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978-0-521-46054-5 - International Capital Markets and American Economic Growth, 1820-1914

Lance E. Davis and Robert J. Cull

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This book is a study of the capital transfers to the United States in the nineteenth and twentieth centuries and, for the latter decades of that period, of the transfers from the United States to the rest of the world – particularly Canada, the Caribbean, Mexico, and Central and South America. It provides quantitative estimates of the level and industrial composition of those transfers and qualitative descriptions of the sources and uses of those funds; and it attempts to assess the role of those foreign transfers on the economic development of the recipient economies. In the process, it provides an analysis of the symbiotic relationship between the New York and London stock exchanges and of the evolution of the American domestic capital market. The work explains the centrality of foreign capital's role in American economic development, despite the high level of domestic savings. Finally, it explores the issue of domestic political response to foreign investment, attempting to explain why, given the obvious benefits of such investment, the political reaction was so negative and so intense in Latin America and in the American West, but so positive in Canada and the eastern United States.

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