

INDEX

A.E. Ames and Company, 440 Ames and Company, 456 Acceptance market, of London, 129-130, Anaconda Copper, 331 Anglo-American Iron Company, 392, 395 803 Acopidores, 707 Anglo-Argentine Mining Company, 710 Act of 1828, 133 Anglo-Australian Bank Ltd., 575 Act of 1863, 133 Anglo-Canadian Asbestos, 385 Act of 1891, 133 Anglo-Egyptian Bank, 178 Act of 1896 (Japan), 892 Anglo-Italian Bank, 178 Act Relating to Banks and Banking, Argentina, 644-752 410-412, 428 appendices for, 723-752, 749 Adamson, Collier, & Chadwick, 171–172 capital formation in, domestic, real Adelman, Jeremy, 707 gross fixed Aetna, The, 290 conventional measurements of, Africa, British overseas investment in, 70t, 724-729, 727t-729t 71, 75t, 79t, 83t unconventional components of, Agency Land and Finance of Australia, 729-732, 730t-731t 539 capital formation in, foreign Agri-Industrial Bank, 883, 892 contribution to, 735-743, Agricultural Bank of Western Australia, 736t-737t, 741t capital formation in, net, 743-745 Agriculture capital/output ratios, 747-749 direct estimates, 749-752, 750t-751t in Argentina financing development of, 698t, 699, for 1913, 748-749 699t-705t, 706-708 estimate based on net investment growth rate of, 649-651, 650t rate, 749 in Australia, 535, 538t inventory investment in, 732-735, during boom years, 489, 492, 495-733t-734t reestimation of GFCF series, 746-747, government subsidy of, 485-486, 748t 597-598 test of the estimates, 745-746, 747t during post-depression years, 513 Britain overseas investments in, 10, in Canada, 347-348, 349, 352, 385, 388, 27t-33t, 35t British savers' link to domestic capital called, in British capital markets, institutions in, 799-800 31t capital flows to, 834t Aitken, Max, 457, 460 concluding summary of, 722-723 Alexander Brown and Sons, 300-301 economic change in, 649-665 Alexanders, 130-131 growth rate in, 649-654 Algoma Steel Company, 388 agriculture in, 649-651, 650t Alliance Insurance Company, 591 average annual, 650t Amalgamated Zinc, 514 depression on, 653-654 America: see North America; South GNP, by sector, 652t America; United States GNP, growth rate of, 653t American Powder Trust, 392 population change in, 654-659 American Republics Bureau, 689 immigration on, 655-659, 657t American Screw Company, 392 nationality mix and, 659t 964



Index 965

native born vs. total, 656t Argentine Estates of Bovril, 708 structural change in, 659-665 Argentine Iron and Steel Company, 710 immigrants and, 661-662 Argentine Land Companies, 708 by industrial sector, 1895 vs. 1914, Argentine Meat Preserving Company, 710 660t Argentine Refinery, 710, 711 by region, 661, 662t Argentine Sugar Estate and Factories, 708 transportation system and, 663-665 Argentine Tobacco, 711 urban population and, 663, 665 Argus, 611 Armstrong, Christopher, 437, 440 financial intermediaries in, 665-694 banking system in, 23, 665-689 on bond underwriting, 461 British banks and, 789-793 Armstrong Committee, 286, 310 commercial banking in, 665-682, Arthur Grenfell, 631 789–793 (see also under Arthur Grenfell's Canadian Agency, 170, Commercial banks) government influence on, 908 Ashmead, Edward, 258-259 mortgage banks in, 682-686, 683t Ashurst, Morris and Company, 171 private banks in, 686-689 Asia insurance companies in, 689-691, 800 British overseas investment in, 63-65, stock exchange in, 692-694 70t, 73t, 77t, 81t-82t NICS in, 1996-1999, 910-925 financial markets of, 1914-1945, 845t Asian crisis of, 918-924 financing development in, 694–722 aggregates in, 694-699 conclusions from, 924-925 calls on London capital market, in introduction to, 910-913 dollars, 700t-701t, 704t-705t liberalization of the 1980s and 1990s on, 913-918 calls on London capital market, in percentages, 702t-703t, 704t Associates, 16 capital formation in, as a percent of Association of Banks of Melbourne, 507 domestic product, 695t Asymmetric information, 755-756, foreign capital, as percent of gross 814-817 capital formation, 697t August Belmont & Company, 301 foreign capital, British, 699t Australasian Insurance and Banking Review, 553-554, 557-558, 562, foreign capital, by sector, 698t GDP and capital/output ratios, 696t 574,816 the Argentine Republic in, 713–719, Australia, 471-643 762 British capital market and, institutional borrowings of, 715t-717t ties to, 626-640, 777-780, 778t-779t government securities yields of, 714t Australian new issues in London, cities in, 711-713 629t industry in, 708-711 government sector and, 628, 630railways in, 720-722 632 ranching and agriculture in, 698t, 699, private sector and, 633-640 699t-705t, 706-708 routes to, 627t foreign investment in, political response British overseas investments in, 9-10, 27t-33t, 35t, 65, 70t, 74t, 78t to, 822-825 GDP per capita, 1913-1994, 842t-844t British savers' link to domestic government issues of, 216 institutions in, 798-799 gross investment and trade balance in, capital market evolution in, 544-626 1914-1945, 845t, 847-849 capital flows to, 834t inventory investment in, 732 introduction to, 544-545 rates of return in, 218 non-bank intermediaries in, 567-598, ratio of financial assets to GNP in, 836t 668-776, 770t, 773, 775t building societies in, 573-575 savings rate in, 20 depression on, 569-570, 596-597 World War I on, 841 government encouragement of, Argentine Bank of the Nation, 673 597-598



