

value of one share of stock in each of the banks has risen from about \$15 in 1943 to about \$35 in 1953 and to a high of about \$70 in 1963. Dividends, as I have said, have multiplied seven-fold since 1943 and over three-fold in the past ten years.

The total number of branches has both grown and fluctuated in our banking history. From about 700 in 1900 the number rose to 4,676 by 1920, dropped by 900 in the next six years, rose 300 in the next four years, and dropped again by 1,000 over the next 13 years to a total of 3,084 in 1943, or less than two-thirds of what it was in 1920. In the ten years 1943 to 1953 the number of branches grew again by 1,000 and by a further 1,500 during 1953 to 1963 to a total of 5,626 at the end of last year, of which 5,447 were in Canada and 179 outside Canada.

Obviously not all of these branches were well chosen, and some were and are considerably more expensive or less profitable than others. The established banks have indicated to the Royal Commission that it takes from three to five years for a new branch to operate at a profit. We believe that in the case of the Bank of Western Canada we can shorten the period to an average of two years.

This brings me to the third main feature we expect in the Bank of Western Canada, namely economical operations based on low operating costs. We expect to operate, as I have said, in very modest premises, in locations suitable for a large volume of business but by no means the most expensive corners in town, and not necessarily corner locations at all. By using modern accounting machines and methods from the start, we believe we can operate with less staff and a lower overall expense ratio than some, at least, of the older institutions.

We shall put great emphasis on flexibility in methods to suit various local conditions and the requirements of our customers. By establishing in Western Canada a Bank of Western Canada, giving quick decisions from a head office in western Canada and from regional offices with real authority in each province, we expect to develop a greater volume of business per branch than some other institutions. The already demonstrated enthusiasm of western Canadians for our project is most encouraging.

On all these counts, we confidently expect unit operating costs—that is, costs per dollar of deposits or per dollar of loans—to be lower than other banks.

For all these reasons also, we believe we will be able to compete strongly and effectively with the other banks, without attempting to get too big or to take on business which we cannot handle. We will no doubt compete with them more effectively in some fields of business than in others, and perhaps not at all in the field of large national corporations. But there is going to be a great increase in the number of business enterprises with head offices in western Canada, and we expect to get a significant share of their business and to grow with them.

Needless to say, the other banks will, of course, continue to grow by billions of dollars as well.

Our planning has been based on the belief that there is room for more banks in Canada, and for more competition in banking in Canada, and for new ideas and new methods in banking in Canada. We believe there is room for small banks that keep a sense of proportion, and for new banks that respect the best traditions of Canadian banking but have some ideas of their own too.

As I have said, great changes have occurred in the 52 years that have passed since the last occasion on which a Canadian-owned bank obtained a charter and commenced operations. I have already mentioned statistical