INDEX TO EVIDENCE

Darby, Mr. Arthur E., Director Economic Research, Canadian Council of Agriculture.

During last 12 years, Canadian currency exhibited high degree of elasticity and suffered less inflation and deflation than most other currencies. 12

Dissatisfaction with Canadian system chiefly felt by agriculturists, 13

Financing of agriculture has been done mostly by mortgage loan companies, 13

Banking machinery lacking by which agriculturists may finance short term loans, 13

"Local" banks, instead of large banks, could more adequately serve agriculturists, 14

Co-operative credit and banking may be salvation of agricultural finance, 14

Canadian banking law almost completely closes the door to short term and intermediate credit for farmers, 14

State should provide banking institutions adequate to needs of people, or legislate to enable people to provide banking facilities for themselves, 15

Government should issue all currency, 16

Consolidate functions performed by Treasury Board, Department of Finance, Trustees of Gold Reserve, 16

Establish national bank of issue and re-discount, 16

Formation outlined of "Local" banks, 16

Harding, Mr. W. P. C., Governor, Federal Reserve Bank, Boston, U.S.A.

U.S.A. Sub-Treasury System, 63

U.S.A. National Banks commenced 1863, 64

National bank notes had fatal defect, being bond-secured and therefore inelastic, 64
Panic of 1907 caused by lack of currency and could not have occurred under Federal
Reserve System, 65

National Currency Associations, 65

Bill in U.S.A. Senate to establish National Reserve Association, 66

Federal Reserve System—

Inception, 62, 66

U.S.A. divided into twelve districts, 66

Government does not own one dollar of stock, 67

Nine directors in each bank, 67

Duties and powers of Board, 68

Notes, drafts and bills admitted to discount must have a maturity at time of discount of not more than 90 days, except agriculture paper which must have maturity not over nine months, 69

Banks fix their own rates of discount, 69

New York bank furnishes key to rates elsewhere, 70

Legal rate of interest in most States is 6 to 8 per cent, 70

"Prime Bills," 72

Organized, 10th August, 1914, 72

Stockholders receive 6 per cent cumulative dividends, 72

Every National Bank must become a member, 72.

Capital stock is a variable quantity, 73

"Open Market Committee," 74, 85

All gold imports evenually come to, 75

Helpful in stabilizing price levels, 75

Member banks must not abuse facilities of system, 77

Rate is changed on an average once every nine months, 77

Loans not made direct to individuals, firms or corporations, but through other banks, 78

One third of U.S.A. banks are members, 79