

Summary of the Terms of Reference for the MacMillan Commission

That it is desirable that the approaching periodic revision of the Bank Act, which will precede the enactment of a measure to continue the charters of the existing banks - to which said act applies - and which expire on July 1, 1934, shall be based on a complete and detailed examination of the provisions of said act and of the functions and operations thereunder of the banking system thereby established;

That it is also desirable that such examination should include a study of the facilities now afforded by the Finance Act and a careful consideration of the advisability of establishing in Canada a central banking institution, and, if so established, of the relation of such central banking institution to existing banks, and its proper authority and function in the operation of the banking system of Canada;

That such examination should also include a study of the entire monetary system of Canada, including credit, currency and coinage, particularly in their relation to commodity price movements and fluctuations in international exchange;

That it is also advisable to consider whether and in what respects the banking institutions and the monetary system of Canada may be modified, extended or developed for the purpose of facilitating inter-Imperial and international co-operation in public policies designed to promote the revival of domestic and foreign trade and enterprise and the general increase of employment to ensure a greater measure of stability in respect thereto.

It is provided first, that the commission shall examine, consider and report upon all the matters, hereinbefore recited; second, that, without limiting the general scope of their enquiry into the operation of the banking and monetary systems of Canada, the said commissioners shall, in particular, examine the provisions and working of the Bank Act, the Dominion Note Act, the Finance Act and the Currency Act, and the advisability of establishing a central banking institution; and third, that said commissioners shall report their recommendations for revising or supplementing the above-mentioned acts and for the adoption of such other measures as they may deem desirable to promote the revival of trade and enterprise and to facilitate inter-Imperial and international co-operation for the purpose of raising the level of commodity prices and for the purpose of ensuring increased domestic employment and the stability of the economic, financial and social institutions of this country.