

The amount of the several increases in Canadian cities last year and the per centages of such increases were as follows:

CITIES.	INCREASE 1905 OVER 1904.	PER CENTAGE OF INCREASE.
	\$	%
Montreal.....	259,246,000	19.6
Toronto.....	205,303,635	24.2
Winnipeg.....	75,266,742	25.5
Ottawa.....	15,466,477	14.6
Halifax.....	864,201 Dec	
Vancouver, B.C.....	14,430,689	17.2
Quebec.....	11,886,531	15.9
Hamilton.....	9,381,520	15.9
St. John, N.B.....	960,580	1.7
London.....	4,877,281	10.7
Victoria, B.C.....	3,820,355	11.5
Total Increase in 1905....	599,865,509	21.9

The total amounts passed annually through the Montreal Clearing House since its establishment have been as follows:

1889..	454,560,000
1890..	472,984,000
1891..	514,607,000
1892..	590,043,000
1893..	568,732,000
1894..	546,600,000
1895..	583,160,000
1896..	527,851,000
1897..	601,185,000
1898..	732,264,000
1899..	794,029,000
1900..	730,933,000
1901..	889,479,000
1902..	1,098,970,000
1903..	1,113,978,000
1904..	1,065,067,000
1905..	1,324,314,000

The record of the Clearing Houses in Canada is a remarkable exhibit of the enlargement of trade which occurred last year. Consider what is indicated by the total Bank Clearings in the Dominion having aggregated \$259,247,000 more than the total in 1904. Outside of New York the Bank Clearings in the United States only increased in 1905 over 1904 by an average of 9.69 per cent., whereas the increase in Canada averaged 21.9 per cent.

Where else, or when else shall we find a country with a population of $5\frac{1}{2}$ to 6 millions making such progress in one year as the following shows this Dominion to have done in 1905?

Increase in amount of Bank Clearings in 1905 \$259,247,000; increase of deposits in banks, in 1905 \$60,000,000.

The total Clearings in Montreal in 1905 exceeded those of any city in the United States with the exception of New York, Chicago, Boston, Philadelphia, Pittsburgh, San Francisco and St. Louis.

Montreal, as to the extent of its Bank Clearings, stands in the 8th place amongst the cities on this Continent; in 1904 she stood in the 9th place.

Last year the Bank Clearings in Montreal advanced more in proportion than those in Chicago, Cincinnati, Minneapolis, San Francisco, Baltimore, New Orleans, Memphis, Richmond, St. Louis, Kansas City, and many others.

THE FINANCIAL SITUATION.

USUAL RESULT OF LARGE CROPS AND HEAVY EXPORTS NOT OCCURRED SO FAR IN THE UNITED STATES; THE UNITED STATES TREASURY PROSPEROUS THOUGH MONEY SO TIGHT IN NEW YORK; THE TREASURY FINANCIAL SYSTEM OF THE STATES MOST DEFECTIVE, IT FAILS TO PREVENT OR RELIEVE STRINGENCY, AS IS DONE BY CANADA'S CURRENCY SYSTEM; EVIL RESULTS OF UNITED STATES BANKS HAVING NO BRANCHES; MONEY FOR SPECULATION RANGING FROM 30 TO 100 PER CENT., BUT COMMERCIAL LOANS AT NOT EXCESSIVE RATES; EUROPEAN BANKS, RUSSIA THE DISTURBER, IS LOSING GOLD AND CREDIT; RETURNS OF NEW YORK CITY BANKS.

The financial situation at the opening of this year presents some anomalous features.

The natural result of an abundant harvest is to so far enlarge the supply of money as to reduce rates, or at least to give ease to the money market as it enlarges exports which draw money to the exporting country.

Yet, while the crops in the United States last season were exceptionally large, and their value enhanced beyond the average of earlier years by good prices, while also the American exports of farm products, of raw materials, of manufactures have been largely in excess of previous years, the rates for money in New York have gone up to prices which usually indicate a violent panic caused by confidence being shaken and the supply of money inadequate. Money rates in New York this year have been quoted as high as 100 per cent. While this condition in the open market was so like an acute panic, it was stated that the Treasury finances were "in a distinctly prosperous and satisfactory condition." It is one of the curiosities of finance that the prosperity of the Treasury was spoken as likely to have "intensified the stringency in New York City and aggravated the bad conditions throughout the country." The Treasury, however, seems to have been innocent of the imputation of having caused the panic rates in New York for it has shown that there had been no permanent contraction of the circulating medium due to Treasury operations in the month preceding the advance in rates.

The American Treasury system, however, is well adapted to, at least, aggravate any monetary stringency that arises, if not to directly cause it, by locking up money received from all sections of the country as public revenue which, under a wiser system, would go into the general fund for the service of the community.

Another grave defect in the American financial system is, the rigidity of the currency which is so fixed as to be entirely irresponsible to the needs of the country. This we have repeatedly demonstrated and shown how incomparably superior is the Canadian system. The Secretary of the Treasury and Mr. Schiff, a New York financier, have both declared that unless the American currency is made more