

# Expects Canada To Have For Export, Hydro, Oil, Gas

By JOHN E. BIRD  
Canadian Press Staff Writer  
OTTAWA (CP)—Establishment of a national energy authority to control export of oil, gas and hydro-electric power was proposed Thursday by the Gordon commission on Canada's economic prospects.

The royal commission's preliminary report said the authority would advise federal and provincial governments on long-term energy requirements in all parts of the country.

It also would advise on best uses of energy sources, on export policy including the question of increased refining of oil and gas in Canada and disposal of by-products, and on such questions as coal subsidies.

The report recommended that the authority approve all contracts or other arrangements for the export of gas, oil or electric power. Where necessary, public hearings should be held to discuss contracts.

**REPLACE COAL BOARD**

The authority would assume responsibilities of the Dominion coal board, which advises the government on coal policies and subsidies.

The report said the authority would enable a "sound and comprehensive policy" to be worked out for "development, exports, imports and consumption of all forms of energy in Canada."

It forecast that consumption of all forms of energy will increase steadily during the next 25 years. However, the rate of increase will

be slower than the rise in the gross national product, expected to jump from \$26,800,000,000 to about \$76,000,000,000 by 1960.

The report recommended limited export of hydro power to the U.S. The policy would not apply to areas located long distances from the U.S. border.

The recommendation is based on the conclusion that Canada in the years ahead will have large quantities of hydro power, oil and gas available for export.

**POLICY CHANGE**

The suggestion for export of hydro power would be changed from present policy to restrict exports and conserve electric energy for Canadian use.

Trade Minister Howe told the Commons in February 1955, that this policy is one of "no firm commitment for power." He said export licences should be issued "on a surplus interruptible basis only and that they should be reviewed annually."

Capital expenditures on hydro-electric installations over the next 25 years may amount to between \$15,000,000,000 and \$30,000,000,000. Net value of output in 1960 may be four or five times as great as in 1955. No figures were given.

"With the costs of large hydro installations so very great, and the difficulties of financing them correspondingly imposing, it is increasingly clear that before these projects can be undertaken and financed immediate markets must be available for the power it is proposed that they will generate."

The most striking single fact



**GAS RATIONING LEAVES OPEN ROAD**

A boy on a pony and a group of cyclists have this stretch of London-to-Brighton road all to themselves on a sunny Sunday afternoon, due to rationing of gasoline in England. Normally in pleasant weather this main highway from London to the popular seaside resort is choked with automobile traffic.

(AP Wirephoto)

## Red Chinese Find Cost Of Modern Antibiotics Too High

VANCOUVER (CP)—Prediction that scientific medicine in Communist China will be destroyed by the attitude of the Red government was made in an interview here by Dr. Leslie Kilborn, head of Hong Kong University medical department.

He was dean of medicine at West China University in Chengtu until 1952, and he said the regime was forcing universities to teach both modern and traditional Chinese cures.

"It is attempting to mix two incompatible things under the government made rash promises to cure all ills and found out modern antibiotics cost too much," he said.

"So the government is now trying to tell the people the ancient herbalist cures are better than scientific ones."

Dr. Kilborn taught for two years under communist rule, as

## Universities Should Have Top Priority, Commission

OTTAWA (CP)—An urgent plea for aid to universities, including a call for "substantial" salary increases to university teachers, was made in Thursday's preliminary report of the Gordon royal commission on Canada's economic prospects.

It urged that "a deliberate and sustained effort be made to raise the quality and standards of Canadian universities to among the highest prevailing anywhere in the world."

"No other single course of action would be so likely to have such an important and fundamental effect upon the long-term economic prospects for Canada."

University enrolments are expected to double in 10 years, the report said. The economic status of teachers had declined substantially since 1939 in relation to the country's prosperity and salaries now \$12,000,000 a year, might have to be three or four times higher by 1965.

**EXPANSION SEEN**

Capital expansion during the next 25 years would require an average \$40,000,000 a year.

The report did not specify how the money might be raised, but said it was "quite beyond the capacities of the universities themselves "without direct and substantial aid from the government concerned."

