The Royal Bank of Canada Annual Meeting

Sydney G. Dobson, President, declares increased industrial output, co-operation between management and labour and substantial tax reductions would provide bedrock of future prosperity — "If business, labour and government keep their heads, there is no reason why we should not complete delayed reconversion plans this year and prepare to step forward in future."

James Muir, General Manager, reports assets at record level for sixth consecutive year — notes increased financial assistance rendered business and individuals—deposits at $1,963,103,951 reach new high point—foreign branches valuable aid to traders.

Warning that lavish government expenditures provide no assurance of good times, and that living standards cannot be raised through less production and higher wages, was voiced by Sydney G. Dobson, President of The Royal Bank of Canada at the bank's Annual Meeting.

On the other hand he declared that increased production and whole-hearted co-operation between management and labour would provide a solid basis for prosperity. He also noted that the present level of taxation was a drag on business and that substantial tax reductions would give an incentive to individuals and to industry, encourage expansion and new ventures, encourage greater production and lower prices and, therefore, prove an aid to a higher standard of living.

CANADA PLAYS FULL PART

Stressing the increasingly important role of Canada in world affairs, Mr. Dobson said: "Canada is playing her full part in the peace organizations and served on nine international bodies. She was the second largest contributor of food and the third largest contributor of money to UNRRA. She has the largest store in the world of the basic essential of atomic energy—uranium. I believe that though in numbers the Canadian people carry small weight in the world, when the account of world well-being comes to be added up it will be found that the weight of Canada's influence was a big factor in whatever success is attained."

"I think that experiences of the past few years have brought home to all of us the fact that business and industry exist to satisfy the needs of people.

"There are many wants, such as political and economic security, facilities for improvement and relaxation, competent health services, and wider education, but I shall speak particularly of the business aspects. I believe that prosperous business conditions will be the bedrock upon which people will satisfy most of their other wants.

SUCCESS NOT MADE OF DREAMS

"There have been all sorts of plans laid out by advocates of improvement in our economic affairs, but it is becoming clear that many of the old principles of sound economics will survive, and some that had been abandoned must be returned to. On the whole our Canadian people are sensible and sound. They are entertained by pictures and stories of Utopia, but they know that success is not made of dreams. The story of Canada's advancement is one of people and resources, and the ingenuity of the people in using the resources.

"Roughly 68 per cent of our population are under 40 years of age. That means that the numerical bulk of the people is not yet 'set' in its ways, but is of an age to demand the latest, or better than the latest, in devices, comforts and services of all kinds. It is a thought to keep every business executive on the alert, because people's wants rule the market and decide the profit or otherwise of production.

"Given an intelligent approach by business executives who are trying in a sincere way to develop a better knowledge of what the consumers want, there is no reason why Canada cannot look forward to a period of great expansion, profitable business, and higher standards of living.

"I regret very much the irresponsible outlook many persons have regarding work and wages. I am one who believes that the time will come again when possession of a job will be considered an asset, when having a little money as a standby will loom larger in people's minds than leisure hours. True satisfaction can be found only when the worker values mainly the work he does, and not how much he is able to compel his employer to pay. I believe in a high standard of living for everyone, and in leisure, but I am sorry to say that too many of our people to-day make high wages and plentiful leisure the greatest aims of their lives. They pay too little attention to the fact that every producer is also a consumer, so that what they gain as producers they lose as consumers. It is wholly false to say that less production and more pay per worker can assure us of prosperity; just as false as to think that raw materials and labour costs can be increased without at least a corresponding increase in the cost of living."

FOREST WEALTH

Reviewing Canada's fortunate competitive position, Mr. Dobson pointed particularly to Canada's 813,000 square miles of productive forest wealth and urged that active steps be taken to assure its conservation. "Canadians are generally surprised," he said, "when they learn that their pulp and paper mills take only about 23 per cent of the annual forest crop, while fuel wood takes 31 per cent., lumber and miscellaneous products take 41 per cent., and pulpwood exports use over 5 per cent.

"Though pulp and paper creates more employment than any other manufacturer and is the largest single item in Canada's export trade, yet fire, insects and disease consume 60 per cent. more wood annually than do the pulp and paper mills. Other countries have succeeded in practically eliminating wastage due to nature. In Sweden, with less than 8 per cent. of Canada's forest area, there are more than twice as many forest engineers as in Canada.

VALUE MULTIPLIED

"I wish to draw one fact particularly to your attention. In 1945 the pulp and paper industry took pulpwood valued at $122 million, and converted it into products which had a gross value of $400 million. In other words, the industry multiplied more than threefold the value to Canada of its pulp and wood cut. In course of that process, its mills gave employment to 40,000 persons and paid them $80½ million in salaries and wages. In addition, it supplied workers in the woods with employment and their wages amounted to $75 million. When you add the purchase of materials and supplies, $184 million, you realize how important the industry is to the whole economic life of the nation.