966 Index

Australia (cont.)	transport sector in, 500–502
life insurance companies in,	capital formation in, 492t–494t
581–583, 590–591	depression years, 502–513
life insurance company assets in, in	banks and, 506–513
percentages, 587t–589t	British investment and, 502–503
life insurance company assets in, in	building societies and, 505–506
pounds, 584t–586t	private vs. public sector in, 503
life insurance company portfolio	warnings of, 504–505
mix, in percentages, 594t-595t	government role in, 473–489, 901–902
life insurance company portfolio	"colonial socialism" and, 479–483
mix, in pounds, 592t-593t	colonial vs. local government in,
mortgage banks in, 575–576	476–479
pastoral finance companies in,	investment efficiency and, 483–489
576–578, 580t, 581	per capita debt and, 473
savings banks in, assets and	public vs. private sectors and,
liabilities of, 568t	474–476
savings banks in, government-	railroads and, 762
related, 569–572	post-depression years, 513–517
securities markets in, formal, 598–626	income, savings, investment, and foreign
(see also under Securities	finance in, 517–544
markets)	agriculture in, 525, 538t
primary, 599–609	capital created and called on British
secondary, 609–626	markets
trading banks in, 545–567, 836t	in dollars, 526t–527t
branch system of, 548–549	by industry, in dollars, 532t–533t,
British investment in, 560t–561t,	534t, 536t
564–566	by industry, per capita, 530t–531t,
deposit insurance and, 562–564,	535t, 537t
809–811	in percentages, 528t–529t,
foreign assets of, 556–559, 562	534t–535t, 536t–537t
imperial banks in, 545–547	capital formation in, 522–523
land boom collapse on, 564–567, 784–785	extractive industry in, 525, 538–539, 538t
number of, 547t	financial sector in, 539, 542
real estate lending of, 550–555,	government new issues in, 540t–541t
784–785, 828	gross domestic product in, 518t–519t
Scottish system and, 545, 828	in percentages, 520t–521t
concluding summary of, 640–643	in pounds, 518t–519t
financial markets of, 1914–1945, 846t	industrial sector in, 542–544
foreign investment in, political response	state government role in, 524–525
to, 817–819	utility companies in, 542
GDP per capita, 1913–1994, 842t–844t	introduction to, 471–472, 473t
gross investment, foreign capital flows	Matsukata banking model in, 900
and savings in, 1914–1936, 846t,	pastoral sector defaults and, 811–814
847–849	rates of return in, 216, 218
gross national product of, 472, 473t, 489,	savings banks in, 19, 22–23
490t–491t, 513, 542	savings rates on, 21
financial asset ratio to, 668–776, 770t,	World War I on, 841
773, 775t	Australian and Oriental Coal Ltd., 544
historical background of, 473-517	Australian Cities Investment Company,
boom years, 489–502	539
British investment and, 502	Australian Coking and By Products, 544
construction sector in, 498-500	Australian Colonial and General Life
growth sectors in, 495	Assurance, 582
industrial sector in, 497–498	Australian Deposit and Mortgage Bank
pastoral sector in, 489, 492, 495-497	Ltd., 575



Index 967

Australian Estate and Mortgage Company, Australian Extract of Meat and Cattle Company, 543 Australian Financial Agency and Guarantee Company, 604 Australian Freehold Banking Corporation Ltd., 559, 575, 634, 816 Australian General Assurance Company, 582 Australian Joint Stock Bank, 512, 539 Australian Meat and Agency, 543 Australian Meat Importation Company, Australian Mercantile Land and Finance Company, 577, 578 United Kingdom agents of, 635 Australian Mining, 538 Australian Mortgage Land and Finance Company, 539, 577, 633, 636 Australian Mutual Building Society, 634, 816 Australian Mutual Provident Society, 582, 590 Australian Temperance and General, 590 Automobile manufacturers, 194 Bagehot, Walter, 158 Bahia Blanca Gas Company, 712 Bailey's investment policy, 147 Baker, 647-649 Baker, George F., 305, 308-309 Balance of payments in United States, 245-248, 247t Balboa, Manuel, 725, 729, 730t-731t, 732 Balfour, Williamson, and Company, 259 Balke, Nathan S., 344 Banco Carabassa, 679 Banco Cremi, 907 Banesa, 904 Bank Act of 1927 (Japan), 886 Bank Charter Act of 1844, 108 Bank for International Settlements, 866 The Bank for Savings, 282 Bank of Australasia, 539, 545-546, 548, 549, 551, 552 in new issues market, 599 Bank of British Columbia, 342, 389, 415, Bank of British North America, 409, 411 Bank of Buenos Aires, 665, 666t, 675 assets and liabilities of, 677t

Bank of England as Australian bank agent, 632 as Australian government's agent, 609, on British commercial paper markets, 128 on commercial bank reserve requirements, 119-120 gold standard and, 336 in House of Barings crisis, 2-3 note issue monopoly of, 107 underwriting activities of, 175, 179 Bank of Italy, 688 Bank of Japan, 882-883, 894, 898, 899 central bank role of, 890-891 guarantees of, 885 Bank of Korea, 899 Bank of Montreal, 177, 374, 405, 406, 409, 413, 457, 601, 780 branch operations of, 415, 776–780 dominance of, 440 London agency of, 782 market share of, 416 underwriting of, 419-420 Bank of New Brunswick, 405 Bank of New South Wales, 513, 552, 553, 555, 565-566 London representative of, 631, 782 Bank of North America, 373, 413 Bank of North Queensland, 558 Bank of Nova Scotia, 414, 415, 429 Bank of Rio de la Plata, 688 Bank of Taiwan, 899 Bank of the Nation, 672–673, 675, 679 agricultural finance and, 707 assets and liabilities of, 677t failure and reconstruction of, 789 loans of, 680, 681t Bank of the Province of Buenos Aires, 679, 681t agricultural finance and, 707 failure and reconstruction of, 789 Bank of Tokyo, 895 Bank of Upper Canada, 405, 408-409, 901 Bank of Victoria, 546 The Bankers', Insurance Managers', and Agents' Magazine, 473, 562, 563-564, 810 on Barings crisis of 1890, 152 Bankers Trust, 298, 309 Banking Act of 1871 (Canada), 780, 828 Banking centers, international, 872 Banks, commercial: see Commercial banks Barclays Bank, 111 Barger, Harold, 343 Baring Brothers, 301, 305, 420, 782, 815

