Annual Meeting of Shareholders

The Royal Bank of Canada

Sydney G. Dobson, President, declares private enterprise the very basis of Canada's progress and freedom—Right to take risks and reap rewards the major motivating force in country's development—"Socialism and communism are not systems of freedom, but of rationed democracy, in which liberty is doled out like social security benefits."

James Muir, Vice-President and General Manager, reports new high records in field of Canadian Banking—Royal Bank assets exceed $2,222,000,000—Deposits reach new Canadian record of $2,067,488,000—Profits moderately higher—$4,000,000 added to Reserve Fund.

The threat to personal freedom, inherent in the Socialist and Communist philosophies, and the high promise of Canada's future were stressed at the Annual Meeting of the Shareholders of The Royal Bank of Canada. "On the evidence before the world today, capitalism works", said Sydney G. Dobson, President. "It works so well that the lowest paid workers in these North American democracies are better fed, better housed, and better supplied with the comforts of life than are the great mass of the population of collectivist countries. And they enjoy freedom.'

"Our successful development of natural resources confirms our belief in private enterprise as the best motivating force in an economic system. All the natural resources imaginable are as less until they are brought out where they can be turned into serviceable goods, and the primary seeker, the most successful finder, and the greatest manufacturer nas been private enterprise.

"Under this system people think hard and work hard because there are reasonable rewards. The need of incentives is recognized in every country where men are free to choose whether they shall work or not work, and how hard they shall work.

"In all collectivist economies—Communistic or Socialistic — the idea prevails that dictators or bureaucrats can arrange the lives of people better than people can do it for themselves. Capitalism, on the other hand, believes that individuals should be free to express their abilities and thereby bring about a better standard of living and a better social order.

"Our system hinges on initiative, the courage to invest capital, the right to take a reasonable profit from such enterprises as are successful and the obligation to stand such losses as may be incurred in enterprises which fail.

THREAT TO FREEDOM

"Socialism and Communism do not seek to make the best of people's minds and enterprise. On the contrary, their process is to level all people by dragging down those who might have superior attainments. They need a strong centralized government with control over all sections of the economy. They are not systems of freedom, but of rationed democracy, in which liberty is doled out like social security benefits. Incentives are lost, and individual initiative is smothered. Standards of work and product remain unimproved because jobs are assured without regard for efficiency or performance. The ambition of men declines to doing just as much as has to be done and no more. Progress is sacrificed to a worship of averages—and they are averages somehow arrived at so as to be well within the reach of the least progressive. Promotion on merit is abandoned in favour of promotion in turn. Skilled workers receive very little more than unskilled workers. It is only natural that such a state of affairs should drive the best brains out of a country.

"I believe in equality, so long as it is equality of opportunity in education, careers and public life. Socialism is a force which holds back, while enterprise is a force which propels us forward, and gives men and women a chance to display their talent and their worth."

FOREIGN TRADE

While Canada's export figures had shown satisfactory gains during the past few months, Mr. Dobson warned that, "there is nothing in our foreign trade picture today about which we can afford to be complacent.

"Our present peak of business is being maintained to a large extent by artificial respiration in the form of credits from Canada and the United States. To realize our position we need only imagine what would be the state of our commerce —and therefore of our standard of living—if the Economic Recovery Programme and our own loans to Europe were suddenly cut off.

"It is true that we can examine our rising export business of the past few months with certain satisfaction. Last October saw us strike a new high record in domestic exports. both in total and in shipments to the United States. Our total in the first 11 months of 1948 was $250 million higher than in the corresponding period of 1947."

Turning to domestic affairs, Mr. Dobson noted that while the pressure of demand has tended to push prices steadily higher, there has been a levelling off in the rate of increase.

PRICES

"It is with regard to prices," he said, "that the manufacturer and the business man have their greatest worries. No matter how they balance increased labour costs with technical advance, and other increased costs with prevention of waste, they are driven, in spite of all their ingenuity, to raise prices to their customers.

"It seems to me that those who work for wages are ill-advised when they rush into demands which are planned to give them an immediate a vantage through increased wages, while losing sight of the fact that there is an important long-term aspect to be considered. How much money a worker makes is far less significant than how much he can buy, and if he is to buy anything at all his employer must be able to stay in competition with manufacturers in the rest of the world."

