

THE ROYAL BANK OF CANADA 74th ANNUAL MEETING

Morris W. Wilson, President and Managing Director, urges post war planning on basis of free enterprise—Only system likely to appeal to self-reliant young Canadians.

Sydney G. Dobson, Vice-President and General Manager, reports assets over \$4,291,000.—Liquid position exceedingly strong—War adds heavily to routine duties of bank.

The intent and ability of the free enterprise system to meet the challenge of the post war world was the keynote of an address by Morris W. Wilson, President and Managing Director of The Royal Bank of Canada at the bank's 74th Annual Meeting.

"Assuming intelligent co-operation on the part of government," said Mr. Wilson, "free enterprise, which has already provided for the people who live under it the greatest degree of comfort and security in the world's history, can meet the challenge of the post-war world. It can, by accepting further social responsibilities, save the people from the evils that accompany state control—destruction of individual initiative, the extinction of those extra gains which fairly go to those who work honestly hard."

"Free enterprise, with its wealth of experience, established position, and wide resources, is the only system known to us under which the job can be done. The people who now fearfully fear that our whole system will be swept away in favour of state control, heaven and earth as yet unborn, are not only misguided but dangerous. He is dangerous because his proceedings interfere with confidence, concentration on the war effort, and they are menacing the practical solution of the problems of peace."

"Changes must take account of realities," said Mr. Wilson. "When this war is won, the soldier will wish to get back to his everyday life; the farmer will still want to own his farm; the small business owner will desire to retain his ownership; the retailer, the wholesaler, and the manufacturer will be found as anxious as ever to carry on their own branches of free enterprise and the three million thrifty holders of their country's bonds will still look for, and be entitled to, their interest earnings."

"The idea of profit, which is merely payment for work and initiative, is deep-rooted in human nature, and after the war it will still motivate individuals and corporate bodies. In progressive countries, development is constant. As to sudden, revolutionary change which would uproot the economic system, used the mode of life and disperse the savings, investments and insurance of the people of this nation, I think the proposition needs only to be stated to reveal its folly. At the same time, it is dangerous to allow its propaganda to go on unopposed."

BENEFITS OF FREE ENTERPRISE

Mr. Wilson said he did not ridicule the views of anyone upon the sole ground that he was a socialist or demagogue.

"The weakness however, of those who theorize about the 'war economy' is said to lie in their lack of practical experience of business and their disregard of the widespread, undeniable diffusion of the benefits of free enterprise in the form of the high standards of living. This experience and these facts are readily available. Business should be presented to the public their interests and the situation is not so complex as it is made to appear. The free enterprise system is the only real way to carry the interests of the people."

"There are plenty of hard-headed people in Canada who, for instance, have money in the banks but are more than five million deposit accounts, totalling more than \$3,300 million. Four bank alone has substantially over one million deposit accounts. There are more than three million Canadians holding their country's Victory Bonds, War Savings Certificates or other government obligations. There are more than four million individual holders of life insurance policies in Canada. These are the people who, alert to their own well-being, and the interests of their families, are the theorists and agitators who change are acceptable in the mode of life, which, with all the faults it may possess, has provided these savings and these bulwarks of personal and family security. These are the people who seek to influence the course of events."

Mr. Wilson readily acknowledged that the system of free enterprise—in fact the whole economic system and our institutions of free Government, were the results of evolution and experience and the conviction that some of the changes which had been wrought about by the war would remain. "There must and will be development, particularly in the realm of maximum employment and freedom from want. The ordinary people of the world will look to some agency at the war's close to avert mass unemployment. No pretentious plans for pensions, nor all the social security measures devised by Governments will be effective without a solution of the employment problem," he said.

COLLECTION OF TAXES

Referring to the present method of collecting personal income taxes, Mr. Wilson expressed the opinion that the present eight months' lag in payment of taxes is a most serious difficulty so far as the individual taxpayer was concerned and could not be in the best interests of the country. He pointed out that at present the taxpayer waits eight months in arrears in his payments and that this extra tax liability could, under certain circumstances, become a very serious burden. He felt that a cancellation of the eight months' lag in payment of taxes would not necessarily result in any diminution of revenue to the State. It would only become necessary to retain the higher scale of taxation for a somewhat longer period, and at all times the Government would not be overburdened with the collection of taxes.

People steady earnings, but the Government would respond favourably to the many representations that were being made to it on this subject.

GENERAL MANAGER'S ADDRESS

In presenting the financial statement of the year, Mr. Sydney G. Dobson, Vice-President and General Manager, noted that the year's business activity due to war was clearly reflected in the bank's income statement. Under a number of headings record levels had been attained. Because of the decrease in net income, the bank has found it necessary to reduce the dividend rate of 5% to 4%. In this connection Mr. Dobson noted that during the past year bank shareholders had had their dividends reduced more drastically than those of any other public business and that on the basis of today's dividend, the return is only 3.47% on the total value of the shares to the public over a period of years.