dividend rate of, 676t

Bank of Commerce, 440



968 Index

Barings Bank, 1–3	Brewing, 260, 335, 615
in American markets, 331, 334	Brezis, Elise, 50
Guiness securities and, 260	Britain: see also United Kingdom
in London acceptance market, 130	capital market evolution in
as underwriters, 167–168, 177	history and current events in, 1–3
Barings Crisis of 1890, 117	overseas investments in frontier
on Argentina	countries and, 5–6, 9–10, 19–25,
bank failures, 674–675	34–35
bond yields, 713	agricultural and extractive capital
cedulas, 685–686	called, 31t
debt of, 718–719, 720	in Australia, 472
growth rates, 654, 698–699	finance capital called, 29t
on Australia, 503, 600, 604	government capital called, 30t
on investment trusts, 152	manufacturing and commercial
on underwriting markets, 179	capital called, 28t
Barnett, George, 297	public utility capital called, 33t
Beaverbrook, Lord, 457	total capital called, 27t
Becker, Gary, 920–921	transport capital called, 32t
Belgium, World War I on, 851–852	foreign investment into, 51
Belgrano Blanca Gas Company, 712	savings in
Bell Telephone of Canada, 389	and Canadian investments, 355
Bethlehem Steel, 260	during Industrial revolution, 15–16, 51
Bliss, George, 304	British Bank of Australia, 575
Blyn, Martin R., 310	British Bank of North America, 429
Boehm, E.A., 505	British Bank of South America, 678
Bolsa of Commerce, 692–694, 799	assets and liabilities of, 677t
Bonds	dividend rate of, 676t
Argentine government, 714, 714t–717t,	British Empire Trust, 170
718–719	British Foreign & Colonial Corporation,
Australian government, 599–600	170
Canadian underwriting of, 454–466,	British Gross National Product, 56, 57t
469–470, 796–797	British West Indies, 347
New York market for, 855–856	Broken Hill Proprietary, 514, 607
Boot, H.M., 509	securities of, 626
Bordo, Michael, 116	Brown, Shipley & Co., 301, 764
Boskin, Michael, 47	Buckley, Kenneth, 465–466
Boston Associates, 305	Buena Tierra Mining Company, 710
Boston Stock Exchange, 306	Bueno Consols Company, 710
Bottomly, Horatio, 173, 639	Buenos Aires City, 718
Bowery Bank, 282	Buenos Aires Harbor Works, 712
Brady, Alexander, 480	Buenos Aires securities exchange,
Brady, Dorothy, 343	692–694, 799
Branch banking	Buenos Ayres Gas Company, 712
in Argentina, 674	Buenos Ayres Grain Elevators, 712
in Australia, 548–549	Building and loan societies
of British commercial banks, 776–780,	in Australia, 573–575
778t–779t	during depression years, 505–506
in Canada, 413–416, 776–777	in Canada, 422–423, 424t–425t, 433–436
in United States, 266–267, 271–272, 785–786, 830	in United Kingdom, 136 in United States, 298–300, 424t–425t
Brandt Bank, in London acceptance	Bunge, A.E., 743, 745, 747 Bunge and Born, 688, 711
market, 130 Prazilian Canadian and Ganaral Trust	Bunge and Born, 688, 711
Brazilian Canadian and General Trust	Burdett's, 166
Company, 170 Pratter Woods are an frontier accommiss	Burns, Walter H., 304
Bretton Woods era, on frontier economies,	Burton, T.E., 154 Burlin, Neel, on Australia, 472
862–869	Butlin, Noel, on Australia, 472



Index 969

capital formation in, 474, 487 financial markets of, 1914-1926, 847t Colonial Socialism in, 479-480, 481-482 foreign investment in, 362-398 housing sector in, 498-499 American, 390-396 in 1909 and 1913, 392t C. Unger and Company, 422 direct, 391t C.W. Morgan & Company, 158 total, 392t Caledonian and Australian Mortgage and British, 9, 27t-33t, 35t, 359, 372-390, Agency, 539 466, 470 California Oilfields, Ltd., 259 called on British capital markets, by Call system, on Melbourne Stock sector, 384t Exchange, 621 called on British capital markets, in Cameron Brothers, 543 dollars, 379, 380t-381t, 386t-387t Canada, 345-369 called on British capital markets, bond houses in, 796-797 per capita, 379, 382t-383t Britain overseas investments in, 27t-33t, direct, 377, 378t 35t, 359 industrial distribution of, 376t British savers' link to domestic European, 396-398, 396t, 398t institutions in, 795-798 political response to, 819-822 capital markets in, 398-470 temporal pattern of, 362-372 capital flows to, 835t in balance of payments, 366t-367t in stock of foreign investment, chartered banks in, growth of, 399-418, 836t 364t-365t, 370t-371t 1820-1920, 413t GDP per capita, 1913-1994, 842t-844t An Act Relating to Banks and gross investment, foreign capital flows and savings in, 1914-1926, Banking on, 410-412 asset growth of, 399t 847-849, 847t Bank of Upper Canada failure on, gross national product of, 350t-352t, 408-409 353-355, 466, 468 branch banking and, 413-416, from 1897-1914, 352t, 357-358 776-777 by sector, 427t British North America Act of 1867 overview of on, 410 growth patterns, 1867-1896, 349-355, early development of, 405-408 351t, 352t loan structure of, 416-418, 780-781 growth patterns, 1867-1914, 345-347, as London agents, 782 350t, 356t private intermediary assets in, growth patterns, 1897–1914, 357–358 401t growth patterns, before 1867, 347-349 Scottish precedents in, 405, 776-777 institutional environment, 358-362 stability of, 418 population of, native born vs. total, 656t vs. United States banks, 400t, 402t, rates of return in, 216-217 404, 412 savings banks in, 19, 20-21, 22 chartered banks in, security markets savings in, 355, 356t, 362 and, 418-421 World War I on, 841 non-bank intermediaries in, 421-470, Canada Assurance Company, 430 424t-425t, 836t Canada Cement, 450 building societies, 433-436 Canada Copper Company, 392 introduction to, 421-426 Canada Life Assurance Company, life insurance companies, 430-433, 430-431, 432-433, 440, 441 Canada Switch and Spring, 388 long-term loans and, 909-910 Canadian Agency, of Arthur Grenfell, 170 mortgage and loan companies, Canadian Bank of Commerce, 177, 374, 433-436 414, 429-430, 449 savings banks, 426-430 branch operations of, 415 securities markets, 436-466, 467t call and short term loans of, 458 (see also Securities market) London agency of, 782

