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LONDON OR NEW YORK.

As the marvellous power of London as a money centre has gradually emerged through the stress of war, less has been heard than in the early months of the conflict, of the downfall of the English metropolis as the premier money market of the world, and the triumphant succession of New York to the high position which London has held so long. Events in New York as well as in London have combined to scotch the easy assurance with which this assertion was formerly made. It has become obvious that whatever strides New York may have made in regard to international financial operations during the war, that there is yet a good deal to learn there regarding the alphabet of international finance. Reflection has served to show also that there are serious considerations, temperamental and economic as well as physical, to be taken into account before any reliable forecast of the trend of events in regard to New York's future international position can be made. In a recent paper, a well-known Canadian banker and authority on foreign exchange, Mr. E. L. Stewart Patterson, of the Canadian Bank of Commerce, frankly expresses the opinion that the supremacy will remain with London. That city, he points out, is situated on the threshold of Europe, in the heart of the world's commercial activities and within a short distance of every important exchange centre in the world, except New York. This alone, in Mr. Patterson's estimation, may be considered an insuperable obstacle to New York's ambitions. Moreover, in dealing in foreign exchange and stocks, London is the centre of the world as regards time. She knows the conditions in eastern markets before they close and is open long enough to operate in New York before her own markets close. Her position is therefore pivotal as regards time and distance. Granting, says Mr. Patterson, that New York has the means and enterprise to create an efficient steamship and cable service in due course, how can she eliminate the more serious handicap of distance by water from all other financial centres?

In referring to what he calls psychological conditions bearing on this problem, Mr. Patterson points out that Great Britain is a land of slowly acquired fortunes, and the banker and merchant there are content with small profits and slow returns. They have long realized the fact that trade follows the loan, and have therefore been willing to invest money in foreign countries with no prospect of recovering

immediate returns or large profits, and the financing of these loans abroad has been an important factor in making the London money market so supreme. It is doubtful, in Mr. Patterson's opinion, if the American is adapted temperamentally for operations of this kind, or for the small profits of the exchange operations connected therewith. The United States has still a vast area in proportion to its population, its natural resources are not yet fully developed, and it is a country of large and rapidly acquired fortunes. It will, therefore, be many years before the investors and entrepreneurs are forced to direct their attention to foreign fields. London's supremacy is, in fact, the cumulative result of numerous forces, political as well as economic, spread over a long series of years, during which time the world has learned to think in terms of British money, and bills of exchange on London have been raised almost to the dignity of an international currency, while the safety of the Bank of England and the value attached to the word "sterling" have become proverbial. Sovereigns, and to a great extent Bank of England notes, pass current the world over without recourse to money changers. The dollar and the dollar bill must be made equally well known and acceptable if New York is to attain supremacy.

Of the numerous economic factors, tending to enhance London's position, stress is laid upon the fact of it being a free gold market. England is not only committed to an undeviating policy to maintain a free gold market but enjoys peculiar advantages in this connection as not only, normally, the largest creditor nation of the world but also the controller within the British Empire of nearly two-thirds of the raw gold output of the world. Owing to this natural gold income Great Britain has been able to maintain her position as a free gold market during the whole period of the war, and its bank notes and treasury notes have been, and still are, redeemable in gold at the Bank of England on presentation. The role of international banker was lately assumed by New York, not so much of her own volition as by force of circumstances. Before New York can retain the position which London, with all her advantages, took centuries to acquire, the United States, says Mr. Patterson, must learn to think internationally, and not provincially. It must increase its foreign trade tremendously, and revise its navigation and alien labor laws, and its

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