

CANADA'S SHARE OF BRITISH CAPITAL.

Reliable Estimate Shows That We Have Had Three Hundred and Seventy-two Millions Sterling—Dominion is Borrowing at the Rate of Thirty Millions Sterling Per Annum.

Great Britain has loaned £3,192,000,000 to its overseas dependencies and to foreign countries. Of that sum, Canada and New Foundland obtained £372,541,000. These figures were given in a valuable paper read to the Royal Statistical Society in London, by Mr. George Paish, one of the editors of *The Statist*.

"In ascertaining the large amounts of capital that Great Britain has supplied to individual colonial and foreign countries," he said, "one is compelled to recognize the powerful influence which Great Britain has exerted in developing the world's natural resources by supplying other countries freely with funds for railway construction, for mining, and for the production of every kind of natural wealth. It is no exaggeration to state that Great Britain's enterprise in placing her supplies of new capital wherever they could be profitably employed has been one of the great forces which has made for the increased prosperity of the human race in modern times. In the seventeenth and eighteenth centuries Great Britain supplied money for the development of the sugar, tobacco, and other plantations of the Indies and of America; but it was not until the invention of railways that the investments of British capital abroad assumed large proportions. A statement of the existing amounts of capital employed abroad by Great Britain gives practically no indication of the valuable assistance rendered by Great Britain to the Continent in the construction of railways in France, Belgium, Austria, Italy, Spain, and in other countries inasmuch as Continental countries have now repaid the greater portion of the sums with which Great Britain supplied them for railway construction. Nevertheless even Continental countries owe the increase in their prosperity in no small degree to the enterprise of Great Britain in building railways for them when their own supplies of capital were inadequate for the purpose."

United States Had Most.

"The country which has received the largest amount of British capital is the United States, where we have been placing capital from the days of Queen Elizabeth. The War of Independence and the war of 1812-1814 caused but a temporary halt in the flow of British capital to America, but the amounts that were invested in that country prior to the days of railways were insignificant in comparison with the great sums which have been provided by investors since they began to find a large portion of the capital needed for the construction of railways in the young countries. There have, of course, been periods in which the States have been in a position to repay some of the capital obtained from this country, but these periods have been short and from decade to decade the amount of our investments in the United States has shown large expansion until at the present time it reaches the great sum of about £688,000,000. It should, of course, be recognized that a part of this sum, and no inconsiderable part either, has resulted from increment or from the employment of profits by the undertakings in which the capital was placed to such good purpose, and that the value of the original sums invested has immensely increased. Of this great sum nearly £600,000,000 is in railway securities."

Large Sums to Canada.

"With the exception of the United States, our greatest investments are in the daughter States of the Empire, and in our great Indian possessions. Excluding the United States—to which, however, we are also attached by ties of blood and of language—Great Britain has provided more capital to Canada than to any other country, and the rate at which the British people are now increasing their investments in Canada is so rapid as to be phenomenal. The amount of visible capital our investors have placed in Canada now reaches the great sum of £373,000,000, and new supplies of visible capital are flowing to Canada at the rate of over £30,000,000 a year. Including the invisible capital, that is, the capital privately supplied for loans on mortgage, the purchase of land for the conduct of private businesses, etc., the amount is probably nearly £40,000,000 a year. The amount of visible capital we have sent to Canada in the last three years has reached £100,000,000."

"Canada still needs a large sum of money for the completion of the railways now under construction, and inasmuch as the Mother Country is proud of the great progress of her daughter and is willing to supply her with all the capital

she needs to develop her resources, it is evident that our capital investment in Canada will reach a much greater total in a few years. Practically the whole of the capital which has been spent upon railway construction in Canada has been provided by the investors of Great Britain. In the nineties, when our investors were suffering from a feeling of distrust of other nations, including the Colonies, the progress of Canada was very slow, and the increase in her population relatively unimportant; but in recent years the ability of Canada to obtain all the capital she needs for the development of her natural riches has stimulated the growth of her population in a wonderful manner."

Capital to Australia.

"The British people have provided their kinsmen in the Australasian Colonies with rather more capital than they have supplied to Canada, the visible amount reaching the great sum of £380,000,000. Of this total, £301,500,000 has been supplied to the Commonwealth, and £78,500,000 to New Zealand. A few years ago the amount of capital supplied to the Australian colonies was very much greater than that invested in Canada, but the rapidity with which Canada is developing, and the relatively slow progress of the Australian colonies have materially changed the situation. In the eighties there was a great flow of British capital to Australasia for railway construction, and population increased at a rapid rate; but in the nineties the country fell upon misfortune, first because British investors were not willing to find much new capital in consequence of their distrust of Colonial and foreign investments at that time, and secondly, because Australia was visited by a series of droughts which seriously checked her progress."

Canada's Railways Built on British Capital.

"In recent years the credit of Australasia has been fully restored, and the measures that are now being taken to increase the productive power of the country and to develop its natural resources will doubtless bring about the influx of a greatly increased amount of capital from this country, and thus stimulate the growth of population and of wealth. Last year the amount of new capital raised in London for Australasia was about £10,000,000. In the statement herewith of the amount of capital invested by the British people in Australasia it will be noted that about two-thirds of it has been provided by loans to the various governments. The object of these loans was railway construction and other public works. The circumstances of Australasia were such that it was more desirable for the country to use its own credit in order to secure the necessary capital for railway construction than to leave railway extension to private enterprise. In Canada the circumstances are different, and the Canadian people have been able to get all the capital they require for railway construction by means of companies and by private enterprise; but although the methods of obtaining the capital have differed, the railways both of Canada and of Australasia have been almost entirely constructed by means of the capital supplied by the Mother Country."

Here are the details of the amount obtained by Canada and Newfoundland:—

Government	£74,621,000
Municipal	17,327,000
Railways	223,740,000
Banks	4,180,000
Commercial and industrial, etc.	14,357,000
Electric lighting and power	3,272,000
Financial, land, and investment	12,613,000
Gas and water	743,000
Insurance	246,000
Iron, coal, and steel	7,331,000
Mines	7,396,000
Oil	907,000
Shipping	200,000
Tramways	5,808,000
Total	£372,541,000

Increasing World's Productions.

"It will be realized that railways are the instruments mainly needed to develop the natural agricultural wealth of the young countries, and that, if the capital provided for railway construction be regarded as a part of the total capital we have found for developing the riches which Nature has bestowed upon the world, it is evident that almost the whole of the capital provided by Great Britain for other countries has been used for increasing the world's productions of food, minerals, lumber, oil, nitrate, rubber and other natural products. To show the amounts of capital we have supplied to the various countries of the world I give the following statement:—