market share of, 416

summary of, 466-470



970 Index

Canadian Cattle Company, 385 Citizens Life Assurance Company Ltd., Canadian Confederation, 345-347 Canadian Copper Company, 395 City Mutual Life Assurance Society Ltd., Canadian General Electric, 443 Canadian Grand Trunk Railway, 832 City of Glasgow Bank, 117, 119, 633-634 Canadian Pacific Railway Company, 353, City of London, secondary bill market of, 361, 379, 384, 451 Bank of Montreal and, 420 City of Melbourne Bank, 512, 557 Canadian Petroleum Company, 385 City of Melbourne Building Society, 575 Canadian River System, 349 City of Sydney Bank, 558 Capie, Forest, 107, 111, 113–114, 115, 117 Civil War (American) on capital flows, 246, 249 Capillitas Copper Company, 710 Capital markets: see also under specific foreign financing of, 332 countries, e.g. Australia on investment banking, 301 Bretton Woods era on, 862-869 Clark, J.M., 857 evolution of, 1-49, 762-763 Clark & Company, 613 Britain and four frontier countries in, Clark & Dodge, 301 Clarke, William, 559, 562, 607, 634, 816 British long-term capital transfers in, Clearing house, for London Stock 25-35, 27t-33t, 35t Exchange, 188-189 capital accumulation and mobilization Clews, Henry, 274–275 Coates, John, 543 in, 8-19 capital market formation in, 3-8 Collateral-based loans, vs. overdrafts, 112-113 concluding summary of, 35-41 history and current events in, 1-3 Collins, Michael, 114-115 saving and investing decisions in, on British commercial banks, 107 42-49, 200, 204 on British commercial paper markets, and global economy, 1970s to 1990s, 869-874 Colonial Gold Mining Co., 390 institutional innovation in (see Colonial Investment and Agency Institutional change) Company, Ltd., 575 Colonial Securities, 389 interwar period on, 856-862 "Colonial socialism," in Australia, 479-483 Capital mobility, 870-871 Colonial Stocks Act, 176 Capital stock, World War I on, 851-852 CAPS (certificados de aportacion Commercial Bank of Australia, 506, 507, patrimonial), 905 510, 513, 539, 553, 574 Carnegie, Andrew, 329 Commercial Bank of Manitoba, 389 Carosso, Vincent P., 306–307 Commercial Banking Company of Sydney, Carter-Crume, 450 548 Commercial banks Castlemaine Brewery, 615 Catalinas Warehouse and Mole of Buenos in Argentina, 665-682 Ayres, 712 as of 1912, 666t Cattle industry, in Argentina, 651 assets and liabilities of, 677t dividend rates of, 676t CCM, 450 Cedulas, 684-686, 711, 793, 799, 800 failures of, 674-675 Central Argentine Land Company, 708 foreign involvement in, 665-671, 674, Central Canada Savings and Loan, 456 679-680 Central Cash Office for Small Commercial German Transatlantic Bank in, and Industrial Associations, 899 668t-669t Central Produce Market of Buenos Ayres, growth of, 675-678, 678t lending activity of, 681t London and Brazil Bank in, 670t Central Queensland Meat Preserving Company, 543 overdraft facility of, 671-673 Certificados de aportacion patrimonial primary, 680t (CAPS), 905 reserves of, 673 in Asian NICS Chadwick, Adamson, and Collier, 339



Index 971

before 1980, 911-913 Consolidated Water Works of Rosario, during 1980s to 1990s, 913-918 in Australia, 545-567 Consols, debt market in, 120-121 branch system of, 548–549 Continental Banking and Trust Company British investment in, 560t-561t, of Panama, 296 564-566 Cooke, Jay, 300, 301-302, 307-308 deposit insurance and, 562-564 Cooper, Richard, 868 foreign assets of, 556-559, 562 Copper boom, in New South Wales, 602 imperial banks in, 545-547 Cottrell, Phillip, 113, 114 land boom collapse on, 564-567 on British securities markets, 160-161 number of, 547t on insurance company liquidity, 150 real estate lending of, 550-555 Cox, George C., 440, 441, 456 Scottish system and, 545 Credit Foncier and Mobilier, 154, 674 in frontier economies institutional "Crony capitalism" change, 776-793, 778t-779t (see in Asian NICS, 921 also under Institutional change in Latin America, 908-909 in United States, 900-901 and development) in Mexico, 904-907 Cronyn, Hume, 436 Crown Agents, 175-176, 177, 631, 632 in United Kingdom (see under United Cunard Line, 633 Kingdom, financial sector Curamalon Land Company, 708 growth) in United States, 262-278 Currency, in Argentina, 685, 789 branch banking and, 266-267, 271-272, 785-786 David, Paul, 44 vs. British banks, 262, 266 Davies, Matthew, 505 commercial paper market and, Davis, Lance, 14-15, 58-59, 375-377, 376t, 273-276, 804-807 689, 739, 743 correspondent system of, 276-278 on British capital markets, 253t-255t international opportunities and, on British stockholders, 198-199, 199t, 262-263 loan length of, 265-266, 338 on savings banks, 283 mortgage lending and, 263-264 Davison, Henry, 309 numbers of, 268t-269t Dawson City Telegraph Company, 389 by region, 270t Deacon, F.H., 457 state banks and, 273-276 Delacres's Extract of Beef, 710 total assets of, 268t-269t della Paolera, 743 trust companies and, 298 DeLong, Bradford, 15 Commercial Cable, 450 on British domestic rates of return, 209, Commercial law, in Argentina, 709-710 221, 222-223, 226t Commercial paper markets Department of Commerce, 343 in United Kingdom, 127-131 Deposit insurance, in Australia, 562-564, in United States, 273-276, 804-807 809-811 Commissioners' Savings Banks of Victoria, Depreciation, of Argentine currency, 685 570-571, 572 Depression in Argentina, 1873-1879, 646, 653-654 Commonwealth Bank of Australia, 516, 542, 548, 607 in Australia, 502-513 Compania de Electricidad de la Pronincia banks and, 506-513 de Buenos Ayres, 713 British investment and, 502-503 building societies and, 505-506 Compania Hidro-Electricia de Tucuman, on non-bank intermediaries, 569, 572, 713 Companies Act of 1856 and 1862, 198 596-597 Conde, Cortes, 725, 732, 733, 749 private vs. public sector in, 503 Confederation Life, 431 warnings of, 504-505 Confidence, in U. S. dollar, 866-868 of 1930's, causes of, 857-862 Consolidated Stock and Petroleum Derwent Bank, 556-557 Exchange, 321–322 Devaluation, of U. S. dollar, 867–868



972 Index

Developing economies: see also Frontier economies capital market evolution in, 14-16 Development Company of Santa Fe, 708 Devoto, 688 Diaz Alejandro, Carlos F., 724-725, 728, Dillon, Clarence, 311, 788 Dillon, Read & Co., 788 Discount houses, British, 130-131, 337, 802 Dominion Brewery, 164 Dominion Bridge, 450 Dominion Canners, 450 Dominion Cotton Company, 164, 388 Dominion Securities Corporation, 457, 460, 797 Dominion Steel, 451 Dominion Textile, 451 Drew, Daniel, 313 Drexel & Co., 301, 304 Drexel Morgan, 764 Drummond, Ian, 421-422, 437, 445 on Australian capital formation, 474 on bond underwriting, 455, 461, 465, 829 Ducan, Sherman & Co., 304 Dunlop Pneumatic Tyre Company, 607 Dunlop Tire, 450, 456 Dunn, John H., 443, 451-452 Dunn Fisher & Company, 458-459 Dunning, John H., 249–250 E.L. & Baillieu, 606-607 Eagle Hawk Consolidated Gold Mining, 538 Earthquake bills, 885 East India Company, 175 The Economist, 713 on Australian socialism, 517 on dummy brokers, 188 on investment trust portfolios, 152 on Southeast Asia GDP, 875 on United States railroad financing, 786-787 Edelstein, Michael, 11-12, 45 on British commercial banks, 107 on British domestic rates of return, 209, 221-223 on British foreign investment, in United States, 251 on United States savings rates, 245 Edgar, E. Mackay, 457 Egerton, Jones & Simpson, 170 Eichengreen, Barry, 14 Ekitei, 891 Electric Light and Power Supply Company, 514

