

mains the question of public interest. I have shown that there was practically no overlapping, that the two banks formed the natural complement, so to speak, the one to the other, and that there will now be made available through the branches of the Bank of Nova Scotia in the West, and other branches which they will establish, the fund which the Bank of Ottawa was unable to loan to mercantile and agricultural customers.

The one point in connection with the amalgamation which I think was regrettable is that which my hon. friend has called attention to—the sentiment attaching to the name: Bank of Ottawa. We will all agree, I think, that we do not like to see an old and worthy institution bearing the name of the capital city pass off the scene, but that is a matter of sentiment; from the business standpoint and that of public interest it is perfectly clear that the banking situation as a whole has been strengthened and that facilities have been afforded which did not exist before for serving the agricultural and commercial needs of the community.

Now, there is another aspect of the matter. Conditions of world trade have been greatly changed by the war. During the war Canada developed great manufacturing capacity and output; to-day she is faced with heavy obligations due to the war; and it is, I think, the duty of the Government and of the people to increase so far as is possible our export trade both in manufactured goods and agricultural products. In connection with the carrying on of export trade it is very necessary that banking facilities should be afforded. Those banking facilities can only be afforded by the establishment of branches in the principal world centres or in the countries with which that export trade is to be developed. Now, the smaller banks are not in a position to establish those branches. The larger banks can establish branches in London, Paris, New York and Chicago, and I think one or more have established branches now in Asia.

Mr. LEMIEUX: Vladivostok.

Sir THOMAS WHITE: Yes, Vladivostok. Now, an amalgamation which instead of two banks produces a bank very much stronger than either, makes it possible for that new bank to establish branches for export business which could not be so well established by either of those banks separately. I think that one of the reasons for the tendency to amalgamation of banks, which is mani-

fest not only in this country but in a very much greater degree in Great Britain, has arisen from the necessity of providing for national purposes strong financial institutions, capable not only of serving domestic needs but also of promoting and facilitating export trade. Since 1913 I have had before me as Minister of Finance a number of applications for amalgamations of banks. In some cases I have thought it in the public interest and have not hesitated to give my consent; that, I submit, is my duty under the Bank Act; in other cases I felt it my duty, having regard to all circumstances, to withhold my consent. And that, I submit, is the policy that must be followed by myself or by my successor as Minister of Finance when a question relating to bank amalgamation is before me or before him. He must estimate the situation as it exists, taking into account the position of the banks, and the advantages to the directors and the shareholders and also of the public interest. It is peculiarly the province of the Minister of Finance to consider the public interest. If he reaches the conclusion that an amalgamation is not in the public interest—and cases like that arise—he should refuse his consent. If, on the other hand, it appears to him clear that not only is it not against the public interest, but in the public interest, I think he should not hesitate to give his consent.

Now, take the bank amalgamations of recent years. It is true that until 1911 there were not so many as there have been since, but the tendency which I have mentioned was not so much in evidence at that time. Nevertheless, there was a number of bank amalgamations—I have forgotten how many—sanctioned during that period, and I think properly sanctioned. I do not recall any bank amalgamations in the past to which serious objection can be taken. I do not recollect all that have occurred since 1911, but among those which have taken place within the last two or three years was the absorption of the Traders Bank, in Toronto, by the Royal Bank. Some objection was made at the time, but I think the consensus of opinion is that the banking situation was strengthened by that amalgamation and that the public interest is better served by the Royal Bank than was the case before, because the Royal Bank was a much stronger financial institution than the Traders Bank. So far as I am aware, they have carried on with entire satisfaction to customers and to the public generally the business which was formerly carried on by the Traders Bank.