ELECTRIC POWER

The importance of Canada's hydro-elecric power development to the national economy was emphasized by Mr. Dobson. Wide distribution of power and its healthy development has been, he said, vital factors in promoting Canada's industrial progress and maintaining a high standard of living. "Each installed hydraulic horse-power, if operated continuously throughout the year, would be the equivalent of the power obtained from 4 tons of coal. On this basis, the present hydraulic installation in Canada might be said to represent the annual use of about 44 million tons of coal.

"There are still large reserves available for development. A government tabulation shows 40 million horse-power available, and a little less than eleven million developed by turbine installation."

Discovery of additional oil in Alberta and Saskatchewan was a favorable development to which Mr. Dobson made special reference. "It has become evident," said Mr. Dobson, "that Western Canada, and particularly Alberta, has become one of the brightest prospects for our future supply. It is forecast that by 1950 the oil requirements of our Prairies will be satisfied out of home production and there may be a surplus available for other markets. This is important because every barrel of oil produced and consumed in Canada conserves from three to five dollars of United States dollar exchange."

CONCLUSION

"I believe that more attention needs to be paid to the education of our people in the responsibilities as well as the advantages of democratic citizenship. Too much stress is being placed, these days, on human rights and not enough on human obligations. If it is reasonable for a man to expect to be taken care of when disaster threatens or strikes him, he should be educated to know that he needs to contribute his share to the welfare of the nation. I deplore the increasing trend among a portion of the younger generation today to think too much of security and not enough about going out and really accomplishing something for themselves.

"We live in a world where we should not expect to receive something for nothing. This is an old, old law recognized in economics, and no discovery by any political party or reform faction has ever found a permanent substitute. Queer creeds based on ease and leisure may rise and flourish for a time, but they always run into difficulty which can be overcome only by work."

GENERAL MANAGER'S ADDRESS

Mr. James Muir, Vice-President and General Manager, reviewed the bank's 1948 Annual Report and noted that new high water marks in the bank's progress had been established during 1948. Assets had topped $2,222,000,000, a point never before reached. The bank's liquid assets equalled 74% of all liabilities to the public. Commercial loans in Canada had also increased denoting "an expansion of connections and clients as well as the fulfilment of the additional needs of old customers." Mr. Muir also noted a further substantial increase in the number of depositing clients and total deposits of $2,067,488,000, an increase of $133,303,000 over the previous year, and a new high water mark in the history of the bank. Earnings had been moderately higher, and in addition to providing for the customery deductions including taxes of $3,150,000 and increased dividends for Shareholders, had enabled the bank to transfer $4,000,000 to the Reserve Fund which now totalled $44,0000,000. This left a carry forward in Profit and Loss Account of $1,532,000.

AID TO TRADE

The important role played by the Royal Bank's extensive system of foreign branches in furthering Canada's trade was stressed by Mr. Muir. "We have had a half-century's experience in this regard," he said. "Our oldest branch outside of Canada and Newfoundland, and still in operation, is that in Havana, Cuba, opened fifty years ago this spring. Apart from those in Newfoundland, we have at present 62 branches outside Canada, and, in addition to this direct representation which covers New York, London, Paris and most South American countries as well as the Caribbean area, we have unusually extensive correspondent relations with banks throughout the world. Your bank is in a preferred, if not unique position to facilitate, as it has for many years facilitated, Canada's foreign trade activites.

NEED FOR ENTERPRISE

"Whatever the outlook for Canadian business in the short run, our long-run position should be secure. For our economic fortunes as a nation depend, not on disturbing short run ups and downs, but on our tremendous wealth in natural resources. Of course, natural resources are of little use unless they are developed. And I agree heartily, therefore, with what the President has just said about the need for ambition and enterprise.

"We Canadians might appraise ourselves and our possibilities a little higher than we are inclined to do. No country on earth has a future that promises to surpass or even to equal ours. Whenever we forget that fact, some Canadian voice must speak out, reminding us both of the greatness of our resources and the responsibility that rests upon us to take a mature and an ardent view of Canada's capacity for economic development. Then, surely, a breed of courageous, clear-sighted and Canada-conscious men will arise who will become acutely seized of the fact that we are in duty bound to develop these resources and endowments and deal with them in our day for the greater good of generations of Canadians yet to come.

PRAISE FOR STAFF

'It is no secret that public opinion of the bank is formed by and large through dealings with the staff, and so the Royal Bank's prestige is largely dependent on personnel—for it is through them that the bank is known to the world for what it is—good, bad, or indifferent. In all modesty, I feel I can properly say that the bank in held in the highest esteem, not only in Canada but in the many countries where we have branches.