"Total assets are now \$1,219,610,946, an all-time high in the history of the bank and an increase during the year of \$21,874,496,185," said Mr. Dobson. "Our liquid position is strong. Total liquid assets, including cash, are \$396,440,230 representing 74.4% of our total liability to the public."

Mr. Dobson also noted that deposits totalled \$1,212,717,192, had increased by over \$225,000,000. Of the total \$929,939,940 were in Canada.

COMMERCIAL LOANS

"Commercial Loans in Canada expanded during the year \$13,965,555, and are now \$235,148,491. Included in this are \$42,971,183 in the form of advances to business and industry, and \$192,177,308 in the form of advances to individuals. As there was but a small amount of such loans current at the end of the previous year, it will be seen that ordinary commercial loans are considerably lower as compared with a year ago, considering the tremendous expansion in business activity throughout Canada, the situation is anomalous, but the explanation is largely in connection with war work. It is either financed directly by the Government, or because of the prompt settlement for monthly or fortnightly accounts, the manufacturer is able to finance his output any, or at any rate with very moderate assistance. There has never been a period in the history of this bank—and I may say a similar situation applies to the other banks—when the ratio of commercial loans to deposits has been so low. The outlook in this respect is not encouraging, as unfortunately the tendency seems to be for the Government to extend its policy of directly financing industry engaged in war work."

The General Manager reported that, in conformity with the government's wish to conserve manpower, the bank had closed 39 offices. "This," he said, "did not mean lessening of business for the bank but rather a consolidation. It did, however, represent an inconvenience to some of the bank's customers but he felt that they would appreciate the economies of war necessitated such steps."

MANY OF STAFF IN UNIFORM
"During the war period our staff in Canada had increased from 6,155 to 6,619, the new members being almost all young women. Our male staff is now reduced to 38 per cent. of the total and it is not until we speak to many of our members of our staff, that we realize the manner in which they have carried on their duties, often under difficult conditions. Routine work has increased as a result of war activities. The handling of the Victory Loan applications and the production of

ANNA THE RIVETER



Her name's not Anna, but she's the champion riveter at a Canadian shipyard somewhere on the Atlantic coast. Like many she's a somewhat of a Mac Mac, she helps build 4000-ton ships.

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coupons alone entail a great deal of additional work and the volume of cheques in circulation has grown considerably. Many of the young women recently engaged are called upon to assume responsibilities which under normal conditions would be performed by experienced men. This means that the senior officers, in addition to looking after their own duties, must devote much time to supervision and training.

Pilots' Uniforms Made Flame-proof

A new formula whereby uniforms worn by R.A.F. pilots may be made flame-proof has been discovered by the scientist G. A. Petzoldt and his son G. E. C. Petzoldt. Their research was financed by the shipping magnate, Sir Horatio MacNeil, who wanted to contribute to the safety of R.A.F. fliers after his son-in-law was killed in operations over the North Sea in 1940.

In a demonstration of the formula, young Petzoldt donned one of the flame-proof suits, was sprayed with gasoline and set afire but was not harmed.

British Tar Turns From Rum To Milk

The modern Royal Navy is turning more and more from rum to milk. The navy reported that only 60 per cent of its sailors now take their rum ration, compared with 65 per cent in 1924, 58 per cent in 1913 and 91 per cent in 1850.

Have You Heard

The officer gazed sternly at the private who had been brought before him. "Did you call the sergeant a liar?" he demanded. "I did, sir." "And a twister?" "Yes, sir." "And did you go on to describe him as a pop-eyed, knacker-headed, black-blighted scoundrel?"

The private hesitated. Then, with a note of regret in his voice, he replied: "No, sir, I forgot that."

The man at the theatre was annoyed by the conversation in the row behind. "Excuse me," he said, "but we can't hear a word."

"Oh," replied the talkative one, "and is it any business of yours what I'm telling my wife?"

A young lady, finding herself stranded in a small town, asked an old man at the station where she might spend the night.

"There ain't no hotel here, but you can sleep with the station agent."

"I'll have you know I'm a lady."

"So is the station agent."

"So he said I was a polished gentleman, did he?" "Well, yes. It meant the same thing."

"Ah! What was the exact word?"

"He said you were a slipper fellow."

A teacher, examining a class, asked the following question of a little girl, intending it for a catch:

"What does it indicate when a person laughs loud and almost shouts when talking?"

Does a woman ever take the aisle seat when she is attending a theatre with a man?

What kind of flowers should a bride wear if she is married in travelling costume and prefers not to carry an arm bouquet?

When a hostess notices but very little soup in the plate, should she call attention to it?

Answers

No. It is far better to leave a little soup in the plate than to have it do of any kind should not be

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SIX-CENT SHAVE



Cigarettes may be six dollars in China, but this American barber with the many implements in his belt, gives the most expensive shaves from current Yanks in New Delhi shaving before reveille. Sgt. Wilson of Cleveland is enjoying this one.

