

## *John W. Crow*

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Chuck Freedman will not be confused with anyone else! Pierre Duguay admittedly looks a bit like him, but no one will argue that Pierre talks like him. Even Chuck's *French* is unique.

In his time here, certainly in the twenty years or so that overlapped with mine, he carved out a unique, remarkable, and likely unrepeatable, role in the Bank's life.

He stood out from the beginning.

Soon after arriving in the Research Department, he was memorialized in one of the Department's more brilliant Christmas skits through an equally unforgettable takeoff by the irreverent Lloyd Kenward. As I recall, the skit had to do with the maximum velocity at which a human being could accelerate across the Department's premises. (It had an intellectual subtext as well.)

Chuck's talent for acceleration and change of direction also showed up to equally startling effect in the less-confined spaces of the sports field—when all willing Research forces were once again mustered to put our colleagues in the Banking Department in their soccer place—sometimes, however, more acceleration with less ultimate speed. He did have the drawback of overshooting, racing upfield and finding himself in an offside position just when his Department Chief was about to score. Having disclosed his fairly rational exuberance on the physical side, I'll now stick to the more cerebral aspects that motivate this conference.

First, let me record that I met Chuck before he met me. In the very early 1970s, when I was in charge of Canada for the IMF, he turned up in Washington from Minnesota to give a seminar on some micro aspect of the Canadian financial system. I can't recall the precise object of his ministrations, but what I do recall most vividly was the undeniable vigour and

virtuosity with which he manhandled his subject, with a truncheon on one side of his brain and a rapier on the other. I also recall the machine-gun speed of his delivery. Or perhaps we were listening too slowly.

Switch to Ottawa, where, a couple of years later, he and I came face-to-face and dickered over the terms under which he might join the Research Department. I was trying not to show how keen I was to see him on board, particularly with Fred Gorbet having just left to worry about energy supply, alongside yet another Bank of Canada intracity export, Ian Stewart. Chuck was careful to point out, no pressure intended of course, that he could perfectly easily join the Federal Reserve in Washington. Fortunately, for us, the Canadian dollar was stronger at that time.

The rest, as they say, is history—history that many in this room are equally well positioned to appreciate, and why you are here. Building relationships with the outside interested and involved community has been another stellar hallmark of Chuck’s tenure. And we were truly proud to see him represent us.

So let me, in the balance of these remarks, focus on his contribution within these walls—though I can hardly do it justice in the space allotted.

In terms of economics at least, Chuck is a polymath. He also writes well, even if he frowned at my anglicisms, notwithstanding the fact that he shone at Oxford. So his contribution to what engaged this institution, which is a pretty wide span of issues, ranged equally widely. As I recall, the first subject that he and I collaborated on was an assessment of 1970s inflation indexing in Finland. Had the Finns figured out how to keep their balance when all about them were losing theirs? But in short order, he was deconstructing (and, I must emphasize, also putting back together) the financial sector of RDX2, and leaving me in his wake. And so it went, more and more, wider and wider—real, financial, micro, macro, and so on.

I’ll now skip to the larger stage—for me, my seven years as Governor. What roles did Chuck play then?

As I saw it back in 1987, the Bank had two broad policy challenges.

One, which I thought I recognized pretty well, was to establish a clearer and more durable foundation for Canadian monetary policy (let’s say “sound Canadian money”) given our status as a medium-sized economy with a floating currency, in a globalized financial and economic environment.

The other, which in its own way was equally daunting, and certainly more difficult to define in advance, was how to come to grips with the dramatic changes in payments and settlement systems that were taking place, or were in prospect, inside and outside Canada. And how the Bank could supply, in

what was a real institutional and policy vacuum (and this is where Chuck came in), the kind of intellectual leadership required if Canada was going to get this complicated, open-ended, job done properly.

In the monetary policy campaign (a seven-years war perhaps), he was a valued critic and staff officer, playing a central role in the particular design of the inflation reduction targets introduced in 1991.

In the payments, settlements, and risk-proofing business, he was more of a principal, or even our field marshall. He had his staff officers (notably Clyde Goodlet), but in the grand strategy inside and outside the Bank and, it must be conceded, for a huge amount of the detail as well, the inspiration is his. So, Chuck, if you want a monument, look around at the modern Canadian payments and settlement system. For the connoisseur, it's got "Charles Freedman" stamped all over it.

I could go on and on, but my ten minutes must be close to up, and in any event, I always did like to do better than target.

So, before I'm yanked off stage, some final comments.

Not only has Chuck been a true pleasure to deal with at all levels (even when we're disagreeing), he has also been a great success at them all. To be more pointed, not only is he pure gold as researcher and adviser, he also proved himself a first-class administrator and leader. For us, he has been surplus value and money in the bank! In fact, I'm inclined to argue that his ability to do well in virtually anything he sets his mind to may not have been appreciated as generally or as highly, in particular by the Bank's board, as it might have been. Just an opinion, but at least an informed and experienced one.

Lastly, to reprise what I said at the start, Chuck stands out. That means that while his work will be continued, and no doubt embellished, it will have to be done in a different way, and surely with more bodies, to match the brainpower and dynamism behind the contribution he has made. In that sense, but only in that sense, I'm glad that I left the Bank before he did. But also in that sense, ladies and gentlemen, I'm keen to see what contributions he'll make, once he's formally disengaged from the Bank.

So, Chuck, welcome to the club. Come in, the water's fine. It's even finer if you can type!