"We have a large organization, 10,567 men and women, and if there is sometimes a tendency for members of the staff to feel that they are but very small cogs in a vast machine, I ask them to dismiss the thought, for ever single job in the bank is important—every single job must be we done. That our staff, both men and women, are discharging these important duties with untiring efficiency and in good spirit is properly exemplified in the fact that the success embodied in this year's Annual Report is in no small measure due to their efforts. The Executive are fully aware of this—and acknowledge it gratefully.

"We have reason to be proud of our staff, and on their behalf I can tell the shareholders, the public, and our clients that they can all rely on the knowledge that the members of the staff will endeavour to continue to serve them well—with efficiency —with accuracy —and with friendliness."

Blinded In War, Now a Promising Sculptor

Arthur Schneider was blinded by a bullet during the war. One night, to while away the time, he picked up a piece of plastellin, and by morning the blind veteran had fashioned a crude elephant —also a hobby that has since developed into a career. Now, at 35, he's recognized as one of the most promising of sculptors. Above he shows some of the remarkably lifelike animals he has created, while below he works on a bronze bust of his little son.

Act That Threatens All Our Industry

Decision of the Privy Council ruling the Saskatchewan Trade Union Act valid is of immense significance to independent labor and employers. This is not some local bill designed to get control of industry in a province where industry is of relatively minor importance. It is a pattern to be followed in all Canada if the CCF ever succeeds in gaining power of Ottawa.

This particular legislation, like several other key bills put through Regina since 1944, is actually the work of the CCF national high command. Saskatchewan, which has the only CCF government in the Dominion, merely happens to be the laboratory for CCF key experiments. Because it is largely rural it has proved a most convenient laboratory for CCF industrial experiments. By a little judicious handling, and by exempting agricultural employment, the Douglas government in that province has been able to put through radical legislation with little opposition.

The fact that this bill has been upheld by the Privy Council has nothing whatever to do with the quality of the legislation, of whether it is good or bad. In declaring this bill valid the Privy Council merely rules that it is constitutional, that labor matters of this kind come within the jurisdiction of the province. The blunt truth is that this bill is bad, a direct threat to the independence of labor and management throughout all Canada, says The Finacial Post.

Under this discriminatory act all control in labor matters is vested in a government-appointed Labor Board with unlimited dictatorial powers. Firms which disregard or disobey the rulings of this board can and actually have been seized by the government. Orders of the board are enforceable without the right of appeal. Labor unions are virtually placed beyond the reach of the law and need have only 25% representation in any plant to reach that privileged position. Employers can be fined up to $5,000 and imprisoned for a year. They must reinstate any employee discharged for what the politically appointed labor board may call union activity.

Legislation of that kind, if allowed to spread, could deliver all Canadian industry, absolutely and finally, into the hands of a government board appointed by the CCF party. It would be a death warrant for private enterprise from the organ-grinder to the largest corporation.

3 MINUTE FICTION — Contacts by Night

By Art Taylor

"Again tonight?" asked Kitty, trying to be light and casual and succeeding only in sounding strained and accusing.

"'Fraid I must," said Brace. He also tried to be casual but he sounded weary. And looked weary; too tightly drawn. Some burden of the spirit was beginning to break through his outer defenses. "I have to make contacts, you know, h , and—"

"I know."

Indeed, she did know it. She had listened to it at regular intervals for the past six weeks. It had sounded plausible at first, but contacts that had to be made every night for six weeks seemed slightly incredible.

Brace didn't argue. He just said, "Sorry, hon. I'm hoping it won't last much longer. I know it's tough on you, sitting here by yourself night after night."

"Think nothing of it," Kitty said brightly. "I adore being a business widow."

Brace moved over to where she sat, trying to decide whether he should tell her now or let the thing drift. He knew it couldn't go on like this much longer, but again he temporized and remained silent, merely squeezing her arm.

But tonight, Kitty was definitely off the beam and there was no response to the private signal. Probably Brace had expected none because he picked up his hat and left without another word. Kitty knew Brace was deceiving her but she didn't know why or how.

From then on, life for Kitty became conjecture, trust, distrust and despair.