Electrical Power Source Development Company, 900 Empire Trust Company, 296 English, Scottish and Australian Chartered Bank, 539, 546, 548 English and Australian Copper, Ltd., 543 Enterprises Rationalization Act, 899 Entre Rios Extract of Meat Company, 710 Equitable Insurance, 145, 310 tontine insurance and, 285-286 Equitable Trust Company, 296 Eurodollars, 865–866 Europe British overseas investments in, 74t–75t, 78t-79t, 82t-83t Canadian investments of, 396-398, 396t, Exchange Coffee House, 446 Export Finance Bank, 895 Export-Import Bank of Japan, 878 Extractive industries in Australia, 514, 515, 525, 538–539, 538t stock exchange listings and, 611-613, 637-639 in Canada, 385, 388, 395 capital called, in British capital markets, in United States, 258-259, 335 Falconer, J.J., 548-549 Farmers Loan and Trust Company, 296 Fatima Development Company, 710 Federal Bank of Australia, 557, 574 Federal Reserve Act (U.S.), 263, 264 on commercial paper market, 807 on financial shift from London to New York, 855 Federal Reserve Bank, 806 pre-depression policies of, 859-861 Federal Steel Company, 306 Feinstein, Charles H., 853 Ferns, Henry Stanley, 713 Field, Fred W., 374, 375t, 377, 396–397

Finance capital called, in British capital

intermediaries, 150-151

Financial assets/GNP ratio, 768-776, 770t,

Intermediaries, financial Financial intermediation ratio, 261–262,

Financial interrelations ratio, 261-262, 261t

markets, 29t

773t, 775t

Financial intermediaries: see

Fire insurance, 144 in Canada, 430–431

Finance companies, as nonbank



Index 973

First National Bank of Chicago, 298, Gallman, Robert, 375-377, 376t 305-306 on Argentina, 743, 743t First National Bank of New York, 305 on British capital markets, 252, First Trust and Savings, 298 253t-255t Fishlow, Albert, 39, 40 on United States railroad investment, Ford, A.G., 732, 739 Ford Motors, 395 Ganz, Alexander, 729, 745, 746 Foreign and Colonial Government Trust, General Credit Company, 130 152-153 General Electric, 260, 395 Foreign Exchange and Transactions of Canada, 443 Control Law, 877 General Film Company of Australia, 514 Foreign government loans, British George, Eddie, 2 underwriting of, 177 George Rose's Act, 132 Forget, F.J., 457 German Transatlantic Bank, 667 Fortier vs. New Orleans National Bank, in Argentina, 668t-669t assets and liabilities of, 677t 264 Foster & Braithwaite, 171 balance sheet of, 668t-669t Fracchia, Alberto, 725, 729, 730t-731t, 732 dividend rate of, 676t growth of, 675 Germany Canadian investments of, 396–398, 396t World War I on, 851-852 investments in Canada, 396-398, 396t Frankel, Jeffrey, 870-871 investments in United States, 250-251, Free Banking Act of 1850, 405, 408 Freehold Permanent Building Society, 434 World War I on, 852 Friedman, Milton, 11 Gershenkron, Alexander, 14 Frontier economies, 5-6, 9-10, 19-25; see on British commercial banks, 93, 106 also Institutional change and Gibbs, Ronald & Company, 552 development; specific countries, Gibbs Bank, in London acceptance e.g., United States market, 130 British commercial banks and, 776–793. Gillan, Reverend, 48 778t–779t (see also under Glasgow Exchange, 182 Institutional change and Glasgow Gympie Gold Mine, 538 development) Glasgow Murchison Gold Mine capital flows to, 834t-835t Development, 525 financial markets of, 1914-1990, 839-874 Glass-Steagal Act, 901 Global economy, 1970s to 1990s, 869-874 Argentina in, 1914–1945, 845t Australia in, 1914–1945, 846t Glyn, Mills, Currie & Co., 420, 601, 782, Canada in, 1914-1926, 847t 815 GDP per capita in, 842t-844t, 847-Gold Board, 314 Gold standard, 858-859 850 Bretton Woods and, 863 global economy period on, 1970-1990s, 869-874 U. S. dollar and, 866–868 interwar period on, 856-862 Goldman, Marcus, 303 Goldman, Sachs, 303, 311, 340, 788 introduction to, 839-841 World War I on, 850-856 Goldsbrough Mort & Company, 505, 581 World War II and Bretton Woods era Goldsmith, Raymond, 11, 12-13 on, 862-869 on financial innovation hypothesis, 47 investment return rates in, 209-233 on foreign capital in United States, 237-238, 248 political response to foreign investment in, 817-827 (see also under on ratio of financial assets to GNP, 768-769, 771 Institutional change and development) Golondrinas, 657-658 ratio of financial assets to GNP in, Goodhart, C.A.E., 118 768-776, 770t, 773t, 775t Goodyear, 395 Frost, Lionel, 480-481 Gordon, Harry Panmure, 171 Fungoid Banks, 573 Gordon, Robert J., 344



