

the first member to criticize the Governor of the Bank of Canada's policies, within my memory, as the Governor seems to have been exempt from criticism on a plane with royalty.

I made speeches before this honourable body criticizing the bank's policies on several occasions and I shall give the dates: June 14, 1956, February 21, 1957, April 21, 1959 and February 25, 1960. The statements I made are all on *Hansard* for anyone to read.

With respect to the misconduct or good behaviour of Mr. Coyne, may I say that I never attacked him personally. I consider the Governor of the Bank of Canada to be a man of fine character. His honesty and integrity are beyond reproach. But I did attack the policies of the bank, because I felt they were doing great harm to the economy of our country by holding back development and causing unemployment.

On June 14, 1956, I stated on the floor of this house that the tight money and high interest rate policies that were decreed by the Governor of the Bank of Canada, along with the restrictions that the governor placed on the loaning powers of the chartered banks without any legal authority, would seriously affect the economy of Canada and greatly interfere with employment and the development of our country, and I said if the policy was pursued there would be a drop in home building in 1956 and in the end a general freeze on all types of loans, regardless of merit. That freeze came in August 1959, as we know, when the ordinary person could not get a dollar from the banks, even with those widely advertised federal convertible bonds as collateral, and if they tried to sell the bonds to raise cash they had to take about 15 per cent discount. Nothing, not even money, should stand in the way of the progress of Canada. Restrictive action, even if legitimate, applied to the economy of the country too long, is far more serious than no restrictions at all, and any change that seriously affects the economy of our country affects every man, woman and child of Canada, and should not be decreed by one man, as has been done.

Well, I think the forecast I gave at that time proved quite correct. At the close of that speech I was accused by the then Leader of the Opposition of making a political speech. Never in my life have I made a political speech on financial matters. As a trained banker in my earlier years, I have never betrayed the profession I was brought up in. I have always stood for sound finance which would develop our country for the benefit of all, no matter what political party was in power.

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I got no special praise from my own party for this speech, so how could it have been a political speech? I could quote further from other statements I have made on the floor of this house from time to time, endeavouring to throw light on the antiquated and stupid actions of the Bank of Canada. And during these years I had the confidence of the leading bankers of Canada, for I was brought up in the same school as they were and they shared my views. I am not a bank director or trust company director. I have been offered many directorships of this kind since I entered this honourable body, but have accepted none.

Had I not been in the Senate and accepted a directorship in the Bank of Canada during the last seven years and been asked by the Minister of Finance whether or not I thought a change should be made in the office of the governorship of the Bank of Canada I would have conscientiously advised such a change for the good of the economy of the country, but with full pay up to the end of the seven-year appointment of the governor. I deplore the present proposed way of dismissing the governor. The Minister of Finance has lowered his prestige in acting in such a blundering manner as he has. I have, in my career, worked for executives and had high executives work for me, and no matter what happened we parted quietly as friends. I believe there was no need whatsoever of this national squabble which is being echoed in every capital of the world and doing great harm to us as a nation. The Minister of Finance must share the blame to as great an extent as Mr. Coyne.

Some Hon. Senators: Question!

Hon. A. K. Hugessen: Honourable senators, as Acting Chairman of the committee which brought in this report, I think perhaps it devolves upon me to say a few words. There will not be very many words, and in what I do say I shall try my best not in any way to be provocative. We have established a reputation in this house of which we are rather proud, that we do not allow political considerations or political passions to interfere with our thinking or with our consideration of matters that come before us. That is a reputation which I think every honourable senator is very anxious to maintain.

Hon. Mr. Thorvaldson: That has been shattered in this case.

Hon. Mr. Hugessen: I must admit that in the last two or three days there have been political passions aroused in this house in respect of this bill, but I do hope that when the matter is finally disposed of and has gone into the realm of history our old relationships and