"That this industry could be further expanded is evident when we consider that the pulpwood shipped out of Canada in a raw state in a year would supply a large paper-making industry.

"The lumber industry which includes production of sawn lumber, shingles and boards, has been increasing steadily. As in the case of the pulp and paper industry the value of the forest cut has been much increased by processing, in this case almost doubled.

NEW PRODUCTS FROM WOOD

"In addition, new horizons are opening up for the use of our forest products, such as in the manufacture of plastics and textiles. This field so far has only just been tapped, and holds tremendous possibilities. We cannot, therefore, afford to waste or to see carelessly destroyed any portion of our great forest resources.

"Throughout the responsible financial press during late months, we have seen articles to the effect that today more than ever increased industrial output is a necessity. We need the best cooperation possible between management and labor. The high rate of productivity which would result would be the only effective influence I know of against inflation."

Dealing with the question of taxation, Mr. Dobson noted that war expenditure was down to 35 percent. of what it was in the peak year. "Yet the government is collecting in this taxation year an amount equal to 24 per cent of the approximate 1946 national income compared with 11.05 per cent. in 1938. The Finance Minister set his requirements at $2,769,000,000 in his last budget, compared with $534,400,000 in 1938.

DRAG ON BUSINESS

"Now it doesn't matter where that revenue is accumulated by the government, or how it is taken, the withdrawal of this money constitutes a drag upon business. Substantial reduction in taxes would give an incentive to individuals and to industry, encourage expansion and new ventures, encourage greater production and lower prices, and therefore prove an aid toward a higher standard of living.

"Some will say the government needs the money for social welfare and subsidies and so on, but I would point out that lavish government expenditure has been unsuccessful in creating prosperity. "A 'let the government do it' attitude will not get us anywhere, and necessity alone should be the decisive factor in judging whether to retain some of the wartime controls and practices. In some cases the manufacturers' profit has been squeezed between rising costs and the price ceilings. I approve the policy of removing controls gradually, but as quickly as goods and services become available, and I am hopeful that world and domestic conditions will soon permit us to return to a free economy.

"This country reached maturity through its war effort, politically and industrially. If business, labor and government keep their heads there is no reason why we should not complete our delayed reconversion plans this year, and prepare to step forward in future."

GENERAL MANAGER'S ADDRESS

In presenting the bank's 77th Annual Report, Mr. Muir, General Manager, stated that for the sixth consecutive year the total assets of the bank, which now stood at $2,131,974,316, had reached new record levels. New records had been established in many departments of the bank's business. Liquid assets totalled $1,609,742,166 representing $1.69 per cent. of the total liabilities to the public.

"The volume of commercial loans in Canada is up by $25,789,321," said Mr Muir, "but this does not give a true picture for the reason that at November 30, 1945, a Victory Loan campaign was in full swing; nor is the loan total a complete index of the financial assistance which is being supplied by the bank to our clients in their post-war business activities. Included under the heading 'Other Bonds, Debentures and Stocks' are many millions of dollars representing the purchase by the bank of short-to mid-term bonds and debentures issued by clients to enable them to carry out expansion and improvements of a capital nature.

"In addition, the smaller class of customer continues to take substantial advantage of our facilities. This is demonstrated, for example, by the fact that during the past year we have made a total of nearly 150,000 loans of $500 and under for personal purposes.

"Our loaning business abroad has also continued to expand as is illustrated by a well diversified increase of $16,623,715 in commercial loans."

RECORD DEPOSITS

The General Manager noted that total deposits had increased by more $74,000,000 to the new all time high point of $1,963,103,951. The number of deposit accounts in operation continues to grow and as a matter of fact has increased in Canada alone by 116,000 during the year bringing the total in operation up to 1,670,000.

"The profits for the year were $903,244 greater than for the preceding twelve months' operations.

"As you will have observed from the Directors' Report, it has been decided to transfer to the Reserve Fund of the bank $5,000,000 from the amount at credit of Profit & Loss Account.

"There will still be left the substantial sum of $1,467,414 to be carried forward.

"You will also note that the Reserve Fund has been further increased by the addition to it of the sum of $15,000,000, bringing the Reserve Fund of the bank up to $40,000,000.

"It may be recalled that in the depression period of the middle 30's it was decided to transfer $15,000,000 from the Reserve Fund to inner reserves. Time, however, has shown this to have been an overly conservative precaution. Consequently the entry has simply been reversed."

AID TO FOREIGN TRADERS

Discussing the wide network of branches operated by the bank, Mr. Muir referred particularly to the useful role played by the bank's foreign branches in facilitating foreign trade. "The unique position which we ocupy," he said, "as the Canadian bank with the most extensive chain of foreign branches, enables us to render exporting and importing clients a banking service which cannot be paralleled."

