

provide a formal procedure whereby, in the event of a serious difference of views between the Government and the central bank that cannot be resolved, the Minister of Finance, acting on behalf of the Government, may issue a directive to the Bank on the policy that it is to follow. To date, this provision has not been used but should it be, any directive must be in specific terms and for a specified period; it must also be made public. Thus the ultimate responsibility for monetary policy, rests with the Government, but this in no way diminishes the responsibility of the Bank of Canada for monetary policy and its execution.

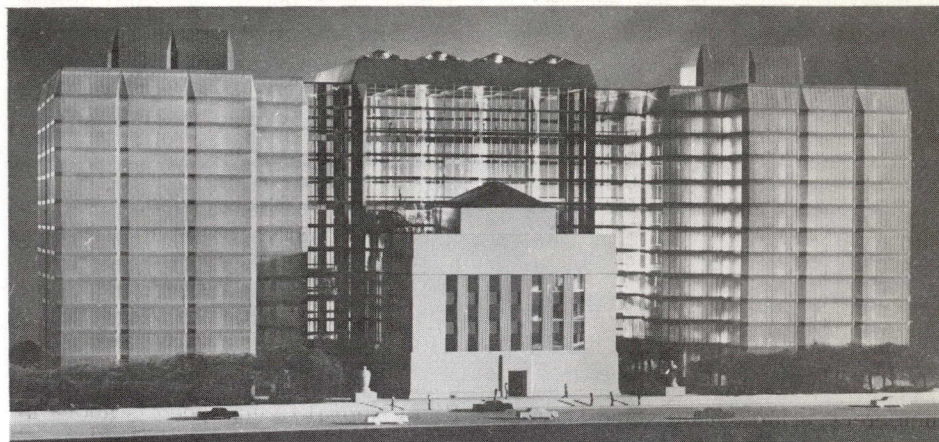
Monetary policy

The Bank of Canada implements its monetary policy primarily through the management of the cash reserves of the chartered banks. Under the Bank Act, which regulates their operations, the chartered banks are required to maintain on a half-monthly basis cash reserves in the form of deposits with, or notes of, the Bank of Canada equal to a specified portion (12 per cent for demand deposits and 4 per cent for notice deposits) of their Canadian dollar deposit liabilities. The principal means used by the Bank of Canada to alter the level of chartered bank cash reserves over time is through the purchase and sale of Government of Canada securities in the open market. The central bank may also require the chartered banks to maintain secondary reserves consisting of cash reserves in excess of that required, treasury bills and day-to-day loans to money market dealers. The Bank may vary, within specified limits, the ratio of secondary reserves that the chartered banks are required to hold.

The Bank of Canada is authorized to make short-term advances to banks on the pledge of certain securities and may also extend temporary credit to dealers on the money market. It may make short-term advances to the Government of Canada. The Bank is required to make public at all times the minimum rate (Bank Rate) at which it is prepared to make advances to the banks.

Issue of notes

The sole right to issue notes intended for circulation in Canada is vested in the central bank. There is no require-



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The design of the Bank of Canada's new head office, currently under construction, takes into account the strategic location of the site in the heart of the national capital. The existing head of office building in Ottawa, which was completed in 1938, will be preserved and will be flanked

by two 12-storey buildings. All three structures in the complex will be connected by a glass-enclosed garden link, 12 storeys high. As illustrated in the above photograph of the model, the flanking buildings and the link will create a symmetrical frame for the existing building.

ment that the note issue be backed by gold or any other specific collateral. Although the Bank of Canada can influence the combined growth of currency and chartered bank deposits, the proportion held in currency depends entirely on the preferences of the public which is free to convert bank notes into deposits and back again.

The Bank of Canada is also required to act as fiscal agent for the Govern-

ment without charge. In this capacity it operates a deposit account for the Government through which flow virtually all receipts and expenditures, handles debt management for the Government and acts as an adviser. It also acts as agent for the Government in the management of the country's foreign-exchange reserves which are largely held in the Exchange Fund Account.

Canada/U.S. biologists pool efforts to boost whooping crane flock

In a continuing effort to save the whooping crane from extinction, biologists from the Canadian Wildlife Service (CWS) and the United States Bureau of Sport Fisheries and Wildlife recently gathered 13 eggs from nests in Wood Buffalo National Park in the Northwest Territories. The eggs were taken by helicopter to Fort Smith, kept in an incubator until May 25, when a Canadian Armed Forces jet flew them to the Patuxent Wildlife Research Centre at Laurel, Maryland, U.S.

The young birds were expected to join a captive flock, now numbering 17, which are kept at Patuxent. Biologists hope that this flock will eventually produce young which can be released to the wild.

The egg pick-up program was begun

in 1967 because the wild flock, it was feared, was too vulnerable to survive unaided. A violent storm or a serious disease could wipe them all out. The validity of the program was based on evidence that although two eggs are usually laid in each nest, few families arrive on the wintering grounds in Aransas, Texas, with more than one chick. Studies by CWS showed that the number of young reaching the south annually averages only about one fourth the number of eggs laid by the wild birds. Therefore it was concluded that removal of one of the two eggs in each clutch for hatching in captivity could be done with little chance of harming productivity of the wild flock.

Six eggs were picked up in 1967, ten in the following year and ten in 1969.