

Annual Meeting of Shareholders The Royal Bank of Canada

1955 to be "Year of Decision" for Canada, Determining Economic Welfare for Years to Come, Declares James Muir.

Prosperous Future Lies In Improving Competitive Position, Not In Hiding Behind Trade Barriers. Scope of Existing Agencies Should Be Broadened to Provide Long-Term Export Credits.

The conviction that 1955 will be a "year of decision" in which the solution of immediate problems will have a tremendous capacity for good or evil in Canada's future was expressed by James Muir, Chairman and President, at the Annual Meeting of Shareholders of The Royal Bank of Canada. Only a rare combination of statesmanship and good fortune, he declared, could guarantee a proper solution of these problems.

"In a period of obvious inflation or deflation," said Mr. Muir, "it is comparatively easy to decide on the appropriate direction of monetary and fiscal policy, and the major problem becomes that of choosing the combination that achieves maximum effectiveness in the least cost and dislocation to the economy. The really difficult decisions must be made at a time like the present when it is still unsafe to pronounce inflation entirely cured and still less so to assume that the paramount danger of the moment is the galloping deflation of the early 1930's."

ECONOMIC PROBLEMS

"The problems posed by the high cost economy become more acute with every increase in the competitive threat of foreign industry to Canada's market at home and abroad. Pressure for protective measures becomes more insistent as the immediate effects of sharpened competition become apparent. I am still of the opinion that Canada's future lies on the side of improving her competitive position rather than isolating herself behind heightened barriers to trade.

"Increased protection is no answer. The disadvantage of our dollar's high exchange value is general: it affects all Canadian producers. It imposes a tax on exports and a subsidy on imports. Protection helps only those Canadian producers who must compete in the home market against imports; it does nothing for our exporters except to subject them to a further rise in domestic costs and hence to a further limit in their ability to compete in foreign markets.

LONG-TERM FINANCING

"The noticeable decline in exports since 1952 may also be attributed to a number of interrelated causes: price declines, increased competition from low cost producers abroad, the recovery of industrial capacity in war-torn countries, and the like. All these tend to alter relative cost and price relationships in the world market to Canada's disadvantage. But, in addition to the important matter of relative costs, a new factor has been introduced by European suppliers who are able, with government support, to offer long-term financing to their customers in the world market.

"In view of the importance to Canada, today and in the future, not only of maintaining exports, but of maintaining intact her expansion, it seems abundantly clear that definite action should now be taken to provide our traders with the credit facilities they lack. These facilities might take various forms; but, in general, they could be provided by a corporation, owned partly or wholly by the Government, with the power to discount export paper of longer term than chartered banks can handle. The essential function of such a corporation could indeed be provided very simply by widening the scope and operations of existing government entities now active in assisting trade and industry.

1955: YEAR OF DECISION

"I believe that 1955 is a 'year of decision', in which our solution of immediate problems will have a tremendous capacity for good or evil in the years to come," said Mr. Muir. "During 1954 we have seen not only a defeat of inflationary forces in the economy but the reappearance, at least in a shadowy form, of the deflation bogey of the 1930's. In January, 1954, I referred to the fact that the inflationary boom had already become, for some sectors of the economy, a thing of the past. Since then we have seen a rise in unemployment and a reduction of some magnitude in certain components of the National Accounts as well as in the Gross National Product itself. We have seen as well increased competition in home and foreign markets from the revived industry of the United Kingdom, Western Europe, and Japan.

"Within an overall climate of political and economic freedom, our policy decisions in government and business during 1955 should take due account of four interdependent goals of an economic policy directed towards the economic welfare of the community. The first of these is to ensure that our human resources are not wasted in involuntary idleness; that is, we should try to maintain a high and stable level of business activity and employment. The second goal is to ensure that our resources, when fully employed, are allocated in such a way as to produce the maximum volume of goods and services and to bring these goods and services to market in the proportions in which customers want them. The third goal is to ensure that the distribution of the national product and income combines equity with the highest possible incentive to increase the total amount of product to be shared. The fourth and final goal is to ensure that all our policy decisions are consistent with an appropriate rate of economic progress and growth in the economy as a whole."