974 *Index*

Government capital, called in British	on insurance overseas investments, 148
capital markets, 30t	Halsey, Frederick M., 713
Government issues	Halsey, N.W., 308
of Argentina, 713–719	Halsey, Stuart and Co., 308, 788
borrowings of, 715t–717t	Hambro Bank, in London acceptance
yields on, 714t	market, 130
Australian, 482, 540t–541t, 599–601	Hamilton, Alexander, 35–36
British investor viewpoint on, 760–761	Canadian banking and, 406
United States	Hanson Brothers, 457
British view of, 760–761	Harris, Forbes & Co., 308, 788
foreign held, 255–256	Harris, N.W., 308
Jay Cooke & Co. in, 301	Harris & Company, 459
yields of, 212t	Harrod's, 712
Government Savings Bank (Australia),	Hatton Court, 171
572	Henry Clews & Company, 274–275
Government Savings Bank of New South	Henry Villard, 602
Wales, 597	Herald, 620
Grand Trunk, 379, 384	Hogarth Australian Meat Preserving Co.,
securities of, 359	543
Grant, Albert, 154	Hokkaido Development Bank, 883, 892,
Gray, A.C., 590	894, 895, 899
Great Western Railroad, 359, 379, 394	Holland, United States investments of,
Green, Edwin, 113	250–251
Grenfell, Arthur, 170, 443, 601, 767	Holmes, A.R., 113
Gresham's Law, in Argentina, 647	Homer, Sydney, 713
Griffith, Brian, 114	Hong Kong and Shanghai Banking
Grimwood, E.L., 610	Corporation, 125
Gross national product (GNP)	Hong Kong Banking Company, 178
of Argentina, 649–654, 723–732	Hooley, Ernest T., 173
average annual rates of, 650t, 653t	House of Baring, 1-3; see also Barings
by sector, 652t	Bank; Barings Crisis of 1890
of Asian NICS, 910–911	Argentine financing of, 714
of Australia, 472, 473t, 489, 490t-491t,	and crisis of 1890, 117
513	Hudson's Bay Company, 347
of Britain, 56, 57t	Hughes, John R.T., 481, 850
of Canada, 350t-352t, 353-355, 466, 468	Huttenback, Robert, 58-59
from 1897–1914, 352t, 357–358	on British stockholders, 198-199, 199t
by sector, 427t	Hyde, Henry B., 285–286
financial asset ratios and, 768-776, 770t,	Hypothec Bank, 883, 892, 893, 894, 895
773t, 775t	• •
of frontier economies, per capita	Immigration
1914–1990, 842t–844t	to Argentina, 655–659, 657t
great depression on, 861	to Australia, 498–499
of United States, 342–344	to Canada, 347, 352, 353
Grossman, S., 209, 221, 222–223, 226t	Imperial Australian Wine Company, 543
Growth rates	Imperial Bank, 414
in frontier economies, 6–7, 7t	Imperial Bank of British Columbia, 373
in United Kingdom 1870-1914, 56, 58t	Imperial Banking Company, Ltd., 575, 596
Guarantee Trust Company, 296, 309	Imperial Life, 440
Guiness, 260	Imperial Tobacco of Canada, 388
	Indonesia, 913–914; see also Asia, NICS in
H. Osbourne O'Hagen, 340	Industrial Bank of Japan, 883, 893, 894,
Hall, A.R., 618	895, 899
on Australian issues on London Stock	Industrial Bank of Japan Act of 1900,
Exchange, 639	892–893
on British investors, 195	Industrial insurance, 144–145



Index 975

in Australia, 583, 590 Australian pastoral sector defaults in United States, 286-287 and, 811-814 Industrial revolution London Stock Exchange and, 807-809 British financing of, 50 United States commercial paper British savings in, 15-16 market and, 806-807 Industrial sector inland bills market in, 801-806 introduction to, 753-768 in Argentina expansion of, 659-662, 660t British savers in, 754 financial intermediaries in, 757-759 financing development in, 708-711 in Australia, 542-544 government issues in, 760-763 during boom years, 497-498 information asymmetries in, 755–757 during post-depression years, 513innovation process in, 767–768 international interest rate British commercial bank financing of, convergence in, 754-755 122-124 organizational innovation in, 765-767, in Canada, 349 in United States, on savings-investment transportation development in, aggregates, 243-244 764-765 Inflation political response to foreign investment in Mexico, 906 and, 817-827 in 1920's, 858 in Argentina, 822-825 Inland bills market, 801-806 in Australia, 817-819 Inland Revenue Service, 195 in Canada, 819-822 in United States, 825-827 Inscribed stock, 630 on London Stock Exchange, 557 Insurance companies: see also Life Insider lending, in United States, 901 insurance Institutional change and development, in in Argentina, 689-691, 800 frontier economies as nonbank intermediaries, 133, asymmetric information and, 814-817 136-137, 144-150 British commercial banks in, 776-793, assets of, 138t-139t 778t-779t investment composition of, 142t-Argentina and, 789-793 branch networks of, 776-780, Insurance Investigation Committee, 286 778t-779t Inter Colonial Railway, 348-349 as London fiscal agents, 782–783 Interest rates real bills doctrine on, 780-781 of British commercial banks, 114-115 real estate lending and, 781-782, of government issues, 212t 784-785 Argentine, 714t unit banking and, 785-786 international convergence of, 754–755 United States and, 786–789 in United States, decline of, 244 British savers' link to domestic Intermediaries, financial: see also institutions in, 793-800 Commercial banks in Argentina, 799-800 asset distribution among, 775t in Australia, 798-799 in Australia, 567–598 in Canada, 795-798 building societies in, 573-575 in United States, 793-795 depression on, 596-597 conclusions from, 827-833, 834t-838t government encouragement of, data in, 768-776 597-598 financial assets to GNP, 770t life insurance companies in, 581-583, financial intermediary asset 590-591 distribution, 775t life insurance company assets in, in financial intermediary assets to GNP, percentages, 587t-589t life insurance company assets in, in fragility and obsolescence in, 806-814 pounds, 584t-586t Australian deposit insurance and, life insurance company portfolio mix, 809-811 in percentages, 594t-595t



976 Index

Intermediaries, financial (cont.) International finance, British commercial life insurance company portfolio mix, banks in, 125-127; see also in pounds, 592t-593t United Kingdom mortgage banks in, 575-576 International Harvester, 306, 330, 395 International Investment Trust, 153 pastoral finance companies in, 576-578, 580t, 581 International Monetary Fund, in Bretton Woods era, 863-864, 869 savings banks in, assets and liabilities of, 568t Interwar period, on frontier economies, savings banks in, government-related, 856-862 569-572 Investment Bankers Association, 310 in Canada, 421-470, 424t-425t Investment banking, in United States, building societies, 433-436 300-312, 793-795 introduction to, 421-424 vs. Britain, 336-337 life insurance companies, 430-433 British saver and, 795 mortgage and loan companies, commercial banks and, 308-309 433-436 European financial connections and, 300-301 savings banks, 426-430 securities markets, 436-466, 467t (see evolution of, 301, 828-829 also Securities market) German-Jewish connection in, 302-304 summary of, 466-470 life insurance industry and, 309-310, 339 institutional innovation and, 757-759 manufacturing sector and, 306-307 on saving and investing decisions, 42-49 20th century developments in, 311–312 in United Kingdom underwriting syndicates in, 307-308 commercial banks in, 93-127, 94t-105t Yankee houses in, 302, 304-306 (see also under United Kingdom, Investment trusts, as nonbank financial sector growth) intermediaries, 151-153 commercial paper markets in, Investors, education of, 52, 463-464, 562, 127 - 131754, 764 nonbank, 131-153, 134t, 135t, Investor's Monthly Manual, 517 138t-143t on British domestic rates of return, 209 finance companies, 150-151 Ivanhoe Gold Corporation, 538 insurance companies, 133, 136–137, 138t-143t, 144-150 J. & W. Seligman, 303 investment trusts, 151-153 J.B. Were and Son, 607 Post Office Banks, 131-132, 134t-135t J.H. Dunn & Company, 458-459 Stock Departments, 133 J.H. Sherard Manufacturing, 388 J.P. Morgan, 304, 306, 312, 340, 602, 631, Trustee Savings Banks, 132–133, 134t-135t 788, 814 overview of, 71, 92-93 British connections of, 334 by continent, 72t-83t J.S. Morgan & Co., 304, 331 by financial institution, 84t-91t Jackson, R.V., 481 sterling bill markets in, 127-131 James, John, 13, 45-46, 272, 276 in United States, non-bank, 278-300, James Capel & Co., 171 424t-425t Japan, 877-902 assets of, 280t-281t banks in, 882-896 building and loan societies, 298-300 government, 890-896 introduction to, 278 private, 882-890 life insurance companies, 283-291 financial infrastructure evolution in, savings and time deposits, 291-294 880-882 savings banks, 279-283 foreign investment of, 1960s to 1990s, trust companies, 294–298 38-39, 877-880 Intermediation, on savings-investment government regulations in, 897–900 historical lessons from, 900–902 process, 42-49 in Canada, 469 introduction to, 875-876 International Bank of Credit, 3 securities exchange in, 896-897 International Banking Corporation, 296 Japan Development Bank Act, 895



