

ANNO DOMINI. 1905.

A BRIEF SYNOPSIS OF THE SALIENT FEATURES OF LAST YEAR, IN THE REALM OF WORLD POLITICS, BANKING, FINANCE, TRADE, THE INSURANCE ENQUIRY, THE AFFAIRS AND PROGRESS OF CANADA, AND OF THE METROPOLITAN CITY OF MONTREAL.

Few years have been marked by more violent contrasts than the one just closed. The whole industrial, commercial and financial world has been enjoying prosperity, with very few and unimportant exceptions. Yet, across this fair scene there has been drawn a smear of blood. No sooner had Peace appeared than civil war in its most horrible, most revolting forms burst out to shock humanity by its appalling horrors.

What can be conceived more startling in contrast than the establishment of the *entente cordiale* between England and France, and the revolutionary tragedies that have stained the record of Russia?

We are reminded by

THE REVOLT IN RUSSIA

of the prediction of the late Dr. Croly, who, in the year 1829, said:

"Let the Czar sheathe his sword and Russia will be plunged into instant convulsion."

This prophecy, uttered 77 years ago, was literally fulfilled by a revolution breaking out on the cessation of the war with Japan. He also said:

"The fall of Russia is fated. With man for her victim, craft for her policy, plunder her ambition she is ripening for ruin. Russia is the Cain of nations."

Russia has played the leading role in the drama of 1905, and in 1906 is destined to play a part of absorbing interest.

Constitutional liberty is the safety valve of nations. Russia never had any such prudential device, hence the terrific explosion which has strewn the land with victims and jeopardized the cause of political and social freedom in that Empire.

On September 5, 1905, peace was proclaimed between Russia and Japan. The preceding war brought Japan into the rank of a great power, which was emphasized by its entering into a political treaty with England.

SWEDEN, NORWAY, GERMANY, HUNGARY, TURKEY.

An event of great magnitude last year was the final severance of the bond between Sweden and Norway followed by the election of Prince Charles of Denmark, as King of Norway. Readers of poetry will find his name, "King Haakon," in one of George Meredith's poems spelt with only one "a."

As is his wont the German Emperor has kept Europe continuously excited by his erratic conduct, and sensational speeches. He came perilously near precipitating war with France by his high handed proceedings in regard to Morocco. Pro-

bably the *entente cordiale* between France and England has a good effect in removing this danger.

The Sultan again proved his unworthiness to occupy a throne in Europe by repudiating claims which were so just that several leading powers placed their war ships at his front door with a demand to pay or suffer. The Sultan paid.

Hungary has been disturbed by a political agitation which is likely, in the near future, to develop into separation from Austria. The future is big with great changes in that part of Europe. Russia saved Austria from a revolutionary army in the stormy days following the French revolution of 1848. She will be too busy at home to repeat the service—should it be needed.

CANADIAN BANKING MATTERS IN 1905.

Turning to more congenial topics, it is pleasant to record the unparalleled increase of banking business during last year. The deposits in Canada were increased to extent of \$60,889,400 and the discounts \$41,710,000. The circulation made a record by rising to over 79 millions, which left only a margin of only 5 millions between the note issues and the legal limit.

Last year the really magnificent new offices of the Bank of Montreal in this city were completed. The banking room with its lofty and ornate ceiling, the groups of stately marble pillars on each side combined with its great area, make this room one of the most imposing triumphs of modern architecture.

The Bank of Ottawa, and Sovereign Bank last year took possession, severally, of their very handsome structures. The Imperial Bank transformed the fine building, corner of St. James and McGill streets, into bank offices, and the Eastern Townships Bank became tenant of the building erected by the Metropolitan Bank.

The principal personal changes were, the retirement of Lord Strathcona from the office of President of the Bank of Montreal, and the advancement of the Hon. Sir George A. Drummond, K.C. M.G., to that position. Mr. E. S. Clouston, general manager, was elected vice-president. Mr. Essen, manager of the Bank of Ottawa's branch in this city, was appointed general manager of the Bank of New Brunswick, and Mr. Cole, of Toronto, succeeded him here. Mr. E. F. Hebben was appointed general manager of the Merchants Bank of Canada, to the general gratification of all its connections and the other bankers.

The past year was one of the most prosperous ever experienced by banks in Canada.

MONEY MARKET CONDITIONS.

The bank rate opened at 3 per cent. and closed at 4 per cent., to which it rose on 27th September last.

The money market has been kept in a nervous condition throughout the year, by the war, by pros-