Press Release

Statement by the Governor on the Death of former Governor James H. Smith, CBE

On behalf of the Board of Directors, Management and Staff, we both grieve and offer condolences on the passing of Mr. James H. Smith, CBE, who served with distinction as Governor of the Central Bank of The Bahamas from 1987 to 1997.

Governor Smith will be remembered for his thought leadership and calm demeanour, which steadied our economy and financial sector through a period of both domestic challenges and international stress. This included the economy's adjustment to the first war in Iraq, that was enveloped within an already challenging period of liquidity shortage in the local banking system. At that time, Governor Smith led the Central Bank's response, first placing a ceiling on deposit rates to calm the destabilising competition for funding resources, then, after the war erupted, extending measures to include a prudential limit on consumer credit growth to protect the foreign reserves. Our economy recovered gradually, allowing the consumer credit restrictions to be lifted by 1993, and the interest rate controls to be finally removed in 1994.

This experience demonstrated Governor Smith's appreciation for the careful balance that the Central Bank had to maintain to safeguard the currency and the stability of the commercial banking sector.

Governor Smith was also astute to the dynamic shifts occurring in the local banking sector, as foreign participation evolved and Bahamian ownership increased. He inspired the localisation of the ownership of the Bank of Montreal, to become the Bank of The Bahamas.

In the Central Bank's operations Governor Smith sustained the momentum of investing in training and staff exposure, to strengthen the technical capacity of the organisation. He also directly mentored the staff to become more proficient economists, regulators and technicians.

The Governor also expanded the Central Bank's programs to nurture and sponsor Bahamian art and artists. In this, he presided over the creation of one of the first public art gallery spaces in The Bahamas, still housed at the Central Bank's premises.

In all of his future pursuits, James remained a Central Banker, a friend and counsellor to its leadership. Beyond this, he continued to be a constructive participant in the discourse on Bahamian economic policy, and he stayed faithful to his foundation as a public servant.

May he rest in peace.

15 November 2026 ■