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RELEASE

MINIMUM BANK RATE

It was announced by the Bank of Canada today that the minimum rate at which it is prepared to discount or rediscout bills or to make advances is  $2\frac{1}{2}$  per cent per annum. The Bank's announcement conforms with the provision of the Bank of Canada Act which states that,-

"The Bank shall at all times make public the rates at which it is prepared to discount or rediscount bills or to make advances."

The initial rate thus established at the opening of the Bank is the same as that which has recently been applied in connection with advances to the chartered banks under the Finance Act. It compares with a rate of 2 per cent charged by the Bank of England,  $1\frac{1}{2}$  per cent by the Federal Reserve Bank of New York, and  $2\frac{1}{2}$  per cent by the Bank of France.