FORESIGHT NEEDED

"We have the natural resources necessary to make our own efforts worth while; and so in the end our progress depends upon the quality and quantity of our human resources. I do not think we need have many doubts about the high quality of our human resources. But it remains for far-sighted policy in business and government to ensure that this high quality is fully and efficiently used, so as to realize fully our capacity to produce and prosper today, but that we achieve the proper degree of expansion in the quantity of these resources available for use tomorrow. We must start today to create the economic environment that will both encourage, and enable us to take full advantage of that growth in population and capital without which we cannot realize the great potentialities that lie in our wealth of natural resources.

"How we meet our problems in this year of decision will, as I have said, profoundly affect the direction and rate of Canada's growth. If the decisions we make are in keeping both with the realities of the present and with those of that greater Canada which can be seen in outline even now, we may safely leave

General Manager Reports Assets Over \$3 Billion

T. H. Atkinson, General Manager, in reviewing the bank's 1954 report, stated that total assets of The Royal Bank of Canada have now passed the three-billion mark. This, he pointed out, was a new record in the history of Canadian banking, and an indication of the bank's pre-eminence in the opinion of the public.

Deposits had also reached record totals, said Mr. Atkinson, pointing out that they now stand at \$2,797,548,149. "It would have been reasonable to expect a decline in loans to accompany a falling off in the gross national product," he commented, "but this has not been the case, although the pace at which loans were expanding has slowed down. Our loans have increased to a total of \$1,188,022,047."

Mr. Atkinson said that for the first time, the revised Bank Act enables banks to advance money against new residential construction under the National Housing Act. "We had advances outstanding in this category amounting to \$22,672,330," he said. "Actually our total commitments are something over \$62,000,000—the difference between the two amounts to be loaned as construction proceeds. This represents approximately 40% of the total commitments of all the banks."

ROYAL BANK ABROAD

Mr. Atkinson reported that the bank's foreign branches had made further progress during the year, with most satisfactory results.

"In keeping with our past policy of extending our services to new areas where development warrants the banking facilities, we have opened one branch outside Canada during the past year and in the near future will open three more in the Caribbean area which will bring the total of our foreign branches to 74. These 74 branches mean 74 Canadian representatives abroad whose services are at the disposal of Canadian businessmen to give them first-hand information on conditions in their respective localities. At a time when Canadian export trade has been declining as a result of increased and intensified competition from other exporting countries, these 74 information centres abroad can be of inestimable value to our exporters by assisting them through up-to-date and first-hand knowledge of the local markets.

"Our foreign service is a source of great pride to us and, we feel, justifiably so. During the past 55 years, we have built up an enviable reputation abroad and are very much an integral part of the business life of the countries where we operate; in fact, in some cases we are considered a local bank rather than a foreign one.

GREAT STAFF TEAM

"Including maintenance staff, technicians, and others with special duties, we now employ well in excess of 15,000 people. They are welded into a great and resolute team which takes second place to none. 1954 was no exception to the pattern of the post-war period which has seen the emergence annually of increased volume and new business procedures to place fresh demands upon the staff. Again the challenge has been met with skill and devotion.

"We are proud of our staff, not only for what they accomplish on public counters and at their desks but for the services they perform voluntarily outside the bank in the hundreds of communities in which we are represented. We have files of heartwarming letters as eloquent testimony that their efforts do not go unappreciated.

"Our doubts behind and, by making the decisions appropriate to greatness, bring greatness itself within our grasp."

PARKDALE W. I.

The January meeting of the Parkdale Women's Institute was opened with "Auld Lang Syne". Eighteen members and two visitors attended.

