



BANK OF CANADA

FOR IMMEDIATE RELEASE
8 November 1996

CONTACT: Jocelyne Charron
(613) 782-8189

**Reduction 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 1/4 per cent. The operating band for the overnight interest rate has consequently been reduced by the same amount to 2 3/4 - 3 1/4 per cent.

Similar to the three previous Bank Rate reductions, the action today, ratifying the recent further decline in short-term market interest rates, was designed to keep monetary conditions from tightening. These declines in rates have offset the effect on monetary conditions of the further movement of the Canadian dollar to a new, higher trading range.