

their export trade from their Canadian factories, under present or revised tariffs of various countries.

As illustrating the well-matured plans of the average subsidiary company of United States manufacturers, the case of the Canada Creosoting Company may be cited. The American Creosoting Company and the United States Wood Preserving Company jointly control the stock of the Canadian Creosoting Company, a company incorporated in 1913, which has erected a branch plant and conducts business at Trenton, Ontario, for the two United States companies. Forty acres of land on the river front at Trenton have been purchased by the company, which has erected a large plant for erecting timber of all kinds. About one-third of the shareholders of this company are residents of Canada, as a block of the stock of the company was sold privately here. The remainder of the stock is held by the two United States companies mentioned above.

The head sales office of the new company is at Montreal, where a tank station has been erected. Creosoting oils are brought to the Montreal station in tank steamers from Europe. A small tank steamer, specially constructed for going through the St. Lawrence canals, carries oil from the Montreal station to the Trenton plant. The plant is served by the Canadian Northern, the Canadian Pacific and the Grand Trunk railways, and also has the waterfront. A large private dock has been built at the river front. The plant is between the Canadian Northern and the Canadian Pacific railroads, with sidings from both these roads running into the plant, and a siding of the nearby Grand Trunk Railroad was built into the plant. The Trenton plant is practically a duplicate of the United States Wood Preserving Company's Toledo (Ohio) plant.

The investments of countries (other than Great Britain and the United States) in Canada were estimated by the writer after two investigations to be, at the end of 1913, \$174,150,000, divided as follows:—

France .....	\$99,250,000
Belgium .....	11,675,000
Germany .....	31,725,000
Holland .....	18,000,000
Russia .....	2,000,000
Turkey .....	3,000,000
Foreign holdings of Canadian bank shares	11,500,000

The greater part of French investments are in Canada represented by loans on mortgages and the purchase of Canadian securities. Belgian and Dutch investments are largely in the form of mortgage loans and land purchases.

In view of events connected with the war, a few details regarding German investments in Canada, gathered during the writer's investigation of the subject in 1913, may be of interest. Generally speaking, such investments have not been large.

German capital has been interested in acquiring shares of the Canadian Pacific Railway. From figures supplied to the writer by Lord Shaughnessy, president of the railway, it was learned that the percentage of common stockholders of that enterprise, in Germany and France, was 15 per cent. in January, 1911; 15 per cent. in June, 1913, and 10.96 per cent. in August, 1916. The holdings of the two countries respectively was stated only for the latest date and they were: Germany, 5.33 per cent.; France, 5.63 per cent.

Another interest of some importance was that of the Dresdner Bank of Germany in conjunction with Messrs.

J. P. Morgan and Company, New York. This took the shape of a \$2,000,000 investment in the defunct Sovereign Bank of Canada, of which the German bank named contributed \$1,000,000. The Sovereign Bank failed but the Dresdner Bank's investment, it was understood, remained in Canada as that institution agreed to the plan of the formation of a new company to take over the assets of the Sovereign Bank.

Several small investments have been made by German capital in farming lands, but very little interest has been exhibited by Germany in the purchase of Canadian bond issues.

A large part of the output of the asbestos mines in Canada formerly went directly or indirectly to Germany. German capital proposed to interest itself in the financing of several asbestos properties in Canada about the year 1909 but two large amalgamations of these properties under Canadian auspices, led to the abandonment of the German proposal.

The German Development Company in Canada, representing important Berlin bankers, started in this country with a capital of \$60,000 for the purpose of locating and developing mining properties in Canada. Within one year the investment was increased to \$250,000 and later to \$1,000,000. The most important of the company's ventures were coal lands in Alberta. While a little Belgian, French and English capital was interested in these coal lands, the chief funds were of German origin.

German capital to the extent of \$3,500,000 was invested in British Columbia coal lands and in Alberta coal lands there is understood to be about \$3,000,000 of German capital.

## JOLTS, WAR AND PEACE

The habit of war is thoroughly acquired after two years. That has been proved since August, 1914. The jolt of a struggle in which fifteen nations have joined, dislocated the strands of trade, finance and everything else. The shock of a world war paralyzed the world's mechanism. If ever there existed the essence of pessimism, it was known in the autumn months of nineteen fourteen. Men who thought they knew hope and faith, failed to see the slightest ray. Business was knocked skewways while national leaders adapted national machinery to war. Now we are accustomed to the terrible business of war. In Europe, it is the daily round and common task. Here, we are trying to make it so, while thousands of sons and brothers and fathers of Canada are bearing arms.

Having become accustomed to war every day for some 824 days, people now talk of the economic jolt which peace will bring. The change from peace to war was an awkward thing. It involved unknown terrors, real and imaginary. It sent theories and precedents sideways. The change from war to peace will be easier. The fact that peace is the centre of things will prove a good foundation. Militarism will be under heel. Trade and credit and finance and men and industry have achieved extraordinary feats of adaptability to new conditions, feats of which prophets would not have dared to dream. With that experience, nations whose manhood and economic systems have survived this severest test of all, will not be appalled at the so-called difficulties of peace.