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Talking Weather - Who Isn't?

WE HAVE BOOSTED Prince Rupert's weather so often and, indeed, have become so used to our superfine meteorological conditions here—one of the most consistently good features of which until last Christmas had been those well-timed and dependable rain showers that keep us comfortably liquified and in good health—that we had hesitated to boast about those last few weeks with sunshine every day and clear bracing air.

Perhaps, some of us in the older brackets whose blood is not as thick as it used to be and who are not so ambitious about vigorous outside exercise to keep us warm and would rather find our heat from external rather than internal sources.

But, frozen water pipes and fuel bills notwithstanding this is a great winter we are having. As long as we are able to keep warm, and we are not unmindful of those who from circumstances of one sort or another may be finding it a hard thing to do, we might consider our weather lot in comparison with many other less blessed communities, (such as Vancouver which has been getting everything unpleasant which the Weather Man could find to throw at it), and figure how lucky we are.

That might be a comforting thought to keep up our spirits until (and we hope it won't be too long) those skies over in the southeast commence to cloud up and bring us that gentle precipitation and those refreshing zephyrs which we are so used to and which we really don't appreciate enough. Wouldn't it just be a real pleasure for us now to hear the pitter-patter on the roof tops and the souging around the house corners?

HOUSES AND HOMES

VIRTUALLY ALL CANADIANS will be interested in work now being undertaken by the National Research Council in an effort to devise new, inexpensive methods of constructing warm houses says the Victoria Times. Building costs at present are a serious hurdle obstructing solution of the housing problem, with all its social ramifications. But it is doubtful if any tears will be shed over the decision of experimenters to reject cinder-concrete blocks and rammed-earth bricks as suitable materials for homes. We can scarcely imagine a prospective host showing much pride as he invited a friend to leave his ash-heap for a visit in the owner's mud hut.

The strained analogy is used to make a specific point. Housing schemes subsidized by Dominion authorities here have unquestionably helped to relieve a very severe shelter emergency. But limitations in design have created a certain sameness that frequently fails to appeal to feminine eyes. This is not offered in criticism of the construction. Note is taken of the situation merely to underscore the fact that something more than the utilitarian should enter into consideration in home construction.

Our suggestion to the research authorities is that not only should cheapness and warmth exercise their attention. Design should also be given considerable thought. The young people of today frequently will accept any kind of accommodation which is within their means and meets normal standards of comfort. But the vast majority, seeking quarters in which they hope to spend a large portion of their lives, prefer latitude in design. It could make all the difference between house and home.



Henry Boltinoff
The George Matthew Adams Service, Inc.
"How is everything in Florida, dear?"

The Annual Meeting of Shareholders The Royal Bank of Canada

Programme for Trade Recovery Calls for Exchange Stabilizer

Canada's reputation, achievement and strength offset anxieties caused by world conditions—development of resources, increased population and foreign trade needed

A five-point programme for world recovery was a feature of James Muir's Presidential address at the Annual Meeting of Shareholders of The Royal Bank of Canada. Mr. Muir also stressed Canada's economic development and her continuing role in world economy.

Reviewing international currency experience during the 19th and 20th centuries, Mr. Muir referred to the stability of sterling before 1914. "Several important factors contributed to the enduring dependability of the sterling standard. First, debtor nations accepted exchange parties which they were able to maintain through relatively small adjustments of prices and money incomes. Second, debtors were willing to accept the discipline of the gold standard and to acquiesce under the rules of that standard. In the price and income adjustments which their trading position required. And third, the world's creditor, Great Britain, made additional sterling available through the vigorous international lending of her financial and business community and the free trade policy of her government."

Combine Past, Present

"In meeting any emergency we must combine the lessons of the past with inventiveness and imagination in the present. In the past, as in any relatively normal period, responsibility for international economic stability was divided between the creditor and debtor countries of the world. But, in the period immediately following the second world war the primary responsibility lay with the creditors; and in meeting the responsibility, the United States and Canada embarked on an unprecedented program of loans and gifts to the war-torn countries of Europe."

"The nations of Europe, through their own efforts and with the help of loans and gifts from abroad, have built up their production to the pre-war standard. Further progress in production would be immensely beneficial, but the immediate problem has become not production as such but efficient production. In other words, we are back to normal times again in the sense that the old problems of competition in international trade, such as costs, prices, and salesmanship, must once more be met. Under these conditions, we still need the inventiveness and imagination which have helped debtor and creditor countries by co-operative effort to progress as far as they have along the road to world recovery. But we need also to restore as nearly as we can the favorable economic environment that made international stability possible in the golden age of the sterling standard."

The Canadian Economy

Mr. Muir discussed the Canadian economy in 1949 under four main heads: (1) Canada's reputation, (2) Canada's record, (3) Canada's weakness, and (4) Canada's strength.

(1) **Canada's Reputation.** Mr. Muir pointed out that among foreign observers "Canada is at once the bulwark of free enterprise, and a model of wisdom of government regulation; the possessor of an admirable private banking system and of the best practice in efficient Central Bank control; the stronghold of a sound conservative tradition and the home of interesting experiments in political and economic order."

