

HOW MUCH MONEY HAS GERMANY IN CANADA

Big European Nation Has Never Taken a Deep Interest in Can- adian Finance—Were Purchas- ers of Coal Lands.

German investments in Canada are of such meagre dimensions as to exert little or no influence upon the financial and commercial situation of the country. The natural caution of the German people has never been overcome sufficiently to render Canadian securities of more than passing attraction and the total of German investments in this country at any one time has never been formidable. Canadian Pacific Railway shares have been traded on the Berlin Bourse to a great extent not a few important Canadian Pacific movements having originated in Berlin. The Dredner bank, with Messrs. J. P. Morgan and company of New York, took a two million dollar investment in the Sovereign Bank of Canada and the failure of that institution cooled German interest to a degree which has not since been overcome.

German money has at various times been placed in Canadian farm lands and seldom to the advantage of the owners of the capital. In a Winnipeg land company some years ago Germans took up most of the shares and encountered a good deal of disappointment. Not only did the promoters pay too much for their land, but the expectations of profit were based on a continuation of German immigration to Canada, a movement which petered out very quickly. In the three years prior to 1909 the exodus from that country fell from 280,000 to 20,000, due to Germany's change from a farming to an industrial country.

Germany's interest in Canadian railroads has been entirely speculative. Canadian Pacific was listed on the Berlin Exchange and Grand Trunks were traded in through London. It was generally anticipated that had Canadian Northern stock been put on the market a big demand would have been created through the Berlin exchange.

Did Not Buy Municipals.

Canadian, federal, provincial and municipal bond issues have been wholly outside Germany's concern. The distance between the two countries is unfavorable to any intelligent appreciation of securities and intercourse by travel and literature is practically negligible. Light and power propositions have offered no attraction to capital from Germany, possibly for the reason that the Imperial government has endeavored to restrict enterprise of this kind to its own country and colonies.

At the beginning of the Cobalt boom, German experts made a preliminary survey and pronounced the venture freakish and unsafe. A little later on one or two badly organized companies fell to pieces and injured European confidence, while a German company with offices in Toronto, after claiming to have the secrets of ore treatment as used by the royal Saxonian government, failed to make good and so further disgruntled its shareholders and their fellow-countrymen with Canadian opportunities.

The German Development company was an instance of a more encouraging order. They started with a capital of \$60,000, having as their object the location and development of mining properties in Canada. At the end of twelve months the capital was raised to \$250,000, and later quadrupled. The greater part of their holdings in coal lands in the west was amalgamated with the interests of the Canadian Northern Railway company which has undertaken to complete a railway to the coal mines. German capital of about \$3,500,000 is invested in British Columbia coal lands and about \$3,000,000 in Alberta coal lands.

The asbestos mines in Quebec have lost one of their most profitable customers with the severing of Germany's relations. German capital, with many opportunities to acquire an interest in asbestos properties, preferred to continue the relation of an ordinary purchaser, partly in protest against the conditions surrounding mining development in this country.

Might Seize Holdings.

What becomes of German holdings in this part of the British empire, which is at war with Germany as certainly as Great Britain, offers an interesting problem. Germany has set an embarrassing precedent in appropriating the bank balances of non-resident Russians, a procedure which might justify the Canadian government in similarly rigorous dealings toward German property within the Dominion. It is altogether probable, however, that the holdings will be left inviolate inasmuch as the German companies took pains to include on their directorates a few investors of Belgian, French and English nationality.

In contrast to German indifference towards Canadian investments, France shows the greatest interest in the Dominion, being surpassed only by Great Britain. France holds, or held until recently, large blocks of Lake of the Woods, Quebec Railway, Montreal Power, Montreal Street Railway, Toronto Street Railway, Algoma Central and Hudson Bay Railway and Dominion Steel Corporation securities.