

OUR AUSTRALIAN LETTER.

The Australian Federation is justifying itself from a commercial point of view if from no other. The inter-state exports of the Commonwealth last year amounted to £37,448,833 being an increase over the previous year of £4,350,779. This is not yet equal to the oversea exports which are placed at £56,750,357, but they are steadily creeping up and the internal trade of the Commonwealth is likely to be equal to the external.

The New Zealand Government has made the experiment of borrowing money in Australia, and effected a loan for half a million sterling in Melbourne the other day, but it had to pay 4 per cent. for it. It borrowed another half million at the same rate from an Australian life company. This is rather a heavy rate for so prosperous a colony, but the English money market has looked askance at New Zealand securities for some time. Some doubt has been expressed as to the accuracy of New Zealand book-keeping, which has been aided by a recent discussion respecting the management of its railways. A New Zealander has charged the Government with manipulating the accounts by charging ordinary expenses to loan account and stuffing the receipts. He has asserted that if the accounts were properly kept the railways would actually show a deficit. His contention has not been fully answered and is somewhat borne out by the increase in expenditure of the railways from loans. In about ten years the mileage opened has increased by less than 18 per cent., while the capital expended has increased by 41 per cent. New Zealand is rather "going the pace." Its debt has nearly doubled in twenty years and its net debt is equal to \$320 per head of the population. The taxation of the people has had to follow suit and has been increased by nearly one-third in ten years. It is a wonderful country; but a good deal of its prosperity is due to the expenditure of borrowed money and even in New Zealand this cannot last for ever.

The State of Victoria has floated at home even a larger loan, for £1,600,000, at somewhat better terms than that of New Zealand, but costing over 3½ per cent. This indicates the prosperous condition of Australian finance, but also unluckily it shows the nervousness of Australian capitalists in expending their money in the development of the country. In a new country such as Australia is with so many virgin resources, money should bring a better return, and the security be quite equal to that of a Government loan.

The Australian wool season lasts until June next, but it is pretty well over. Up to the end of last month the export from Australia was 1,163,570 bales, and from New Zealand 218,808. This is an increase of 206,290 bales for Australia, but a decrease of 1,580 from New Zealand. Considerable quantities of wool continue to come in, and the last local sales brought the best rates of the season.

The high prices for minerals is stimulating their production, and the result has been that the output for last year in New South Wales of all minerals showed an increase of £626,176. The total value of last year is reported at £7,017,940. This increase has been shared by nearly all the metals and coal. The wide variety of the minerals of this State is shown by these returns. In the productions is included gold, silver, copper, lead, tin, zinc, antimony, bismuth, iron, platinum, scheelite, wolfram, molybdenite, and in precious stones diamonds to the value of £3,745 and opal to £50,000.

Reports from New Zealand show that the Government has placed a large contract for pipes with the Canadian Wooden-pipe Company. It appears that two Canadian companies, besides others from abroad, were competing for the contract. One had as good an agent as could be found in the colony, and the other sent an expert to New Zealand, and the company represented by the expert secured the contract. This illustrates the importance of being represented by a man who knows all about the business, particularly in the introduction of an article.

Canadian trade is increasing steadily with New Zealand, if not with great rapidity. One agent sold last year nearly three quarter of a million dollars worth of Canadian goods.

Beyond that are other sales of very large concerns. Commission men complain that Canadian firms are not dividing the preferential tariff with their customers of New Zealand and that they will sell goods advantaged by this tariff to Australia cheaper than they will to New Zealand. This may be so in some instances, but it would be pretty hard to keep Canadian goods sold for Australia out of the New Zealand market, and the complaint need not last very long.

The New Zealand trade for 1905 shows an unexpected condition. It was presumed that the exports for 1905 would be slightly below those of 1904, and that the imports would somewhat increase. As a matter of fact it has been the other way, the exports having increased by £907,599, and the imports decreased by £446,943, the actual figures being:—

	1904.	1905.
Imports	£13,291,634	£12,826,691
Exports	14,748,348	15,655,947
Excess of exports	£1,456,714	£2,829,256

F. W.

Sydney, New South Wales, 19th February.

DRESDEN BOARD OF TRADE.

At a meeting called on Friday night last by the Mayor of Dresden, which proved to be a crowded one, the Dresden Board of Trade was reorganized, the principal officers being R. Aiken, president; W. Ward, vice-president, and G. E. Weir, secretary-treasurer. We find, on referring to the list of Canadian boards of trade which we compiled in 1896, Mr. R. Aiken was president of the Dresden Board of Trade of that day, and Mr. J. H. McVean was the secretary.

BANKING AND FINANCIAL.

Messrs. Geo. A. Stimson & Co., debenture brokers, Toronto, have just, we are told, purchased \$22,000 Local Improvement 5 per cent. debentures of the town of Sturgeon Falls, paying the highest price for them.

We understand that Mr. F. W. Broughall, who has been with the Dominion Bank for years and has passed through almost all grades in that institution, has been appointed general manager of the new Sterling Bank.

Who will venture to say that an Old Country financial journal does not joke? We find the following in the "Financial News" of London, England, entitled, "A new Chestnut." Lady at dinner:—What do you think of Balzac? Jewish Jobber:—I really have no view: I only deal in Kaffirs.

The Union Bank of Halifax is having its jubilee this year in more ways than one. Shares of this bank have advanced in value recently almost at the rate of a point a day, having gone up thirty points in a little more than a month. The stock is now quoted at 182, with a great demand for it, and very little offering for sale.

In the item we copied last week from the "Summerside Journal," it was stated that the fittings of the Bank of Nova Scotia's new building in that town were made by the London Office & Specialty Co. We now learn that this was an error, for the fixtures of that office were the product of the Canadian Office & School Furniture Co., Limited, at Preston.

Among the new corporations mentioned in this week's Ontario "Gazette" as having received charters in the Empire Securities, Limited, Toronto, the share capital of which is \$100,000. It will purchase, hold, deal in, sell and lend upon debentures, stocks, bonds, or other securities of the Dominion or Provincial Governments or of "any former provinces now forming part of the Dominion of Canada" or of the United Kingdom, or Newfoundland, or the United States, or of municipal or school corporations in the above countries, also of chartered banks or companies. D. W. Livingstone, of Toronto, is one of the prominent members.