"It is of the greatest importance also that no Canadian boy or girl of ability should be denied a university education because he or she is unable to afford it," said the report.

The report suggested two tax law changes to encourage private donations to universities. One was to increase the amount of tax-free donations to universities allowed under the income tax law. The other was to exempt bequests to universities from the succession duty on estates.

**NEED SKILLED LABOR**

The commission, saying that current shortages of skilled labor are expected to get worse, recommended a mammoth increase in technical and university training.

"Unfortunately, unless present trends are changed, there will not be enough young men and women enrolling in training programs to meet the demand."

The commission offered several recommendations in this regard:

1. Pay differentials between skilled and semi-skilled and unskilled workers should be increased.
2. Added incentives to encourage apprenticeship in skilled trades.
3. Expansion of technical and vocational training facilities and establishment of new ones were "imperative."
4. In-plant training programs should be fostered by governments, skilled tradesmen's groups and companies.
5. More efficient use of skilled personnel.

**KINGSTON W. L.**

The January meeting of Kingston Women's Institute was held at the home of Mrs. Will and Stewart Colwell on Thursday evening, Jan. 3rd. Meeting opened by Ode, followed by Creed in unison. Roll call was answered by 11 members with a book for the Primary Dept. Correspondence was read. A thank you letter from Orphanage. It was moved to have net sewing and knitting from Red Cross. Mrs. Yeo, treasurer, gave report. \$16.10 was made on candy at concert. A bill of \$6.69 was paid Mrs. Newson for candy, apples and articles for school. Eight members subscribed for Institute News. It was decided to have a parcel post sale at next meeting.

Committees appointed: School, Mrs. Helen and Mrs. Colwell; programme, Mrs. Yeo, Miss MacEachern; lunch, sandwiches, Mrs. Holmes, Mrs. Newson; roll of members to take sweets. Rest call, grandmother's ailment for common cold. Collection 75c; friendship 36c.

Next meeting at the home of Mrs. Whitfield Yeo on Feb. 7th.

Mrs. Tyrus Holmes moved meeting adjourned, after which the programme by Mrs. Dan McKrae, Mrs. Leith Newson. Lunch was served by hostess and committee and a social hour spent.

**YUGOSLAV EXPELLED**

BELGRADE (Reuters) — Albania has expelled the first secretary of the Yugoslav Legation in Tirana. It was announced here Friday. The official Yugoslav news agency Tanjug said the Albanian government refused to give any reason for its action. Yugoslavia will protest the move.

## Banker Says Credit Trends Go Counter To Official Policy

MONTREAL (CP) — Monetary and credit controls may need to be extended to wider areas than they cover at present, James Muir, chairman and president of the Royal Bank of Canada, said today in his address to the bank's annual meeting.

Over the years, said Mr. Muir, such an abundance of other forms of credit creation has arisen that the supply of credit may move completely opposite to the direction which official monetary policy attempts to induce.

"It may be taking too positive a view of a distant scene," he added, "but it would at least appear that, in order to be fair and to achieve the desired result, monetary policy and credit control may have to embrace a wider area of our financial world than it now does."

Mr. Muir's comments were contained in a text issued to the press in advance of delivery.

**TWO SOURCES**

There were at least two sources of inflationary pressure which the central bank, with its present power, would find it difficult to reach.

One lay in the capital funds market. In a condition where interest rates were rising and were expected to rise still further, some borrowers floated capital issues to provide cash balances which they might need later.

"What we have," said Mr. Muir, "is a sort of panic to get money now for fear it will not be available later."

A second source of inflationary pressure, Mr. Muir stated, lay in the growth of non-bank repositories of funds. Even institutions such as finance companies, with traditionally large bank loans, had alternative sources of funds.

The Bank of Canada and the chartered banks had co-operated within the broad framework of monetary policy to reduce to a minimum the inflationary effect of chartered bank operations.

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## Identify Dead In Air Crash

LIMESTONE ME. (CP)—Five of the six airmen known dead in the crash of a United States B-52 bomber near Loring air base here Thursday were identified as follows by a spokesman at the base early today:

Capt. Richard A. Jenkins, 35, Huron, O.  
Capt. William C. Davidson, 40, Stockton, Cal.  
Capt. John E. McCune, 31, Hayward, Cal.  
Capt. Marquid H. D. Myers, 36, Tracy, Cal.  
T-Sgt. Ray A. Miller, 27, Raritan, Wis.