Modern Etiquette

By Roberta Lee

1. Is it proper for one to tip his soup plate at the dinner table in an effort to scoop out the last drop?

2. Is it proper for a man to use a double sheet for his note paper?

3. What does it indicate when a person laughs loud and almost shouts when talking?

4. Does a woman ever take the aisle seat when she is attending a theatre with a man?

5. What kind of flowers should a bride wear if she is married in travelling costume and prefers not to carry an arm bouquet?

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RIDE A COCK HORSE TO BANBURY CROSS



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Shocks For Britons Coming This Year

More Britons expect to get their marching orders soon. Not all will march to the front but there will be more of them at war work on the home front.

Forecasters predict 1944 will be full of shocks for the whole nation from "teen-agers to pensioners."

The aim is to throw the war effort into even higher gear and bring in enough new workers to replace expected casualties.

The government is reported considering registration of men up to 55 and women up to 60 for industrial work.

The conscription age for girls may be lowered to include 19-year-olds or even those a year younger.

Drastic concentration programs are under way for luxury and non-essential industries.

SCOUTING...

Of special interest to Canada's Boy Scouts, who have become leaders in the field of war salvage, is the fact that Charles Leferle, Canada's director of Salvage, is a former Boy Scout. Mr. Leferle belonged to a Troop on famed and now bombed Malta, and was one of the contingent of Scouts representing the island at the coronation of King George V and Queen Mary in 1911.

Toronto's newest Boy Scout Troop, the 201st, is about as cosmopolitan as it would be possible to find a Troop. The Troop is sponsored by the Kiwanis Boys' Clubs and the Scoutmaster is P. J. Harris. This little league of nations has a membership of 28 boys divided among the following races and nationalities: Finnish, Jewish, French-Canadian, Polish, Negro, Russian, Ukrainian and Anglo-Saxon. Thus Boy Scouts again illustrate the true meaning of world brotherhood.

Boy Scouts of Granby, Que., have been ordered all the field, enlistments in the armed services. The Troop was organized in November 1937, and since that date has enrolled 22 boys.

Of this number 53 are in the Troop today, while 103 former Scouts are in the armed forces.

Incidentally Granby has one of the largest enrollments of Scouts in proportion to boy population in the Dominion of Canada.

The Mayor of Hendon, a borough of London, had the rather odd experience of swearing an oath of allegiance to the King twice in one day. On the day on which he assumed office as Mayor, he took the oath, and later on the same day was enrolled as a Boy Scout and in the course of the ceremony repeated the oath.

Fired Electrically

The author also reported that rockets are being used in another way by the Russians. He said that two or three rocket bombs for ground attack are carried under each wing of the new Stornovik bomber-fighter. The bombs are carried on rails instead of normal bomb racks. They are fired electrically and are given their direction by sliding along the rails. This, he added, with their rocket propulsion, carries them forward nearly in a straight line with the course of the plane than if they were ordinary bombs.

Caustic Hurricanes

Grey said that the big four-engine Focke-Wulf Kurrier, which have been harrying Atlantic convoys, start their trips from a big airbase near Bordeaux, in the south of France. They fly out around Ireland, up to Iceland and thence to Norway, where they have a runway some 100 miles long, from which they take off and fly on the reverse course.

To combat the Kurriers, Grey said, Britain has been catapulting Hurricanes from the decks of big merchant ships. If a Hurricane is sighted on the water, however, it is favorably turned over on its nose and killed or drowned the pilot, so the pilots took to balling out with their parachutes after shooting down or chasing off the enemy.

In spite of the fact that each such engagement meant the loss of a Hurricane, the method has stopped Kurrier depredations, Grey said.

VOICE OF THE PRESS

NICKEL NICKNAME

Canada's second issue of the twelve-sided nickel is made, like its predecessor, of a combination of zinc and copper. The change in material probably demands a new name for the coin, and any day now, someone is likely to pop up with the suggestion of "zapper."

— Windsor Star

SOME SLIDE!

A young Russian aviator parted from his plane at 20,000 feet or thereabouts. His parachute failed to open, but in falling he hit and slid down the side of a snow-covered hill or mountain and came to a stop, breathless but unscathed, in a caw bank at the bottom of the hill.

— Winnipeg Free Press

EDUCATION

A well-educated boy should know how to sell things, make things, run machines, milk cows, drive horses, plow, keep books, repair anything, read between the lines, shake hands as if he meant it, keep smiling, be "from Missouri," and know how to sell.

— London Free Press

A PLACE TO SAVE

The U. S. War Production Board is urging everyone to conserve matches. It is estimated that people in North America strike more than 100,000,000,000 matches a year and thereby use up 70,000,000 board feet of lumber and 50 tons of steel.

— Stratford Beacon-Herald

SHAKESPEARE'S OUT

The Germans have ordered all of Shakespeare's works to be pulped. Before the war they claimed him as a true German dramatist, but now, as a