

so much talked about, and which, in the minds of many people is a cause for alarm. When we had thirty banks, the authorized capital was \$140,000,000; to-day, with nineteen banks, the authorized capital is \$182,000,000. When we had thirty banks, the paid-up capital was \$97,000,000; to-day with nineteen banks, the paid-up capital is \$110,000,000. When we had thirty banks our deposits amounted to \$835,000,000; to-day with nineteen banks our deposits are more than double that amount. These figures show clearly that there is a concentration of money in the hands of a comparatively few institutions. There is that feeling abroad which we should recognize, namely, that there is danger of our money affairs being concentrated in the hands of two or three groups of men in the big cities of Montreal and Toronto. The great danger I see, however, in repealing the clause which gives the Minister of Finance the power to make these mergers is that there will, although not very often, be a case where a merger may be urgently needed. A bank, owing to some misfortune, owing to some circumstances not necessarily implying even bad management, but arising from various causes which will enter into banking business, may find that it is not in a strong position and that its outlook is not for improvement, but rather for difficulty. It will undoubtedly be in the interest of the banking and financial community and the trade and commerce of the country generally that, in such a case, a stronger bank should have the power to come in, amalgamate with the less fortunate bank, and put it on its feet. There have been some such cases in the past. I think if power were not given to the Government and Minister of Finance to allow these amalgamations, there might be a case in which the desired relief could not be granted; there might be a case in which more prompt action would be needed than would be possible if the application had to come before Parliament. But for that, in view of the strong feeling throughout the country, it might be well for the Minister of Finance to consent to suspend that power which he has.

There was made in the Bank Act one change which was intended as an additional check, which has always seemed to me to be a questionable one. Formerly a bank amalgamation had to be made with the consent of the Treasury Board and the Government in Council,—we may for all practical purposes consider them one, because the Treasury Board is a large committee of the Government. The minister

[Mr. Fielding.]

has introduced an amendment whereby a bank must get his individual consent. That, I am sure, was intended as a convenient check. It seems, however, to be open to this criticism, that it creates the assumption that the minister and the Government are two different organizations. It creates the assumption that you apply to the minister and he gives you his best judgment, and if you do not like it, you can then apply to the Government. That looks well in theory, but the minister and the Government are one.

After the Minister of Finance has given his consent to a bank merger, it would be almost ridiculous for anybody to ask the Governor in Council to set aside the judgment of the minister. I know that the change that was made in the Act was intended as an additional check. The Minister of Finance, however, might be placed in a very embarrassing position if he gave his consent to a merger, and then the Government overruled his decision. But that is a position that, practically speaking, would never occur. I think that we should endeavour to remove the feeling that exists among some people against bank mergers. I for one do not hesitate to say that I approve of the bank mergers that have taken place. I know of no merger which has done harm, and I know of some which have done good. All I care to say—and I am sure the Minister of Finance will accept these words in the spirit in which they are offered—is that, realizing the feeling which undoubtedly exists throughout the country on this subject, the minister ought to give us the assurance that if he has been careful in the past he will be still more careful in the future, and will see to it that there will be no good ground given for the impression that we are creating a money trust.

I entirely agree with what the minister has said as to the necessity of our institutions being strong in order to grapple not only with the enlarging business of our own country, but with the enlarging foreign trade which we all hope is going to come to us in the new order of things. What my hon. friend has said regarding amalgamations in England is true, and true to a greater degree than of anything that has occurred here. In England they are only now reaching the position we have had in Canada for many years. Prior to a recent time, there was no question of the right of banks in England to amalgamate, and when that right was challenged, all that was proposed by way of remedy was that