

COMMITTEE ROOM 277,

HOUSE OF COMMONS,

WEDNESDAY, March 28, 1928.

The Select Standing Committee on Banking and Commerce met at 10.30 a.m., the Chairman, Mr. F. W. Hay, presiding.

The CHAIRMAN: Gentlemen: We have with us this morning Mr. Harding, of Boston, who was for eight years a member and Governor of the Federal Reserve Board in Washington. Mr. Harding is now Governor of the Federal Reserve Bank of Boston. He comes to us willingly and generously, and I know we will all be very well repaid with the information he will be able to give us. We have thought, a goodly number of times, about the great value and great importance of our Canadian banking system, and while we may be disillusioned to some extent after hearing Mr. Harding, still I am hopeful that he will give us—and I know he will—many kindly words, because he comes from a friendly and a kindly neighbour and nation. Without further words, except to express to Mr. Harding our deep appreciation for his kindness in coming to us, I would ask that Mr. Robb, our Minister of Finance, say a word.

Hon. Mr. ROBB: Mr. Chairman and gentlemen, on behalf of the Government and the members of the House of Commons, I join the chairman of the Banking and Commerce Committee in extending to Mr. Harding a very hearty and cordial welcome to Canada. We Canadians appreciate the compliment that Governor Harding has paid to us—he has a very busy life and great responsibilities—in coming voluntarily to meet with our Committee and advise us upon questions more particularly affecting the banking system of this country. May I say to Mr. Harding that we Canadians are not at all sensitive people; we want him to tell us frankly and openly wherever he in his judgment feels that there is a weakness in our banking system, so that when we come to the next revision of the Bank Act, in a few years, we will have the advantage of his advice. I join with you, Mr. Chairman, in extending a welcome to Mr. Harding.

W. P. G. HARDING (Governor, Federal Reserve Bank, Boston) was called.

The CHAIRMAN: Mr. Harding, if you have no objection, we will be very pleased if you will just be seated, and address us. I will ask that if the members have any questions, they will jot them down, and I know Mr. Harding will be very pleased to answer them, after he has talked to us.

Mr. HARDING: Mr. Chairman and Mr. Minister: It is a great pleasure to me to be in Ottawa this morning, I have long had a very high admiration for the Dominion of Canada, and for the progress you have made in the face of a good many obstacles. My attention was called particularly to the heroism of the people of the Dominion during the Great War. The United States was in the war about eighteen months, and I recall very vividly the sacrifices we made, the hard work that all of us did, and I can appreciate how much more you were called upon to endure during the whole period of four years; the sacrifices in men, resources, and money. It was a very great pleasure to me, during the time that we were in the war to be able to do things at times to co-operate with the wishes of the Dominion. I recall that during the year 1918, there was an embargo upon the shipment of gold from the United States; and that the executive order of the President put upon the Federal Reserve Board the duty

[Mr. W. P. G. Harding.]