Index 977

Japan Export Finance Bank, 895 Japanese Development Bank, 891, 899, 902 Jarvis Conklin Mortgage Trust Company, 296 Jay Cooke and Company, 300, 602, 787 failures of, 301-302 successes of, 301 Jay's Treaty, 347 Jobbers, 808 John Coates & Company, 543 John E. Thayer and Brother, 300-301 John Lysaght Limited, 543 Johns Manville, 395 Johnson, Joseph F., 399, 404, 417 on Canadian interest rates, 777 on mortgage and loan companies, 433 Joint-Stock Bank Act of 1826, 107-109, Joint-stock structure, of British industrial firms, 163 Jones, Charles A., 686 Joseph, L., 112 Josiah Mullens, 600 Joslin, David A., 669 Jusan, 889 Kangarilla Proprietary Silver Mine, 525 Keiretsu, 888 Kelly, Allen, 499 Kendrick, John, 343 Kennedy, William on British commercial banks, 106 on British savers, 209 on British securities markets, 158, 160, Keynes, John Maynard, 851–852 Khull, Edward, 611 Kidder, Peabody, 304–305, 334, 814 Kleinwort Bank, in London acceptance market, 130 Klondike Gold Reefs, 385 Knox, Frank, 362–363, 364t, 369 Korea, 911-912, 914-915; see also Asia, NICS in Korean Development Bank, 899 Kroos, Herman E., 310 Krugman, Paul, 876 Kuhn, Abraham, 303

L.P. Morton & Co., 304 La Forestal, 688 Lamoreaux, Naomi, 15 Lanarch, Donald, 631 Land Credit Bank of Australia, 575

Kuhn, Loeb, 302, 334

Kuznets, Simon, 342-344, 732

Land development, 763-764 Land grants, 483 Land Mortgage Bank of Victoria, 505, 576 Land-related industries, 257–259; see also Agriculture; Ranching in Australia, 539 Land speculation in Argentina, 685 in Australia, 499-500 in Canada, 408-409, 901 Latin America, 902-910 financial infrastructure of, 903-904 introduction to, 902-903 Mexican case study in, 904-907 Tequila effect in, 907–910 Lavington, Frederick, 3-4, 925 on asymmetric information, 756 on British commercial banks, 112-113 on British securities markets, 155, 163, 164–165, 166, 167, 173 Law Number 1130 (Argentina), 789 Lawson, Thomas, 310 Leach's Argentine Estates, 708 Lee, Higginson, and Co., 301, 302, 304-305 Lehman Brothers, 303, 311, 340, 631, 788 Lennon & Cape, 600 Lewis, Cleona, 390 on United States capital flows, 249-250, 257 Lewis, Frank, 11 on United States savings rates, 244-245 Liability, of bank shareholders, 108 Lidderdale, William, 2 Life insurance companies, 144-146 in Argentina, 690-691 in Australia, 581-583, 584t-589t, 590-591, 592t-595t portfolio investments of, 799 in Canada, 403t, 430-433, 797-798 mortgage market and, 423-426 new issues market and, 432, 432t in United States, 283-291 assets of, 288t-289t, 292t-293t, 403t Canadian investments of, 393 on capital mobilization, 338-339 industrial insurance and, 286-287, 338 investment banks and, 309-310 mortgage market and, 287-290 tontine insurance and, 285-286, 338 Life Insurance Companies Act of 1873 (Australia), 590 Lionel Robinson, Clark & Co., 607 Liquidity in Bretton Woods era, 864-865 British investors and, 198 financial intermediaries on, 43



978 Index

Liverpool Mortgage Insurance Company, Long-Term Capital Management, 876 Los Angeles Times, 875-876 Lloyds Bank, 111, 374 Lough, William, 670, 671, 673 Loans on Argentine agricultural financing, 707 Lowenfeld, H., 153-154 to asset ratio, 113 collateral-based vs. overdrafts, 112-113 Loeb, Kuhn, 19 M. Goldman & Sachs, 303 Loeb, Soloman, 303 Macdonald's National Policy, 360, 761 London acceptance market, 129-130, 803 Maddison, Angus, 6, 850, 851 London and Australian Agency, 539 Malaysia, 915; see also Asia, NICS in London and Brazilian Bank, 667, 670t Manufacturing and commercial capital: see London and County Bank, 122 also Industrial sector London and Globe Deep Leads Assets, in British capital markets, 28t in United States, 259-260 London and River Plate Bank, 665, 666t Marbury vs. Madison, 267 assets and liabilities of, 677t Marchildon, Gregory, 164 branches of, 674 Martinez, Alberto, 735, 737-739, 740 dividend rate of, 676t Massel, J.A., 693 foreign management of, 667 Matsuka, Masayoshi, 882-883, 894, 900, loan experience of, 667–670 902 reserves of, 673 McCalmont & Co., 301 London and San Francisco Bank, 342 McCormick Reaper Company, 330 London and Westminster Bank, 177, 178, McFadden Branch Banking Act, 271 179 McKay, Huntley, 455 Melbourne and Metropolitan Board of as Australian bank agent, 632 as Australian government's agent, 609, Works, 604-605, 607 Melbourne Brewing and Malting London capital markets: see also London Company, 602 Stock Exchange; United Melbourne Hydraulic Power Company, Kingdom 543 Argentine calls on, in dollars, 700t–701t, Melbourne Stock Exchange 704t-705t dominance of, 612-615 Argentine calls on, in percentages, early development of, 609-612 702t-703t, 704t government issues and, 601, 605-606 London Chartered Bank of Australia, 539, market value of listings on, 614t 542, 546 structure of, 615-620, 624-626 London Clearing House, 108 Mercantile Bank of Australia, 505, 507, London Discount Market, 337 London Fishmongers and Poulters Mercantile Finance Trustees and Agency Company, 55 Company, 604 London Joint Stock Bank, 178 Merchant banks London Stock Exchange, 154-155 in Argentina, 686-689 capital created and called on, 837t-838t British capital transfers and, 25-26 in Australian market, 630-631 vs. domestic competitors, 807-809 as underwriters, 167-171 foreign issues on, 209, 237, 324t, 341 United States railroad financing by, Australian, 629t, 639 302-303, 334, 786-787 Canadian, 467t London acceptance market and, 803 in United States, 787-788 inscribed stock deposits on (Australian), Merchant's Bank, 413, 414, 419 New York stock exchange and, 323-331, Merchant's Bank of Halifax, 414 324t, 331t Meriwether, John, 876 preference shares on, 165-166 Merrett, David, 509 as secondary market, 181-190 on Australian financial structure, 544, securities quoted on, 156t-157t 558-559 short-term call loans to, 120 on Australian securities market, 603, 604



