

David A Dodge: The Bank of Canada's commitments to Canadians

Remarks by Mr David A Dodge, Governor of the Bank of Canada, at the Town Hall Meeting, Ottawa, 18 May 2004.

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Good morning everyone and welcome. Welcome also to those of you joining us by videoconference. Today's gathering is very important, so I'm glad you have taken the time to attend.

Before I begin I want to say hello to the members of the Management Forum and Executive Management Committee who are with us today.

These Town Halls are becoming a bit of a springtime tradition. The snow melts and the time comes for us to get together. We take stock of where we are, where we're going, and how we want to get there.

As you know, many institutions, both governmental and private, are currently concerned about governance structures, accountability and rules of behaviour.

Of course we focused on these issues a couple of years ago when we established our Compass. And it's our Compass I'd like to focus on now. It is an amazing document. I think it captures the essence of who we are.

And one of the truly great things about it is how it came to be. Creating the Compass was a comprehensive exercise. It was top down, bottom up and side to side. Staff had an opportunity to take part in the consultation, debate, and careful consideration that went into the making of it. Together, we produced a remarkable set of commitments to Canadians, to excellence, and to each other.

We really don't need to worry about producing something new. But it is useful as we get together, to remind ourselves of what it is that we created.

Our commitment to Canadians placed our legislated mandate into very concrete terms. Canadians need to have confidence in the value of the money they earn and the quality of the bank notes that they carry around. They need to have confidence in Canada's financial system. They want to know that the Bank is managing the government's funds with integrity. And that we are communicating and being accountable for what we do. When we say we are committed to Canadians, we're saying we're committed to fostering their confidence in our integrity as a central bank.

Our second commitment is to excellence. It reflects the high standards we set for ourselves in our work on behalf of Canadians. It goes hand in hand with the statement we made when we launched the Compass and the Medium Term Plan.

Namely: that we are committed to performance that is second to none among the central banks of the world.

It was a challenging goal then, and it still is. But we're getting there. We're doing outstanding work in monetary policy; I'm very proud of the way we have continued to meet our inflation control targets.

In the area of currency we're producing new bank notes in the Canadian Journey series. The new \$100 bill represents the first of three new notes being issued this year; notes that are designed to be secure, durable and well-accepted.

Here at the Bank we are fostering an ongoing atmosphere of trust, respect and innovation through our strong system of values. We continue to place a strong emphasis on research and analysis in all aspects of our work.

How else is our commitment to excellence in evidence? There are the partnerships we are cultivating both within and outside the Bank. We are communicating clearly and openly. We are nurturing leadership at all levels. And we are cultivating diversity, both of people and of ideas.

Together, in all of these ways, we have been achieving excellence.

The third commitment we made was to each other. We were clear that we wanted our work environment to be founded on a strong set of values.

The first of these is that we articulate our own ideas and listen to those of others. We agreed to share knowledge and experience so that we could all learn from each other.

Then, there was a pledge to develop our talent and careers to achieve personal excellence. Your own development, of course, has always rested first and foremost with you. But the Bank has been providing some of the impetus, and helping to create an environment that is conducive to learning and growing and an environment where the two official languages are used interchangeably. "Knowledge sharing" is vital to our organization. I hope that together we can progress further in making the Bank a true knowledge-sharing institution as we complete our medium-term plan. And while the Bank is encouraging you to excel by developing yourself, there is also the recognition of the fact that you have a life outside the Bank.

We committed ourselves to working in an environment where each employee is respected. When we respect each other as individuals, then we can have the kind of debates that we need to help us become the best we can be. We can have clashes of ideas secure in the knowledge that there are no winners or losers. Or rather, that we're all winners, because what we're doing is exploring all aspects of an issue.

And finally, we said we would recognize those who demonstrate our commitments. I encourage you to continue to think about ways that you can recognize people in your areas who live these values. We need to celebrate their successes. We need to share their ideas.

That was the direction we laid out. Three strongly stated commitments, and a number of simply stated values intended to help us meet them.

I was impressed by the Compass when it was written, and I've been impressed by how well we are all living by it. You showed real leadership in making this strong statement about who we are and what we stand for. The Compass serves us well. But as you know, with today's emphasis on corporate governance and accountability, other organizations, both private and public, are now searching for ways to achieve what we have already achieved. Many of these organizations are setting about doing this by putting in place a set of highly detailed rules to constrain behaviour.

But I am sure that a lot of highly detailed rules is *not* the answer for us. I don't think we need much more than the Compass. I think, to a large extent, it is a part of us now. And I think the proof of that is that integrity - your integrity - is clearly one of the towering strengths of this institution.

So I don't think we need a lot of new rules to govern our behaviour. And where we do need more explicit guidelines and procedures, I'd like us to tread rather lightly.

But I do want to say a couple of words today about two particular areas: disclosure of wrongdoing and conflict of interest.

First, let me deal with disclosure of wrongdoing.

We have had a policy for some time now, but we on the Executive Management Committee thought it was important that we also have procedures that conform more generally with procedures that the government of Canada is proposing.

I encourage you to examine those procedures closely; if you have any questions, please talk to your manager.

The second point I wanted to make was regarding our conflict of interest policy. The sign-off we all do here is important. Not because anything wrong is going on, but because our policy helps ensure that we don't run into these kinds of conflicts.

So we do have, as an organisation, a few things in place beyond the Compass. But the Compass is what I always find myself coming back to. Practically everything we need is in there. And it's a respectful document. It gives each of us the responsibility of exercising good judgment. And more importantly, it says that we trust each other to do so.

I'm really proud to be in an institution where we can operate that way. And the fact that we *can* is something I believe each of you should take pride in.

Because, let's face it, it's not something that happened by itself. It's not a coincidence. It was your ideas that shaped the Compass. And it's no coincidence that the Compass is even more relevant today than when we put it together.

So, congratulations not only for creating it, but for living by it.