

also for the lumberman and others who are trying to develop the natural resources of this country. The other day I was rather interested in finding that this question is also exercising to some extent the minds of the people in England, who have come to realise that the banks in England are run on conservative lines and that they do not give the people an opportunity of developing business in the way that it has been done by the German banks, which they find have helped very largely to develop German trade, under which, of course, they have come to be very much our competitors.

I read an interesting article on the question of banking, which I desire to quote to a small extent. In this article, which was written by Mr. Wm. Olsson on the promotion of national industry after the war, he points out that the British banks adhere to legitimate banking, and that the German banks are not banks in the British sense, but great industry promoting institutions, and he further goes on to say:

I am aware that it will be said that no safe and sound business proposal need want for capital in this country, and this is on the whole, true, but, from the national point of view this is far from efficient.

It excludes from banking facilities elements which are the very life blood of progressive national industry, viz., the testing of new ideas and inventions.

And we might add in this country the developing and opening up of new portions of the country in which there is to some extent a certain element of speculation. Then he goes on to say:

For obvious banking reasons an application to a British bank for assistance in starting a business based on new ideas is met with the stereotyped reply, "That is not a banker's business."

Whereas the same application to a German bank will be referred to its industrial department, and if found good, supported.

That is an important point. It shows the assistance that is given under the German system to the development of industry is a good deal greater than can be given by banks which are organized under the British or our Canadian system. The same condition of things which has been going on in England has gone on in Canada for some years with the banks; they have gone in for amalgamating, and a very large number of the smaller banks have been swallowed up in the larger organizations. This system

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has certain advantages, but it also has disadvantages in this way, that the larger corporations, whose directors and those immediately responsible for the policy of the bank, cannot possibly be in such close touch with the different portions of the country, and they are apt not to consider the building up of any particular part of the country in the same way that would be done by a smaller bank whose interests were in that part of the country. This question is therefore one that is going to interest not only this country but also Great Britain and the whole of the British Empire as soon as this war is over, and I have brought it to the attention of the House in this way, and think it is one that this committee should consider and look into. I should like to quote also the resolution that was passed at the meeting of the Associated Chambers of Commerce of the United Kingdom, held on the 29th February, 1916. This particular meeting of the Association of the Chamber of Commerce was called in England the other day, and a large number of resolutions were sent in from all over the country to the secretary, and certain resolutions were selected from those as the most accurate and the best resolutions representing the ideas of the different chambers associated together for this purpose. The resolution that was chosen to deal with this banking question reads as follows:

That His Majesty's Government be asked to take into consideration the present banking system in this country (Great Britain) with a view of ascertaining whether any steps can be taken to further facilitate and encourage industrial enterprise.

Several supplementary resolutions in this division refer to the assistance rendered to German commerce by credit banks and similar institutions, and deprecate facilities being in the future given to enemy banks to operate in the United Kingdom.

I quote that resolution as showing the feeling of the people in England at the present time on this whole question. They have come to realize that although their banking system, as a banking system, is a very good one, at the same time it is not supplying the necessary credit for the development of the trade and industries of the country. I move that the debate be adjourned until to-morrow, and that it be made the first order of the day.

The motion was agreed to.