



BANK OF CANADA
BANQUE DU CANADA

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Statement by Bank of Canada Governor Mark Carney on the Passing of Former Governor James E. Coyne

OTTAWA— The Bank of Canada mourns the passing of its former Governor, James Coyne, who died on 12 October.

Mr. Coyne had a distinguished career in public service, which included the Royal Canadian Air Force, the Central Mortgage Bank, the Foreign Exchange Control Board, the Canadian Embassy in Washington, the Wartime Prices and Trade Board, and the Bank of Canada. He joined the Bank in 1938 and served as its Governor from 1955 until 1961.

During the trying economic and political period in which he governed the Bank, three important and lasting legacies were established - legacies that directly influence the Bank's monetary policy framework today.

Mr. Coyne firmly believed, when many others did not, that low and stable inflation should be the paramount objective of monetary policy - a principle that has since become the cornerstone of monetary policy frameworks around the world. In addition, he was a strong proponent of a flexible exchange rate regime. As a result, Canada has had one of the longest experiences with a floating currency in the entire world. Finally, his central role in the controversy between the Bank and the Government of Canada during the "Coyne Affair" of 1961 ultimately led to a critical clarification of both the Bank's and the government's responsibilities with respect to the conduct of monetary policy in Canada.

Mr. Coyne's legacy has profoundly influenced all of us who work at the Bank, and has made it a stronger and more accountable institution. On behalf of the Bank's Governing Council and all Bank staff, both past and present, I extend our most sincere sympathies to his wife and family.