Remains of a sixth body could not be identified immediately. Two others were missing and presumed dead. First Lieut. Joe L. Church, Charlotte, N.C., survived.

## Yolande Pompey Named Contender

LONDON (AP)—Boxer Yolande Pompey of Trinidad Wednesday was named "an outstanding contender" for the British Empire light heavyweight title held by Gordon Wallace of Bramford, Ont. The Commonwealth and Empire championships committee listed "outstanding contenders" in only two other divisions—Percy Lewis of Trinidad in the featherweight section and British Champion Joe Erskine in the heavyweight division.

## W.C.T.U. NOTES

**HOW MUCH DO WE CARE?**

Despite all of the evidence constantly pouring in from every side, the American people steadfastly refuse to get very excited about one of the gravest problems that we face as a nation, namely, the use of alcoholic beverages.

People are always telling me that I would be surprised to know how many of our church people here in the drink liquor in their homes. I don't think "surprised" is the right word. A better word is "saddened." It is undoubtedly true that I would be more saddened that I am if I knew how lightly

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## Councillor Has Had His Ups And Downs But Succeeds

By STAN O'NEILL  
BRANTFORD, Ont. (CP) — An uphill fight to win a upset victory in a city council? he asks with a grin.

If he is lucky, he spends one evening a week at home with his wife Mary and daughter, now an attractive 19-year-old high school student.

Pipe-smoking Mayor Sherman's manner are often belied by a casual, easy-going and a firmness announcing almost to obstinacy.

Three years ago, as chairman of the traffic committee, and amid a storm of protest from his fellow businessmen, he sponsored a one-way street system. The system was a success.

Recently, as mayor-elect, he went over Mayor Winter's head to arrange a meeting with Highways Minister Allan to discuss reconstruction of a bridge.

Mayor Winter called the action "wholly irregular and wholly out of order," but Mr. Sherman refused to apologize and said that he felt action was needed, so he went ahead.

Mr. Sherman has been active in the World Brotherhood Movement and is a member of the board of directors of the Canadian Council of Christians and Jews. He is also past president of the Kinsmen Club.

"But now," he says, "my main interest is the City of Brantford"

**KEPT BACK TIPS**

NEW YORK (AP)—A former Waldorf-Astoria hotel head waiter who did not put thousands in tips on his tax returns has been fined \$10,000. Arthur Hagdon, 54, also was put on probation for 18 months. He also could have been sentenced to up to five years in prison but was given leniency because he paid \$11,781 in taxes and penalties and interest.

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## Annual Meeting of Shareholders The Royal Bank of Canada

**James Muir questions if Canada developing her human resources as effectively as her natural resources**

Present teachers' salaries make decent living standard impossible for those who train and mould character of youth. Effective control of inflation may not be possible without broader central bank powers.

The "depressed occupational status" of Canadian teachers, in churches, schools and universities, and the dangers posed by our apparent neglect of those responsible for the training and building of the moral character of our youth were emphasized by James Muir, Chairman and President of The Royal Bank of Canada, in his address at the bank's annual meeting in Montreal on Thursday, January 10th.

"It is clear enough that the economic resources at the disposal of our schools and universities and even many of our churches are insufficient to maintain decent living standards for the devoted men and women whose life work it is to train the minds and develop the character of our young people."

said Mr. Muir. "In this we are failing to make the fullest and wisest use of key human resources; we are failing to give them a reward consistent either with equity or incentive; and we are endangering therefore the future welfare of our whole economy."

**CRISIS IN EDUCATION**

The present economic position of the teaching profession is an anomaly. The economic position of all teachers has deteriorated relative to other professions of comparable training and responsibility, and relative to the working class as a whole. Thus the teacher finds himself in the same occupational "depressed area" which he occupied as long ago as 1776. With the present disparity between the salaries we pay our teachers, and the salaries we pay for comparable talent elsewhere, we cannot expect to recruit or to retain enough qualified men and women to maintain our present teaching standards in our schools and universities.

