Mr. Z. A. Lash, Q.C., seconded by Mr. A. E. Kemp, was unanimously carried:

"That the shareholders have learned with great satisfaction that the board of directors have devoted the sum of \$1,000 to the Canadian National Patriotic Fund, thus performing for the National Trust Company a duty which belongs at the present juncture to every Canadian institution having a stake in the country, and having the security and permanence of the Empire at heart, and that the action of the board be and the same is hereby approved."

In moving the resolution Mr. Lash said: "I would like to say a few words on this subject, with a view to suggesting what appears to me to be the underlying principle involved in the action taken by the board in subscribing to the Canadian National Patriotic Fund.

"The first duty of the board of directors of every company is to look after the safety of the properties, securities, and interests entrusted to their care. If any attack be made upon those interests, if the properties or securities of the company be in any way placed in jeopardy, it is the bounden duty of the board to do whatever may be necessary to resist the attack, and to protect the interests in their charge. If necessary to appeal to the courts to accomplish this, the appeal must be made. The National Trust Company has a large stake in this country—a large stake of its own and a large stake of its clients, and those for whom it is trustee. Nothing can tend more towards the security of the properties and interests of the company than the permanence and security of the British Empire, of which Canada is a part, and if at any time there is anything which seems to attack that permanence, or seems to jeopardize the interests of the Empire, I hold that it is the duty of every person, and of every institution in this country, and in any other part of the Empire, out of self-defence, not out of charity, to assist in resisting the attack, and to join in protecting the interests which seem to be in jeopardy. The National Trust Company cannot itself enlist, it cannot go to South Africa; it can assist in one way only, and that is by subscribing money and encouraging those who have gone and those who may yet have to go, by letting them know that those they have left behind will not be forgotten. The State at large has, of course, a duty to perform as well, and Canada is performing it, but that duty has not so far been thought to extend to the objects of the Patriotic Fund, but in subscribing to that fund this company is, in the broad and proper sense, acting in self-defence, and in the interests of its shareholders, and I have much pleasure in moving this resolution, and I ask you not to speak all at once in seconding it."

Mr. A. E. Kemp said: "In seconding this resolution, I desire to endorse the sentiments expressed by the mover. No sacrifice which we as a company or as individuals can make in subscriptions of this kind will be more than a sufficient recognition of our appreciation of the noble way in which our fellow-countrymen have offered themselves for service in South Africa to aid in suppressing the insurrection there and in maintaining the integrity of the Empire, and also in demonstrating to the world that Canada stands firmly determined to uphold the Mother Country throughout the present trials."

The following gentlemen were elected directors for the ensuing year:

- HON. JUSTICE MACMAHON.
- HON. GEO. A. COX, Senator, president Canadian Bank of Commerce.
- G. H. WATSON, Q.C., of Messrs. Watson, Smoke & Smith, Barristers.
- W. E. H. MASSEY, president Massey-Harris Co., Limited.
- Z. A. LASH, Q.C., of Messrs. Blake, Lash and Cassels, Barristers.
- B. M. BRITTON, Q.C., M. P., Kingston, Ont., director Ontario Mutual Life Assurance Company.
- ELIAS ROGERS, director Imperial Bank of Canada.
- ROBERT KILGOUR, vice-president Canadian Bank of Commerce.
- H. H. FUDGER, president the Robert Simpson Co., Limited; president the Goldsmiths' Stock Co.
- E. W. COX, assistant general manager Canada Life Assurance Company.
- F. W. GATES, Hamilton, Ont., president Hamilton Gaslight Co.; vice-president Canada Life Assurance Co.
- A. E. KEMP, president Kemp Manufacturing Co.; president Toronto Board of Trade.
- F. NICHOLLS, second vice-president and managing director Canadian General Electric Company.
- WM. MACKENZIE, president Toronto Railway Company.
- J. W. FLAVELLE, managing director The William Davies Co., Limited; director Canadian Bank of Commerce.
- A. E. AMES, of Messrs. A. E. Ames & Co., second vice-president Imperial Life Assurance Co., first vice-president Toronto Board of Trade.
- E. R. WOOD, vice-president and managing director The Central Canada Loan and Savings Company.

Messrs John Mackay and George Edwards were reappointed the auditors for the ensuing year.

At a subsequent meeting of the new board of directors Mr. J. W. Flavelle was elected president, and Messrs. A. E. Ames and E. R. Wood vice-presidents.