

(f) International liquidity and gold

The Commission stresses the importance of Canada participating fully in the discussions for improving international payments arrangements and liquidity in order to minimize the conflicts between external financial considerations and domestic policy goals (pp 498-503). However, it rejects the view that a revaluation of gold would provide an equitable, sensible or lasting solution to the problem (p. 502).

(g) Co-ordination of policy

In view of the close inter-relations among policies, they must be carefully co-ordinated if they are to have maximum effect in stabilizing the economy (pp 523-5). The most important objective of the policy-makers must be to read the economic situation as carefully as they can and to ensure that the combination of policy instruments is working in the right direction. The Commission argues that it is not disastrous if there are short-term lags in adjusting policy (pp 466, 536), and in any event the delays in the effects of policy changes are such that one cannot hope to have any precise control over short periods. Yet if the general set of policy is persistently wrong, little help can be expected from an array of special measures including attempts to regulate incomes and wages (pp 532-3). Nevertheless, specific measures - to improve the mobility and skills of labour, for example - can be helpful (pp 527-531).

(h) Techniques of monetary policy

On the more technical aspects of monetary and debt policy, such as the method of calculating cash reserve requirements (pp 461-63), the different ways of administering Bank Rate (pp 464-65) and techniques of debt issue (pp 457-58), the Commission takes the view that the authorities should adopt techniques which do not needlessly disrupt financial markets.