"We don't have to be too modest, at least among ourselves. We can spare ourselves an inferiority complex and the abnormal national behavior to which it may give rise. As a nation, we have accomplished much; not all of it is good, but the power for good is there; and in 1949, as in previous years, our good reputation is, in large measure, supported by our record."

(2) **Canada's Record.** Mr. Muir briefly summarized Canadian business conditions in 1949. The year saw "a further increase in Canada's industrial plant and equipment, the maintenance of the high levels of consumption attained in 1948, and the overall expansion of the net and gross national product beyond the record levels of a year ago." He noted too that "Canada is one of the few countries today that can still boast a substantial budget surplus. This not only contributes to stability, but it turns prosperity to good account by improving the credit of the government."

President Advocates Five Steps Toward World Trade Revival

Devaluation has at least broken the log jam; but we must take immediate advantage of this initial break in the barriers to trade which have been thrown up by overvalued exchange rates and rigidly held in place by government controls.

The steps, in any opinion, are as follows:

First, nations of the world should re-learn a basic lesson of the first world war, and settle their war debts.

Second, for a certain fixed period, we should let the market determine rates of exchange, as it did immediately after the first world war.

Third, at the end of this period of free-market valuation, we should stabilize currencies by reference to the rates which the free-market has determined.

Fourth, having stabilized exchange rates at the level decreed by the free market, the world must adopt some device to keep them that way. The gold standard kept nations within their means before the days of the great illusion that international equilibrium can only be achieved by clamping the fetters of exchange control upon free international trade.

Fifth, the gold standard (or its equivalent) must be made to work by the proper discipline not only of debtor but of creditor nations as well. This means a return to the two basic requirements of responsible creditor nations: vigorous international lending and free trade.

(3) **Canada's Weakness.** Mr. Muir referred in some detail to Canada's export position and her vulnerability to the current unbalance in international markets. After summarizing Canada's trade in 1949, two main conclusions were stressed: "First, our over-all surplus with the world is dwindling; and, second, our direct earnings of dollars through exports to the United States is becoming relatively more important than our indirect earnings of dollars through trade with U.S.-financed Europe."

Mr. Muir referred to the danger of losing established markets in Europe but "the continued failure of our overseas customers to earn sufficient dollars, through trade and investment rather than through gifts from the dollar area may force us to realign our trade. That is, we may have to contemplate the contraction of traditional markets in Europe offset to some degree by increased sales to the dollar area."

"The least transferable of our major exports overseas are wheat and wheat flour." In this case, he pointed out, "shifting is difficult owing to large exportable surpluses of these products within the United States. To finance wheat exports through new loans to the United Kingdom would mean a return to our lending policy of 1945-46 and a return to our dollar-short position of 1947."

"The most favorable development in our world trade would be an increase in our imports from Europe and especially from the United Kingdom, or increased dollar earnings by these countries in their trade with the United States."

"To attempt this shift through further curbs on imports from the United States would be a move backward to more rigid exchange controls with all the disadvantages of such a move for ourselves and for the world economy. Fortunately, the recent devaluations have provided some incentive for precisely the shift we have in mind without an increase in controls."

"The plain truth is that Canada's domestic prosperity depends upon our handling of a complicated foreign-trade problem. And in the final analysis both our domestic prosperity and the future of world trade itself will depend upon a concerted international effort by all nations to return along the path we outlined earlier; that is, along the path to multilateral world trade unhampered by exchange restrictions, bilateral pacts, and all the

General Manager Reports Assets, Deposits Are Up

Mr. T. H. Atkinson, General Manager, reviewed the 1949 Annual Report and stated that the bank's assets had risen by \$112,498,000 during the year to \$2,334,985,000 and that liquid assets constituted 76.27% of the total liabilities to the public. Commercial loans had also increased. Mr. Atkinson reported deposits at a new all-time high of \$2,192,140,000, an amount two-and-a-half times that of 9 years ago. The number of deposit accounts totaled nearly 2,000,000, which included more than 1,500,000 savings accounts in Canada. An increase of \$1,400,810 in profits over the previous year was noted by Mr. Atkinson and after providing for the customary deductions, including taxes of \$4,438,000 and dividends for shareholders, there was a carry forward in Profit and Loss Account of \$3,889,313.

Improved Facilities

Referring to the provision of new premises, Mr. Atkinson said: "Since our last report eleven new branch offices have been constructed at points where facilities were inadequate and where extension of existing premises was impracticable and at forty-six other points improvements and extensions of a major character have been completed. In order to better serve the public in districts which are expanding we opened twelve branches and six sub-branches in Canada. At the year-end we were operating 665 branches in Canada and 62 abroad."

Service To Traders

Mr. Atkinson stressed the role played by the Royal Bank's 62 branches abroad in facilitating foreign trade. "For well over a quarter of a century we have operated an extensive chain of our own branches in foreign countries; in fact, at certain points we have been established for over half a century, and as at November 30, 1949, we had 62 offices which included representation in the key cities of the major South American Republics, throughout the Caribbean area and, of course, we are established in London, England, and New York City, and our affiliate operates in Paris, France."