Maybe it was the war. It did strange things to men, everyone said. But Brace was the same old Brace when he came back. The first six months were practically idyllic and Brace and Bill had been so enthusiastic about this new business they had hatched out in spare moments out in the Pacific. And then the flood of strikes had inundated the country and swamped some businesses and washed others into stagnant backwaters. That was hen Brace became worried and restless and began stepping out. Each night it was harder to take. This night, she knew, was going to be very bad. The phone rang. That booming voice on the other end could belong to only one person. 'Uncle Edward!" she squealed in delight, 'W'here are you?"

"At the leading hostelry. I just had to come see if you were still in existence. I'll give you and the boy friend just fifteen minutes to don the glad rags and we'll paint this burg a nice vermillion."

Kitty said, "The boy friend is out, but give me ten minutes and I'll help you give it a double coat.'

She took him to the Chateau in the Pines. It was new and swanky and thirty miles way. It was too expensive for Brace and Bill so there was no danger of running into them. She was too proud to try to follow them, whatever they were up to.

And then she saw Brace and Bill. Very handsome and immaculate they were in their tails, too. The captain beckoned to Brace. Bill tried to step in front of him and take the call but Brace pulled him back, and with steady pace approached the table.

* * *

Kitty's heart turned over. Why the two crazy youngsters. Working night and day to keep their precious business from going on the rocks and too proud to let her know how they were doing it.

Without a sign of recognition, Brace spread the ornate menus in front of them. "The caviar is unusually good to-night, sir," he said; "also the baked pheasant."

"How about it, Kitten?" boomed Uncle Edward.

"It doesn't make a bit of difference, Uncle Edward," caroled Kitty. "If this handsome young waiter should bring me fricassed sawdust, it would taste like ambrosia and nectar."

And slipping her hand up under the napkin draped so properly over the handsome young waiter's arm, she squeezed the arm—hard.

WILLIE WEATHER Says:

COLD

I wonder if more women act haughty in the winter or in the summer.

Probably in the winter, which would only be natural. There are so many more cold shoulders during the winter.

DOES YOUR BACK ACHE?

Sitting in a draft—working in a damp place—wet feet—there are dozens of things which may cause a backache! But there's one way thousands of Canadians have found to help relieve this condition—Dr. Chase's Kidney-Liver Pills. This effective remedy tones up both the kidneys and the liver—and brings welcome relief from pains in the small of the back caused by "cold" in the kidneys. So insist on this reliable remedy—proven by over half-a-century's use—Dr. Chase's Kidney-Liver Pills. At all drug counters. 19

17-44

▶ Just inhale the soothing, healing fumes, for quick relief. It's fast acting! Get a bottle today.

SALLY'S SALLIES

Sorry, sir, but there's no television in the operating room."

Silly Solomon!

The prim, bespectacled Sunday school teacher brought her young class to order.

"Now, you have just heard me tell you the story of wise King Solomon," she said. "And of the two woman who both claimed the baby, and how King Solomon ordered the baby cut in two, and half given to each supposed mother: whereupon one of the women cried to the king to give the child to the other woman, thus proving that she herself was the real mother." The teacher paused and glanced around her class.

"Now, I am going to ask one of you in the class what you would have done if you had been in King Solomon's place. Alright, Willie."

But to her horror and consternation William, in all the bright innocence of seven years, spoke up thus: "I would have said: 'Why must you ladies quarrel over a mere baby?—there's plenty more where this one came from'."

Which?

A track supervisor received the following memo from his foreman: "I'm sending in accident report about Casey's foot, which he struck with spike maul. Now, under 'Remarks,' do you want mine or Casey's?"

YOU WOMEN WHO SUFFER HOT FLASHES then FEEL CHILLY-

Here's Good News!

Are you between the ages of 38 and 52 and going through that trying functional 'middle-age' period peculiar to women? Does this make you suffer from hot flashes, feel clammy, *so nervous*, irritable, weak? Then DO try Lydia E. Pinkham's Vegetable Compound to relieve such symptoms! It's famous for this!

Many wise 'middle-age' women take Pinkham's Compound regularly to help build up resistance against this distress.

Pinkham's Compound contains no opiates—no habit-forming drugs.

It *helps nature* (you know what we mean!). This great medicine also has what Doctors call a stomachic tonic effect.

NOTE: Or you may prefer LYDIA E. PINKHAM'S TABLETS with added iron

Lydia E. Pinkham's VEGETABLE COMPOUND