



BANK OF CANADA

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**Decline in Bank Rate Designed
to Keep Monetary Conditions from Tightening**

OTTAWA — The Bank of Canada indicated today that it had reduced its Bank Rate by 1/4 of one percentage point to 3 3/4 per cent. The operating band for the overnight rate of interest has consequently been reduced by the same amount to 3 1/4 - 3 3/4 per cent.

This reduction in the Bank Rate ratifies the recent decline in short-term market interest rates. Given a stronger Canadian dollar, this action was designed to keep overall monetary conditions from tightening.