



BANK OF CANADA

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CONTACT: Pierre Laprise  
(613) 782-8782

**Governor highlights Bank of Canada's contribution to domestic and global financial stability**

MONTRÉAL, Quebec – As an open economy, Canada has a strong interest in promoting a sound and robust international economic environment, Governor David Dodge said today, in a speech to the Montreal Society of Financial Analysts. He stressed that sound macroeconomic policies and robust and efficient financial systems are of paramount importance in an increasingly interconnected world.

Mr. Dodge went on to say that Canada's monetary policy approach of inflation targets, a flexible exchange rate, and emphasis on effective public communications has served Canadians well, especially through the difficult times of the past decade.

The Governor noted that Canada's financial system "is universally acknowledged as sound and efficient." He added that it is important to keep it that way. With the financial landscape constantly changing and with more sophisticated products and services continually being devised, "we must ensure that as financial markets evolve, those of us charged with financial stability evolve with them."

In addition to its efforts to promote domestic financial stability, the Bank of Canada has been an active participant in several international forums where financial-stability issues are debated, said the Governor. He specifically mentioned the Bank's participation in the Group of Twenty and in the Financial Stability Forum, and highlighted the three key areas where the Bank is making important contributions—exchange rate regimes, financial-system infrastructure, and private sector involvement in crisis resolution.

Mr. Dodge assured Canadians that the Bank of Canada will continue to work closely with its domestic and foreign partners to foster and strengthen financial stability at home and around the world. For, as he put it, "these days, no country is an island!"