"Here then is a case where the allocation of our human resources would seem to be unresponsive to the ordinary operation of the price mechanism. But this is only partly true. In fact, the supply of teachers is likely to be only too responsive to the price mechanism; the market will work only too well and we shall lose much of what is best in our educational practice through the spread of too small a staff over too many courses and students and through the deterioration of the staff itself."

"We as citizens must, through government, business, or individual action ensure that our schools and universities are provided with sources of funds sufficient to attract, to retain and to replenish those human resources of talent, training and experience that teaching requires."

**INFLATION STILL THREAT**

The continuing threat of inflationary pressure, some of them from new and unexpected quarters, was also emphasized by Mr. Muir, who expressed the view that it might be necessary to enlarge the powers of the central bank if the forces which threatened the integrity of our money.

"It is now nearly fourteen months since the Bank of Canada came to real grips with the problem," said Mr. Muir. "The battle is a stiff and continuing one, and victory has not yet been achieved. And in this battle, unlightened selfishness is, perhaps the most dangerous 'misguided missile' combating those who would confine inflationary forces and preserve the integrity of our money."

## Total Deposits \$3/4 billion mark

K. M. Sedgewick, General Manager, noted that not only had the assets of the Royal Bank reached the imposing total of \$3,571,288,320 but that deposits had passed the \$3/4 billion mark, both new high points in Canadian banking history. While our loaning policy during 1956 was restrictive, said Mr. Sedgewick, "in line with our agreement with the Bank of Canada, yet the buoyancy of our economy demanded that we accommodate many deserving clients with new or increased lines of credit. For this reason, the commercial loans of the bank increased by \$125,000,000 or just over 1 per cent. The bank's liquid position, he pointed out, continued strong, total quick assets of \$1,958,263,058 representing 57.86 per cent of the bank's liabilities to the public. Capital Funds now stand at \$187,701,633, representing an increase of approximately \$36,000,000 during the year."

"In spite of lower balances in Government accounts of some \$45,000,000," said Mr. Sedgewick, "deposits of the bank increased by approximately \$216,000,000. The number of our depositors grows steadily and we receive much satisfaction in realizing the high percentage of the country's population who deal with us. Earnings for the year were \$12,467,200, providing for depreciation and income tax. This figure compares with \$10,858,480 in the previous year."

Mr. Sedgewick discussed the bank's extensive building and renovation programme, and mentioned that branches and sub-branches operating in Canada numbered 797, while those abroad totalled 75.

**ROYAL BANK ABROAD**

"International banking on a broad scale has been a special characteristic of the bank for a long period," said Mr. Sedgewick. "It has long been our policy to select business carefully, and as a result the asset position of our Non-Domestic branches continues at a high standard. For over ten years, a special section of the bank's Foreign Department has been devoted to the development of information necessary to those engaged in trade, and the permanent staff of this department is augmented by the flow of senior men between overseas branches and head office."

This, Mr. Sedgewick mentioned, makes the bank well equipped to render a specialized and essential service to clients and others engaged in foreign operations. He stressed that in an organization such as the Royal Bank, there are always worthwhile opportunities for young Canadians who have special aptitudes and are interested in a banking career abroad.

to rise with the increased demand for funds.

"In addition to overall policy on money supply and money rates, the Bank of Canada continues the ban on term loans, as well as its regulatory, fully effective in May, 1956, that chartered banks maintain second-line reserves of treasury bills and day-to-day loans sufficient, with existing statutory cash reserves of 8 per cent, to establish a "liquidity ratio" of at least 15 per cent of deposit liabilities."

**WIDER POWERS NEEDED**

Despite the effective measures already taken, Mr. Muir felt that there were at least two sources of inflationary pressure which the Central Bank, with its present powers, would find it difficult to reach (see box). "It would appear," concluded Mr. Muir, "that in order to be fair and achieve the best results, our monetary and credit control may have to embrace a wider area of our financial world than it now does." The problems of Canada today, he said, were the natural problems of a growing country and of an economy that has great potentialities for growth and development.