

In the debate on second reading in this house I expressed the conviction in terms as terse as I could make them that Coyne must go and I am still fully of that opinion, and so I think are all honourable members of this body. After all, we are responsible people and we do realize to the full that the position of armed conflict between the Governor of the Bank of Canada and the Government of the day cannot continue. I take nothing back from what I said on second reading of this bill in that respect.

But the position has, to my mind, radically changed. In his last statement, made yesterday morning before the committee, Mr. Coyne solemnly pledged himself to resign immediately. That being so, Coyne will go anyhow, and that being so I think this bill loses all its reason. For myself, I would not like to see the statutes of this country cluttered up for all time with an unnecessary act which would recall to future ages this most unhappy controversy.

The second part of the report of the committee gives the opinion of the committee that the Governor of the Bank of Canada did not misconduct himself in office. Now I would like to divide my consideration of that recommendation into two parts: first of all, the part dealing with the Governor's conduct prior to May 30 when the minister suddenly asked him to resign and when this whole unhappy controversy originated; and secondly, the part dealing with what has happened since May 30.

With respect to the conduct of the Governor in office up to May 30, I was very glad indeed to hear the statement made by a number of senators, including some of my honourable friends on the other side of the house, that they made no attack upon the honour or integrity of the Governor up to that period. I compliment them on that statement, with which I fully agree, but I do direct their attention to the fact that the conduct of the Governor prior to the 30th of May was attacked, vigorously attacked, by the Minister of Finance in respect to the matter of the pension. I have already told the house on one occasion what the Minister of Finance said and I will read now what he said on June 26:

The fact that the governor, though not participating in the board proceedings at which the bylaw

—that is, the pension bylaw—

was passed, notwithstanding the fact that he possesses veto powers under the Bank of Canada Act, did not inform the Government of its passing nor publish the bylaw or notice of it in the *Canada*

90209-8—72½

*Gazette* was in the view of the Government a serious dereliction of duty on his part.

That was a solemn accusation of misconduct against the governor made by the Minister of Finance in respect of a period prior to May 30. No attempt was made in the course of the proceedings before the committee to support that allegation. All the evidence was completely the other way and therefore that, to my mind, is the justification for the committee reporting to this house in respect of the period up to May 30 that the Governor of the Bank of Canada did not misconduct himself in office.

Now I want to deal for just a moment with his conduct after May 30. I take back no word of the criticism I made of the governor's actions since May 30 in my speech on the second reading of this bill. In his last statement made before us, in that dramatic way, yesterday morning the Governor admitted that since that period he had done some things that he should not have done and had said some things that he should not have said. I give him full credit for having made that confession. I feel that under the circumstances—having in mind the terrific strain under which this unfortunate individual was placed during that period, with the whole weight of the Government of his country against him—anything he may have said that he should not have said or anything that he may have done that he should not have done should be condoned and that, in any event, whatever he did or said did not constitute misconduct while in office. Therefore, I fully support the recommendation of the committee that in their view the governor did not misconduct himself in office, either in the period prior to May 30 or in the period since.

Honourable senators, that is all I have to say on this matter, and I do trust, in the light of the few words with which I began my remarks, that nothing I have said—even though there may be disagreement with it—may have offended any honourable member of this house who holds a different view from mine.

**Hon. Lionel Choquette:** Honourable senators, this afternoon I would like to deal with the motion that was passed by this committee on partisan lines this morning. The motion reads as follows:

Your committee recommends that this bill should not be further proceeded with and the committee finds that the Governor of the Bank of Canada did not misconduct himself in office.

This is, to my mind, the most farcical and irresponsible decision that was ever taken