

There has always been strong public feeling in the West that their affairs do not get as much attention from head offices in Toronto and Montreal as the western people feel they deserve, and there has been strong feeling that they would like to have financial institutions stationed there dealing with them.

The West is in a period of great economic development. More financial institutions there could play a part in that development. We feel this bank should be a western institution, that the West is the best place to start a new bank and to carry it through to successful operation. That means in our view that so far as possible the majority of the shareholders should be in or from western Canada. Of course, we cannot determine that after the first subscription because people can sell out. We feel that the majority of directors should live in or be from western Canada; and we can make sure of that I think. The chief executive officers, the management, shall be in Winnipeg, which has been chosen as a particular city in western Canada; and all the affairs of the bank should be conducted from that head office. We also feel that as a principle of operation such a bank should make it a policy as far as possible to make its loans in western Canada, and indeed in different regions of western Canada with particular reference to the places in which it acquires deposits. Other banks, nation-wide banks, feel it is their business to take capital from one part of the country to another. I do not say it is wrong for them to do so, but I think there is room for the other principle too, the principle that local capital should be used to finance local undertakings.

This means that we are proposing to set up a regional bank. All chartered banks were regional banks when they started, and in a way in many cases their development and growth into nation-wide institutions has been accidental. Two of them are still very largely confined to one province, Quebec, and several of the others are very poorly represented in one region or another, such as the Maritime provinces. One of them is a very small bank, the Mercantile Bank, which just has a few branches scattered across the country.

We envisage the Bank of Western Canada for a considerable period being definitely a regional bank. Of course, it will be a small bank. However, it has more capital pledged to it lying in bank accounts and so on waiting to be invested in it than any bank ever had before, several times as much as any other bank in Canada ever started with. Nevertheless, compared with the giants of today, it will be a small bank and it will have to behave accordingly. It has a good capital to start with, and the earnings on that capital will enable it to employ staff and take on expenses before it has acquired a very great volume of deposits, but its future growth will depend to a great extent on the way in which it appeals to the people in western Canada. It will not be so small to people in western Canada as it might seem in comparison with the other banks, to people in Toronto and Montreal; but an institution with \$13 million is quite a respectable sized institution.

As Mr. Stevens has said, the intention is to staff the bank with professional bankers, and in time the bank will train its own staff in the same way as other banks now do.

We have perhaps one advantage in prospect: it seems to be unheard of for any of the existing banks to hire a man who has previously worked for another one of the existing banks. We will not have any compunctions of that sort, and we expect we will be able to hire a number of people from the existing banks. I