

However, it views these matters as of secondary importance compared to achieving an appropriate "set" of policy (p. 531).

(i) Bank of Canada

In discussing the role of the Bank of Canada, the Commission emphasizes the advantages of providing it with some independence within the government organization (pp 540-42). At the same time the government has final responsibility and must be able to exercise final control if it disagrees with the central bank. The Commission accordingly recommends that the Bank of Canada Act provide the Minister of Finance with the right to issue a specific directive to the Bank as to the action he wishes it to take (p.543). The Commission does not expect the directive procedure to be used except in rare circumstances when all attempts at reconciling differences of view have failed, and notes that directives have not been issued in other countries (pp 543-4).

In its discussion of the internal organization of the Bank of Canada, (the organization of other policy-making arms of government is discussed on pp 533-6) the Commission recommended that efforts be made to strengthen the Bank's contacts with financial markets and the country generally (pp 550, 552-555). The Commission suggests that it might be desirable to develop the role of the Bank's agents in Montreal and Toronto and also stresses the importance of appointing highly-qualified men as directors of the Bank and of ensuring that they are fully consulted about important changes in policy and the general management of the Bank (pp 545-49). A separate board for the I.D.B. is also recommended (p.230). Finally, it is proposed that the Bank consider setting up regional committees in the main regions of the country as a means of keeping well-informed about developments throughout the country (p. 549). (Recommendations are also made about the Governor's veto power (p. 551), the gold ratio and redemption provisions, the Bank acting as a fiscal agent for the provinces, and a number of other matters (pp 556-7)).