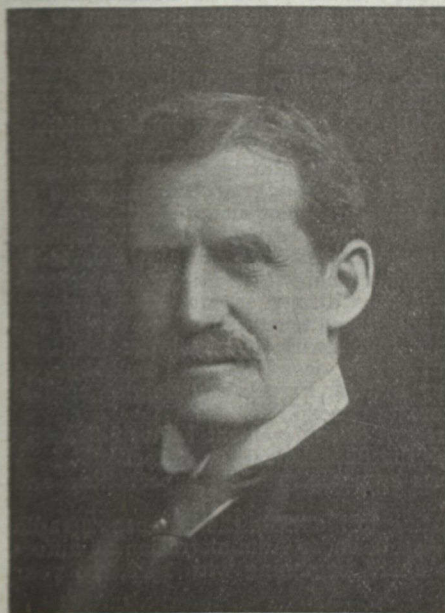


not be found in distrust and angry agitation, but in hard knocks given and taken in good part, in productive work commonly undertaken and in co-operative effort which accepts responsibility to the community as a binding obligation.

Outlook Warrants Confidence.

We need not be disturbed because of vigorous differences of opinion among us. They are a sign of health in a virile people. If men and women in Canada will play their part—we need not fear the decisions which will be reached. We will observe law and maintain orderly government and will

not mistake mere agitation for power. We will remember that for economic and social security we have great areas of unoccupied agricultural lands, which will be the homes of contented and prosperous peoples. We have large potential wealth in timber reserves, in mines and in fisheries. We will continue our industrial development in products for home and export trade. Our outlook. Therefore, warrants full confidence at home and abroad in our future and in the institutions which perform the necessary service to meet the need of ever enlarging developments.



F. W. HARCOURT, K.C.,
*Elected to the Board of Directors,
National Trust Company*

Turning now to the report of your Board of Directors for the year 1918, which has just been presented, I believe you will consider it most satisfactory. Both the Profits and the Assets under Administration show substantial increases over those of a year ago. The continued growth of the Company is marked evidence of the public confidence it enjoys. I am going to ask the General Manager in a few moments to address you, and he will deal at length with the balance sheet.

Year's Business Most Satisfactory.

On the 19th day of May last, Mr. Z. A. Lash, K.C., LL.D., one of the Vice-Presidents of the company, celebrated the 50th anniversary of his call to the Bar of the Province of Ontario. I think it fitting, therefore, on this occasion for me to acknowledge on behalf of the Shareholders, the Board of Directors, the General Manager and the other Executive officers, the signal service which Mr. Lash has rendered to the Company. He has been a Director and one of the Vice-Presidents of the Company since its organization, and in those capacities has given largely of his time and ability to further its interests. Moreover, his great influence has been instrumental in directing to the Company business of the very highest importance.

It is with deep regret your Directors have to record the death during the year of Mr. George H. Watson, K.C., who was a member of the first Board of Directors and was re-elected at each annual meeting of Shareholders since that time. Mr. Watson always evinced an active interest in the affairs of the Company. Your Directors also deeply regret having to record the death during the present month of the Hon. Mr. George W. Brown of Regina, a member of our Western Advisory Board. Mr. Brown was a good friend of the Company and took a keen interest in its affairs.

Subscriptions to War Funds.

During the year your Directors authorized the following subscriptions: \$1,000 to the Toronto Military Service Fund of the Young Men's Christian Association; \$1,000 to the Navy League of Canada; \$500 to the Catholic Army Huts; \$250 to the Italian Red Cross Society.

These, with the subscriptions of \$10,000 to the Toronto and York County Patriotic Fund Association, and \$250 to the Maple Leaf Club, previously authorized, make a total of \$13,000 paid during the year 1918. In addition, your Directors have since December 31st, 1918, authorized a further subscription of \$1,000 to the Salvation Army Huts, payable this year. Before moving the adoption of the Report I will ask the General Manager to address the meeting.

General Manager's Remarks.

The General Manager, Mr. W. E. Rundle, spoke as follows: The President has referred to the gratitude we all feel at the victorious ending of the war, and to the splendid achievements of Canada.

My first desire, therefore, upon rising to address you this afternoon is to express our heartfelt sympathy with the relatives and friends of those of our staff who, during the war, gave their lives in the service of their country. Fifty-three of our men enlisted, of whom nine were killed in action, one died in service, while many others were wounded. We feel a pride in the part played by our staff, and to keep its recollection ever before us, a fitting memorial is in contemplation. Of those who have survived 12 have already returned to the service of the Company and the others will be welcomed back as soon as they have received their discharge from the Army.

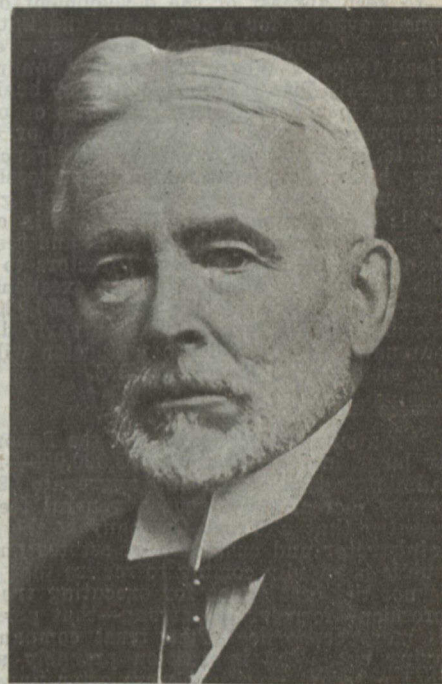
I also desire to call the attention of the shareholders today to the loyal and cheerful manner in which the staff at home discharged the added duties and responsibilities imposed upon them by the absence of those at the front.

Net Earnings Increase.

A year ago I pointed out that before we again met, the Company would have attained its twentieth birthday, and I promised to review its progress during the twenty-year period. Before doing so, however, you will doubtless expect me to make some comment upon the Report of your Directors just presented. I believe you will consider it an eminently satisfactory one. The net earnings again increased substantially and were equal to slightly over 17% per cent. upon the Capital, or 8 9/10 per cent. upon the combined Capital and Reserve. This result has been obtained through the increased volume of our business, and notwithstanding the marked reduction again in 1918 in our mortgage loans, which bore a higher rate of interest than do the Government securities in which the funds were re-invested.

If the Shareholders will refer to the Company's reports for the years prior to the war, they will note the steady increase from year to year in mortgage loans. On the other hand they will observe from the reports of subsequent years the striking decrease in these loans all through the period of the war. High prices for farm products have not only enabled the farmers of Canada to meet their interest payments promptly, but to reduce the principal indebtedness as well.

As mortgage loans were paid off instead of reinvesting in mortgages the Company adopted the deliberate policy of investing the monies in Government securities. This



JAMES RYRIE,
*Elected to the Board of Directors,
National Trust Company*