

Closing remarks by J. E. Coyne, Governor of the Bank of Canada, to the Senate Committee on Banking and Commerce at the conclusion of the inquiry into the charges brought by the Government against Mr. Coyne, in relation to Bill C-114, an Act to declare the office of Governor of the Bank of Canada to have become vacant

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Mr. Chairman, honourable senators, my first duty is to thank you for giving me this hearing and for the patience you have shown in listening to me at great length. I am very grateful to you for that. I think it is also already apparent that the nation is grateful to you for having made possible a hearing of this sort, in preparation for the decision which you have to make.

This whole business started on May 30 of this year. I will not go into any statements of fact or detail in that regard, except that I would like to mention, with appreciation, the remarks made by the acting chairman of this committee, Senator Hugessen, in the Senate chamber the other day, when he said that if he had been faced with the kind of demand on the part of Mr. Fleming that I was faced with on May 30, he would have told Mr. Fleming to go to hell, and that, in effect, that was what Mr. Coyne did.

I know some people may feel I should have done nothing more than that, and in my own interest, perhaps they are right. I felt it important, in the public interest, not to let the matter rest there. I thought it was of great importance to bring out the facts, to make public the whole situation and the surrounding circumstances, not only as a matter of general public information on a subject which ought to be of great concern to the public, but also in order to show that the integrity of the position of the Governor of the Bank of Canada was, in my judgment, worth defending, worth fighting for, and in order to show any future government the inadvisability of repeating the sorry tactics of Mr. Fleming and the present Government in the present instance.

Honourable senators, I could not have counted on being given a hearing before Parliament. The whole course of events---Mr. Fleming's invariable reaction to repeated requests in the past, sometimes on my

part but most times on the part of members of the House of Commons, requests repeated urgently in many journals of opinion in this country, but which were all rejected---indicated it was most unlikely that I would be given a hearing on any subject, at any time, before Parliament. This unlikelihood was proved correct by the proceedings in the House of Commons on this bill.

Neither could I, in my position, count on a hearing in the Senate, although I confess now that in this respect I appear to have shown too little faith in the Senate's desire to see truth and justice prevail. But in the circumstances in which I found myself I felt that I had no right to take chances on the question of what procedural problems there might be; that I had to rely entirely upon my own efforts to see that public replies were made to misleading, incomplete and inaccurate statements made in the House of Commons by members of the Government; and to reply to attacks which they made in the House of Commons, not only on me but on the very nature of the office of Governor of the Bank of Canada.

I regret having said certain things, and I regret having done certain things --- since May 30th. I felt I was fighting for important principles, and fighting very largely alone against an extremely powerful adversary --- so powerful, indeed, that it was bound to win in the end. There could be no question of that. The object of removing me from the Bank of Canada was certain to be achieved within a short period, but it was important to fight against the methods adopted by the Government, against the abuse of power, against the attack on the integrity of the position of the Governor of the Bank of Canada, whoever the holder of that office might be. It was equally important to ensure that there was as much information as possible made available to Parliament and to the people of Canada.

Now that the fight is almost over, now that the issue is about to be placed in your hands, honourable senators, to give a verdict, I wish to

say that I fully recognize that because of the events of May 30 and since --- not because of anything that happened before that date --- the management of the Bank of Canada must change. Perhaps the directors feel that way too in relation to their own tenure of office. It is clearly impossible for me to continue as governor and maintain relations with the present board of directors, in whose objective approach to the duties of their office I can have no confidence; relations with the present Minister of Finance, in whose view of the duties of his office and the proper kind of relations between the Government and the Bank of Canada, I can have no confidence; or maintain relations with the present Government, in whose view of their sovereign and absolute and unquestioned right to exercise their power in any way they see fit, I can have no confidence.

I am deeply concerned that the Bank of Canada should commence without delay to re-establish its position in the community, and once more achieve the respect of other central banks and of public opinion in Canada and the world over which it had up to May 30.

I knew from the beginning this had to be the outcome, and I believe that honourable senators will realize that I am not lacking in understanding or in integrity in relation to the necessity for severing my connection with the Bank of Canada.

I have said these things by way of background to indicate, as I see it, the environment in which is set the question which has come before this committee having to do with the charges which have been levied against myself in my capacity as Governor of the Bank of Canada and in respect of my behavior as governor of that bank up to May 30, 1961.

That question has also to do with the methods used by the Government to bring about my removal from that office, methods which have to be viewed in the light of the intentions of Parliament as expressed in the Bank of Canada Act. The provisions of that act have not been amended. Bill C-114 does not say that "during good behavior" is to be



changed to read "during pleasure". Bill C-114 can only be justified --- and the Government has not sought to justify it on any other ground --- by proof of lack of good behavior on my part of such character as to have justified the Minister of Finance on May 30 last in asking for my resignation, and to have justified the Government at that time in having decided, as revealed by the Minister of Finance to my directors on June 2, to bring this bill into Parliament without any efforts at conciliation.

Honourable senators, this question of good behavior is fundamental to your decision on this bill, as it would be on a bill to remove the Auditor General, or to remove the Chief Electoral Officer, or to remove the Chairman of the Civil Service Commission, to mention only some of the officers whose position has been specially provided for by Parliament.

Your decision today on this bill will long be a precedent governing what may be done in the future, affecting the decision of Governments yet to come, as well as this Government, as to how they will challenge the good behavior of the holders of these special offices for which Parliament has provided this special safeguard in the public interest. I am confident you will not tear down these safeguards, nor let this Government or any future Government do so.

Honourable senators, the question before this committee is not just one of giving a man a hearing, but of rendering a verdict on the basis of charges levied, and the replies made to those charges. You are sitting here, if I may say so with deep respect, in a judicial capacity; not a political capacity.

You have honourably assumed a public duty of the highest importance, exactly the same in principle as if the procedure had been one of adopting a joint address of both houses after a fair trial and confrontation of the accused with his accuser -- although you have not had that. The present proceedings, I submit, are more in the nature of

a bill of impeachment adopted by the House of Commons without judicial inquiry, despite the demands of all opposition parties in the House of Commons for such an inquiry, and submitted by the House of Commons to the Senate for determination by the Senate.

You have held an inquiry without the co-operation of the Government, or the presence of the accusers or any examination of them. You have done what you could to put yourselves in a position of carrying out the duty put before you by the House of Commons. It is for you, honourable senators, in your judicial capacity to determine the outcome. No one can take from you that right. Nothing can relieve you of that high responsibility.

There have been bills of impeachment in the past, although not for some time, and perhaps never in Canada, but such proceedings have been heard before the House of Lords in England. In such proceedings there have been verdicts of guilty, and verdicts of not guilty, according to the evidence, and according to the conscience of the individual Lords hearing the case.

Honourable senators, I am not going to review the evidence, which I am sure is still fresh in your minds. I can only say with deep respect that the question before you is, on your consciences, do you find the defendant guilty of misbehaviour in relation to his office, justifying the decision of the Government to procure his resignation or forcible removal, or do you find him not guilty?

A vote in favour of this bill, after this hearing, is a verdict of guilty. There can be no equivocating about that. I shall be marked for life as a man, a citizen of Canada, declared by the highest court having jurisdiction in such a matter, to have been proved unfit to hold a high office of Parliament by reason of misbehaviour in relation to the duties of that office.

A verdict of not guilty will not prevent my immediate departure from office, but it will permit me to retire honourably, and to hold up my head among my fellow citizens as one whom this body of honourable senators of Canada declared to be a man of honour and integrity, devoted to the interests of the Bank of Canada and to the general welfare. That can only be said if this bill is defeated.