"The widespread chain of branches coupled with our extensive correspondent relations throughout the world serves as a constant source of statistical and other information including import and exchange regulations which otherwise might not be readily available to us, and our central bureau in Head Office is thus in a position to give up-to-date and complete information to Canadian companies and others having under consideration establishing business relations with clients abroad. We firmly believe that through helpful information given to Canadian businessmen our foreign organization will continue to serve a most useful purpose to Canada in the development of markets abroad for surplus goods."

Proud of Staff

A warm tribute to the bank staff was paid by Mr. Atkinson. "There's nothing this Bank is prouder of than the quality of its personnel. Within every officer, I believe, there is a fine sense of pride in this great institution—pride not only in its achievements and its pre-eminent place in Canadian and world banking, but pride, too, in its being a good place to work. The executive, supervisors and branch managers have all travelled the long road of apprenticeship within the Bank; they talk the same language as the young people who are following the same route, and they are united in trying to make working conditions as pleasant as possible."

paraphernalia of government control."

(4) **Canada's Strength.** "It is refreshing to turn from Canada's difficulties in the next few months to her prospects over the next few years, or better still over the next decade and many more to come. We have the essential elements that need only a little time to bring about an enormous increase in our national wealth. These sources of economic strength are our natural resources and the temper of our people. "Canada's scarcest natural resource is her working population. Here, as with our forests, mines, and oil fields, we must practise conservation through the wise and economical use of what we have. But to parallel our new discoveries and to ensure their full and efficient use we must embark on a bold policy of immigration. In this way we can increase the quantity of the one resource that is in short supply. In this way we can remove the one factor that sets a present limit to the growth of our natural

Present Weather Will Continue

In spite of a sharp north wind this morning, milder weather prevailed in Prince Rupert over the week-end although no great change is expected.

Sunday afternoon, when temperatures ranged between 15 and 20 above, and a clear sky enabled the sun to shine warmly, Morse Creek became covered with skates, hockey sticks and pucks. Coldest period over the week-end was Saturday morning when temperatures on Digby Island stood at eight above. During the same hour Sunday, temperatures had risen slightly to ten above.

The future outlook, said the weatherman, is for clear skies with northeasterly winds at 20 miles per hour. Temperatures will be about 11 above during today and Tuesday afternoon. No snow or rain is expected during the next few days.

While temperatures here did not drop below the zero mark, Lac La Hache had the unofficial distinction of being the coldest spot on the continent when the mercury plunged to 72 below over the week-end.

Phone Engineer Is City Visitor

In Prince Rupert surveying the city's telephone system needs is F. J. Bartholomew, electrical engineer with the Electric Power Equipment Ltd. of Vancouver.

Mr. Bartholomew, also a representative for the English General Electric Co., manufacturer of automatic switchboard and telephone equipment, arrived in the city unexpectedly Saturday.

The engineer told Mr. Edwards he had read about telephone conditions here and decided to have a look for himself. He is the first of many engineers who will undoubtedly make the trip to the city and "talk shop" with the telephone superintendent.

Frank Carter, M.L.A. for Atlin, arrived at the end of the week from his home on the Naas River and sailed last night on the Chilcotin for Vancouver where he will pay a business visit before proceeding to Victoria for the session of the Legislature opening next month.



TO CONTINUE AS A.E.C. HEAD—Chairman of the U.S. Atomic Energy commission, David E. Lilienthal, is shown after a conference with President Truman. Lilienthal, whose resignation, became effective on Jan. 1, 1950, indicated that he may continue his duties for a short period beyond Jan. 1 until the chief executive picks his successor. He had said his resignation is due to dissatisfaction with the atomic energy program and he wishes to inform the public in an unofficial capacity. He also signified the U.S. atom bombs are 1,000 times more powerful than those dropped during the war.

wealth. Against this prospect the few hundred millions of U.S. dollars that measure our present dollar difficulties pale to insignificance."

"This prospect of economic independence does not mean a reduction in trade. We do not have to turn our backs on the interdependence of nations that accompanies international commerce. Trade among independent, industrially developed countries is the most profitable trade of all. The world is gradually moving away from trade between underdeveloped areas, away from trade that requires colonial dependence, to trade among industrial equals. And in this evolution of world economy, Canada is at present leading the way."

In the development of Canada's natural resources, their use by a larger population, and the exchange of her increased industrial output in "an expanding and enriched foreign trade," Mr. Muir saw "an effective guarantee that Canada shall achieve an assured and pre-eminent place in the economy of nations."

Bridge Tourney At Civic Centre

Mrs. Agnes Murray and O. Ness were winners in a Civic Centre bridge tournament held Friday night. Three tables were at play. During business discussion it

Ald. W. J. McLean, night on the Chilcotin, was decided to continue sent series until the last at the end of April.

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