Considerable discussion centred around the report of the Education Committee who are arranging to organize a Home and School Association. It was finally decided to call an open meeting at Parkdale Hall on Jan. 20th to discuss the matter with all those interested.

The school committee for December gave an excellent report of two successful and most entertaining school concerts. The president commended them on their fine efforts in decorating the hall for the various Christmas activities, and extended a sincere vote of thanks to Mr. Blair Westhaver who had given such competent assistance.

The sick committee reported sending eighteen boxes to the shut-ins of the district at Christmas. Those who looked after the shipment of blankets were well pleased with the two premium boxes. There were excellent reports from the Guides and Brownies.

The treasurer was instructed to pay the dues to the Musical Festival Association. The new lunch committee for February is to be Mrs. West, Mrs. Westhaver, Mrs. Frizell and Mrs. Trewin.

It was decided to hold the first knitting party of the season at the home of Mrs. Frank Ross on Jan. 17th, where the hostesses will be Mrs. Douglas, Mrs. Dollar, Mrs. Found and Mrs. Matheson.

ANCIENT IRRIGATORS

Irrigation by controlled flooding was used in Egypt's Nile valley more than 7,000 years ago.

ST. PETERS CATHEDRAL W. A.

The annual meeting of St. Peter's Cathedral senior branch of the W.A. was held on Jan 11th at 3 p.m. with a very good attendance. The reports were read from the different secretaries and treasurers which were very encouraging.

During the year bales of clothing were shipped to Gordon Anglican School, St. Ralphe, Swan River. The branch also made articles of clothing for the Red Cross.

The president, Mrs. Geo. Rogers thanked the members for all the help and support given her during the year.

The slate of officers is as follows:

President, Mrs. George Rogers; vice-president, Mrs. H. Burt; secretary, Miss E. Beer; treasurer, Mrs. H.L. Palmer; educational secretary, Miss Cotton; Dorcas committee, Mrs. H. L. Pickard, Miss E. McKinnon; prayer partner, Mrs. L. Davidson; Little Helpers secretary, Mrs. V. Saunders; G.A. secretary, Mrs. Graham Boswell; I. A. secretary, Mrs. Allan MacMillan; Living Message secretary, Mrs. D. G. Hogg; social service secretary, Mrs. H. W. Simpson.

Strange But True

By F. H. MacArthur

It's true, of course, that crime does not pay. And it's also true that being good won't make anyone rich or famous overnight.

It appears that we can agree on some things with relation to crime, and the proper methods to combat it.

Most crimes are committed by persons who began their lawless ways early in life. Good home training, above all else will keep our young fry out of trouble. If there be a criminal instinct it must be tackled and conquered with the same intensity as we fight cancer or T. B.

Inside the fossil of a ten-foot fish on the walls of Fort Hays College Museum, in Kansas, is another five-foot fish! The large fish swallowed the smaller one, and using the death of both of them. Strange but true. It is a ceremonial custom among certain West Coast African tribes to use white shoe polish to whiten their faces. Thousands of boxes of white shoe polish are sold annually to the African tribes.

The only place in Canada where the stern-wheeler steamboats still operate is along the Yukon River.

Hypnosis was used once by a doctor to rescue a girl from prison after she'd been wrongly accused and condemned. She had been found guilty of stealing and hiding her employers' jewels, though she claimed she knew nothing about the theft.

The doctor knew the girl was a sleepwalker and under hypnosis was able to prove to the judge and to her mistress that during sleep she had been so concerned about the safety of the jewels she had risen while asleep and hid them in a safer place. The jewels were found when the hypnotized girl told where she had hidden them.

It paid Mrs. Gertrude Smith, R.N., of Ventura, California, to be nice to a grouchy old man whom she nursed in a hospital in Joplin, Mo. Why? Because she recently inherited from his estate \$120,000. "It's a miracle," said the 27-year-old wife and mother of a six-year-old son. "Why nobody thought Clemuel Watson was worth a shekel."