Mr. Muir spoke in highest praise of the loyalty, ability and interest of all members of the staff. "Your bank is not the handiwork of any one man," he said, "nor even of any small group of men. On the contrary, it is a monument to the co-operative effort of many, each one serving with enterprise and enthusiasm in his or her particular sphere of duty.

"I cannot commend these men and women too highly to you, nor, as I see it, can the Management of the bank render a greater service to you than that they should at all times try to ensure that a staff such as I have described is fostered, encouraged and maintained."

Malaria Cure

The new British drug paludrine has cured more than 99 per cent of malaria cases treated in the State of Victoria, Australia, it was reported recently.

Of 3,172 cases treated, malaria recurred in only 12 or one-third of one per cent. Similar figures were obtained in the other states.

Paludrine was discovered in Britain and tested in Australia toward the end of the war.

Fire Bird

Cries of "Hey, Pete!" by Punkin, the parrot, saved the Theodore E. Peters family from fire which broke out in the night at their home in Endicott, N.Y. Peters, awakened, put out the blaze, which started from an overheated stove. A navy veteran, he got Punkin in Algiers.

JUST IN FUN

His Mistake

"Who is that talkative woman over there?"

"My wife."

"Sorry, my mistake."

"No, mine!"

Just Be Quiet

The doctor told the film actress that she was run down and needed a change.

"A change," said she. "Do you know that during the last eighteen months I've had three husbands, four cars, three jewel robberies, eleven cooks, two divorces, and seven landlords? What other change can you suggest?"

Advertising Genius

A room-seeking young resident of St. Catharines, Ont., speedily solved his problem with the following advertisement: "Having trouble buying soap flakes, lard or bacon? Young man, working in a large grocery establishment, requires room, breakfast and dinner six days a week, private home."

No Distinction

"Yes, son," said the man of the house, "when I was your age I was next highest in my grade."

"Don't take that too seriously," sighed mother, "your father went to a little red schoolhouse and there were only two pupils in his class."

Abbot And Costello

First Electrician: "Have you any four-volt, two-watt bulbs?"

Second Ditto: "For what?"

First: "No, two."

Second: "Two what??"

First: "Yes."

Which Church

Nurse—"What church do you belong to?"

Patient—"None."

Nurse—"Well, what church do you go to when you do go?"

Patient—"If you must know, the church which I stay away from most of the time when I don't go is the Baptist."

Know Your Hockey Stars

By Ed Fitkin

The first member of the Toronto Maple Leafs to sport a moustache since Andy Blair was in his heyday, young Garth Boesch (pronounced Bush) looks as if he'll be a very solid citizen on the Toronto defense this season.

Garth Boesch
Defence

Boesch, like Harry Watson, is essaying the trouble-some task of reverting from forward to defense, although in Boesch's case, he has had previous experience as a rearguard. With Pittsburgh last season, he alternated between right wing and defense and in 43 league games picked up 15 goals and nine assists for 24 points. In six playoff games he acquired another four points.

* * *

Garth is not a spectacular operator but is more of the solid, dependable type and it is this latter characteristic that convinced the Toronto management that he would be a capable man in rugged going.

* * *

Born at Milestone, Sask., Oct. 7, 1920, Boesch has just turned 26. He's a six-footer, scales 185, and is cool in operation. He got his hockey start with Father Murray's Notre Dame Hounds, playing junior hockey with that school team from 1936 to 1939. He moved up to senior ranks in 1940-41 and aided Regina Rangers to victory in the Allan Cup finals for the Dominion senior championship. He remained with the Rangers the following season and although they were eliminated by Lethbridge Maple Leafs, Boesch gained recognition as the outstanding player in the league and was presented with the Gordon Efficiency Medal.

* * *

Garth joined the Royal Canadian Air Force in March, 1942, and gained the rank of Flying Officer. When the war ended, he was invited to try out with the Leafs, made a favorable impression and was sent to Pittsburgh for seasoning. At training camp this year, Boesch was assigned to a defense role and, after a slow start, began to pick up the rudiments of rearguard patrol with celerity.

School of Herring Delays Ocean Liner

Herrings—thousands of them—delayed the 24,000-ton America on her latest voyage.

Chief Engineer Pat Brennan, talking to reporters before the crack liner set out on a return trip to New York, said the vessel slowed down to 19 knots compared with the usual 23 or 24. Nobody could figure it out.

On arrival, it was discovered that about four tons of the fish had been hauled in by "scoops" in the ship's bottom used to take in sea water for cooling engines.

"Both the port and starboard condensers were crammed full of the fish," said Brennan. "It took us five hours to shovel them out."

Japs Repatriated

Allied headquarters has reported the completion of mass repatriation of Japanese and other nationals from all areas in the Western Pacific and the Far East under United States control.

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