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**The Bank of England Rate.** LAST week's advance in the Bank of England rate, from 4 p.c. to 4 1-2 p.c., is no less related to the monetary situation in America than to that of Europe. Indeed, United States money market conditions may be considered as the chief factor in the change. The recollection of last year's gold drain bespeaks caution this year, and the increase in the rate has occurred a fortnight earlier than was generally expected. This hurrying of matters was probably due in part to the fact that the British market itself was threatening to overwhelm the Bank with bills at 4 p.c.

But the raising of the Bank rate is not the only precaution that has been taken against a recurrence of last year's phenomenal strain. There has been a decided chariness displayed this year with regard to United States paper offerings. As a result, America's genuine autumn trade bills have not been nearly so fully discounted by finance paper as was the case at this time a year ago. And this circumstance leads those who have been studying the conditions in all their bearings to venture the assurance that it will not be necessary to advance the Bank rate to the 6 p.c. point that made the autumn of 1906 memorable. Indeed, such conservative British journals as *The Economist* predict that whatever tension there may be in the immediate future, conditions are in reality trending towards easier money as a result of the check to trade expansion that is already evident alike in Europe and America.

It is at times like the present that the Bank of England weekly return—ordinarily glanced at but hastily, if at all—becomes a financial index of worldwide importance to those interested in affairs monetary. Elsewhere in this issue of *THE CHRONICLE* appears the first of a number of articles bearing upon the place occupied by the Bank of England in the world's monetary situation.

## Husbanding

### Forest Wealth.

THAT reckless rather than careful use of its forest resources has been too characteristic of Canada is unfortunately not a point which can be gainsaid. There has, however, been a recent arousing of concern in this matter, resulting in both Dominion and provincial activity along lines of forest reservation, fire protection, and the encouragement of tree-planting.

Only a few years ago, pine was the all-important forest product—and at that time the supply was treated as though well-nigh inexhaustible. The result has been so serious a depletion that lumbering operations have now to be undertaken in regions more and more remote. In most of the more accessible districts, pine is rapidly disappearing and spruce becoming the staple of the lumber trade, while the once almost despised hemlock assumes new importance.

The growth in the commercial demand for wood pulp has given a value undreamt of to billions of cords of wood unsuited for timber use. Exports of pulp and of wood for this purpose totalled in 1906 no less than \$6,125,000, and the possibilities of this branch of the industry are little more than in their infancy. *The Globe* of Toronto has been doing good service in publishing day by day expert opinions, gathered by a special correspondent from all over the Dominion, as to "Pulpwood and its Problems." While it has hitherto been customary to speak of the country's supply as inexhaustible, this cannot be taken too literally, unless there is care taken to prevent an indiscriminate drain. Certainly now is the time for the Government to give its best thought to the conserving of the Dominion's permanent interests in this regard.

The Canadian Forestry Convention, held in 1906, gave a needed impetus to the organized movement for forest preservation. The reasons