Cards of Thanks

I wish to thank all the Box-holders of Charlottetown Rural Route No. 3, who so kindly remembered me at Christmas.

Hooper Younker,
Mall Courier.

Bank President Warns Of Undue Exploitation

MONTREAL (CP)—"Before we can become a great nation, we must begin to act like one," James Muir, chairman and president of the Royal Bank of Canada, said today in his address to the bank's annual meeting.

"Canada's future," he declared, "depends not on what the rest of the world thinks of us; but what the rest of the world thinks of us depends ultimately on what we do for ourselves."

"We have the natural resources necessary to make our efforts worthwhile; and so in the end our progress depends upon the quality and quantity of our human resources."

"I do not think we need have many doubts about the high quality of our human resources. But it remains for far-sighted policy in business and government to ensure not only that this high quality is fully and efficiently used, so as to realize fully our capacity to produce and prosper today, but that we achieve the proper degree of expansion in the quantity of these resources available for use tomorrow."

WARNS OF EXPLOITATION

The true process of growth, said Mr. Muir, should not be confused with the mere exploitation of resources.

"Nowhere," he said, "is the age-old conflict of public wealth and private riches more painfully in evidence than in the combination of haste and greed that prompts owners of our resources to alienate what they own and control in return for short-run gain.

"In this process private fortunes may be made, but the public wealth may suffer, not only today

but in generations to come, and our children may be denied the opportunities for creative enterprise that should be their rightful heritage."

Mr. Muir comments were included in the text of a speech given to the press before delivery.

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In Memoriam

In loving memory of ASAPH BLAKENEY, who passed away January 14th, 1952.

He will never be forgotten. Never shall his memory fade. Sweetest thoughts will always linger.

Around the place where he is laid.

Always Remembered by Nettie.

In loving memory of my dear Brother, Ira J. McAleer, who passed away January 14th, 1949.

Dear God forgive a silent tear. A constant wish that he were here. You've taken others, yes we know, But he was my "brother" and I miss him so.

Always Remembered by his Sister, Mrs. Milford Batchelder.

FATAL IMPULSE

BRISTOL, England (CP)—Rather than have an injection, hospital patient Victor Allen, 61, jumped through a window, crashed through a glass roof and was killed.

LADIES' WEAR

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January Clearance

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1 Rack of Ladies' COATS to clear .. 15.00
1 Rack of DRESSES to clear 5.00
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1954 Plymouth Sedan Radio \$1750

O.K. USED CAR SPECIAL

1954 Dodge Sedan \$1750

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1952-FORD 1/2 TON \$1095
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1937-PACKARD SEDAN \$150
1941-PLYMOUTH SEDAN \$150

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1951-CHEVROLET 1/2 TON \$1050
1948-CHEV. SED. DEL. \$400

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To 29.50 — Men's Leather JACKETS & DUFFLE COATS .	14.95	Including Elysians to 74.50	
Men's BOMBER JACKETS to 14.95 .	6.95	LADIES' DRESSES	8.00 & 12.00
Men's Heavy Gabardine TOPCOATS to 22.50	14.95	Including Wools to 29.50	
Men's Dooskin Dress Shirts. Reg. 2.95	2.00	Reg. 16.95 to 29.50 — Children's COATS & COAT SETS—	10.00--15.00
Men's Flannelette Pyjamas. Reg. 4.95	3.00	CHILDREN'S SNOW SUITS—	4.95
Boys' Heavy Melton Jackets. (Small size only)	3.95	Special	
Boys' Breeches to 5.95	2.49 and 2.95	Ladies' and Children's Wool Sweaters to 4.95	1.88
		Ladies' Blouses to 5.95	1.00 and 2.00
		Children's Sleepers to 1.49	88¢
		Children's Pyjamas. Reg. 2.95	1.69

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