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FIGS FROM A THISTLE. **T**HOUGH it may savour of accepting figs from a thistle, British holders of foreign investments may thank a "labour M. P." for a convincing apologia on their behalf. In the current issue of *The Financial Review of Reviews*, the reasons why Great Britain may, with benefit to itself, continue to export capital freely, are clearly set forth by Mr. Ramsay MacDonald—one of the Independent Labour Party whom Dr. Beattie Crozier, author of *The Wheel of Wealth*, has dubbed "pale ensanguined ghosts of Karl Marx and his army of Continental Socialists." Though staid British capitalists may suspect the motives of the "Greeks bringing gifts," they can take umbrage to their patriotic souls as they read of how investments abroad are contributing to the nation's welfare as surely as to their own profit.

The subject is one attracting much attention in Great Britain at present—and one in which Canada is vitally interested. As noted in another column by the London correspondent of *THE CHRONICLE*, during the first quarter of 1909 the London money market raised over £64,000,000 for new capital applications—£19,000,000 more than in the corresponding period of last year, and more than double the showing for the first quarter of 1906. Of this amount only £4,709,400 was devoted to new capital applications within the United Kingdom. Overseas British possessions took £29,875,100 as their share, Canada obtaining £9,387,600. Outside the Empire altogether, £29,653,900 was called for during the quarter; it is this which perturbs not a few.

THE EXPORT OF BRITISH CAPITAL. **A**NY reliable estimate of British investment holdings abroad is impossible.

The Inland Revenue Commissioners state that the taxed income derived from foreign sources for 1906-7 amounted to £79,560,100. Assuming an average rate of interest on foreign investments of 4 per cent. this would represent a capital of about £2,000,000,000. But this is a manifest under-estimate. Some there are who go so far as to hint that fully half of the income derived from foreign investment is never disclosed to the Inland Revenue Commissioners. This much is more definitely known—that during the past decade the total amount of new issues of foreign securities on the English market has been well on to £900,000,000.

Many a stolid Britisher talks as though this export of capital consisted of so much gold coin sent to "furrin parts" to be spent in wages and in creating various products that might better have been made at home. He forgets, as Mr. Ramsay MacDonald points out, that it is in large measure "a demand made for his own labour to supply materials for the erection of docks, tramways, gas undertakings, mills, and similar things in foreign lands from China to Peru."

Further, it is pointed out that this export of capital outside the British Empire, and also within it, opens up and develops permanent markets for British products of all kinds.

COMMAND OVER RAW MATERIALS. **T**HE British Premier stated, a few weeks ago, that British investments go almost entirely to develop new countries, and that the interest comes back in the shape of raw materials for home industries. Though his contention has been disputed in Parliament and out, facts and figures apparently bear Mr. Asquith out in this. Of the proceeds from nearly £900,000,000 new foreign securities issued in England during the last ten years, Europe received only about £80,000,000. North America well on to £210,000,000, Asia £200,000,000, Africa £185,000,000, South America £140,000,000, and Australasia over £70,000,000.

Taking the figures of the past quarter, practically £30,000,000 of capital exported went for development within the Empire. Of the almost equal amount taken by foreign countries, only £300,000 sent to France (chiefly, it is said, to run 'buses in Paris) and £200,000 to the United States, can be considered as given to "trade rivals." Altogether, very little British capital is being sent to countries which export manufactured goods to the United Kingdom, and there seems some reason for *The Economist* of London to wax wroth at the "extreme of folly" that talks of cutting off or diminishing a stream of capital which increases year by year the supply of raw materials for British industry. This staid exponent of capital here joins hand with the above-quoted champion of labour, in maintaining that one of the chief reasons for Great Britain's strength is the fact that it has been investing capital abroad for generations.