Index 979

Merton, Robert C., 876 Morton, Rose & Co., 304 Metallgesellschaft A.G., 3 Canadian underwriting activity of, 419 Metropolitan Insurance Company, 286 Mount Catlin Consolidated Copper Mexico, 904–907 Mining, 538-539 debt crisis of, 35-36 Muhall, E.T., 655-656, 749 Michie, Ranald, 52, 155 Muhall, M.G., 655-656, 749 on Canadian securities market, 451 Municipal Fund Act, 359 Midland Bank, 111, 113, 178 Munitions Companies Designated Eurodollar transactions of, 865 Financial Institutions System Act, Milling, in United States, 335 Mutual of New York, 145 Mining in Argentina, 710 in Australia, 514, 515, 525, 538-539, 538t Nash, R.C., 50-51 stock exchange listings and, 611-613, The National Bank Decree of 1871 (Japan), 882-883 637-639 in Canada, 385, 388, 395 National Bank of Australia, 783 National Bank of Australiasia, 632 capital called, in British capital markets, National Bank of Commerce, 308-309 in United States, 258-259, 335 National Banking Act (U.S.), 249, 263, 267, 273, 277, 309, 338, 785, 909 Ministry of Finance (Japan), 897 Mitchell, B.R., 733 on commercial paper market, 807 Mitsubishi Bank, 884 National City Bank, 271 Mitsubishi Trading Company, 887 National Debt Commissioners, 133 Mitsui Bank, 884, 886-887 National Discount House, 130 National Financial Control Association, Mitsui Trading Company, 887 Modigliani, Franco, 11 Molson's Bank, 414 National General Mobilization Law Monetary Times, 435-436 (Japan), 898 "The Money Trust," 339 National Monetary Commission, 399, 406, Montreal Bank, 405 Montreal Exchange, 443, 444–447 National Mortgage Bank, 684, 686, 793 Montreal Power and Water Company, National product, of United States, 388-389 342-344 Morgan, J.P., 19, 37, 304, 308–309 National Provincial Bank of England, 110, Mortgage Bank of the Province of Buenos 111, 374 Aires, 684 National Trust, 440 Naylor, R.T., 419 Mortgage Insurance Company, 563 Mortgages on Canadian non-bank intermediaries, in Argentina, 682-686, 683t, 711-712, 421-423 Nelles, Henry V., 437, 440 on bond underwriting, 461 cedulas and, 684-686 foreign involvement in, 682-684 The Netherlands, United States insurance companies and, 691 investments of, 250-251 in Australia, 550-555, 575-576, 636-637, Neufield, E.P. 781, 784-785 on bank stability, 418 building and loan societies and, 298-300 on Canadian mortgages and savings in Canada, 433-436 banks, 426 chartered banks and, 409-410 New Oxley Canada Ranches, 385 non-bank intermediaries and, New South Wales Liens on Wool and 421-426, 424t-425t, 431-432 Mortgages of Stock Act of 1843, insurance industry and, 146-147, 403t in United States, 258 New York City, as financial center life insurance companies and, 287-290 post Bretton Woods era on, 873 regulation of, 263-264 World War I on, 854–856 Morton, Bliss & Co., 304 New York Curb Market Association, Morton, Levi P., 304 321-322



980 Index

New York Life, 145, 310 Trustee Savings Banks, 132-133, New York Stock Exchange 134t-135t evolution of, 315, 318 in United States, 278-300, 424t-425t formation of, 312-314 assets of, 280t-281t listing requirements of, 237, 328-329, building and loan societies, 298-300 341–342, 794 introduction to, 278 London Stock Exchange and, 323-331, life insurance companies, 283-291 324t, 331t savings and time deposits, 291-294 membership in, transfer value of, savings banks, 279-283 319t-320t trust companies, 294-298 roots of, 442 North, Douglas, 753-754, 827-828, 830 signaling policies of, 154 North America, British overseas transaction volume on, 316t-317t investment in, 59, 70t, 72t, 76t, New York World, 420 New Zealand Loan & Mercantile Agency, North British and Mercantile Assurance 505, 578, 581 Company, 147, 636 Newsweek, 887 North British Canadian Investment Nivison, 632 Company Limited, 389–390 Non-bank intermediaries North of Scotland Canadian Mortgage in Australia, 567-598 Company Limited, 389 building societies in, 573-575 Northern and Central Bank of England, depression on, 596-597 110 government encouragement of, Northern Pacific Railway, 302 Northwest Land Company, 394 597-598 life insurance companies in, 581-583, 590-591 O'Hagen, H. Osbourne, 173-174 assets of, in percentages, 587t-589t Oil, in United States, 259 assets of, in pounds, 584t-586t OPEC, 873-874 Open Board, 314 portfolio mix of, in percentages, 594t-595t Oriental Banking Corporation, 546 portfolio mix of, in pounds, Otis Steel, 260 592t-593t Otto Bemberg, 688 mortgage banks in, 575-576 Ottoman Bank, 178 pastoral finance companies in, Output per capita, in frontier economies, 576-578, 580t, 581 6-7,7tsavings banks in Outside village, 437 assets and liabilities of, 568t Overand-Gurney crisis, 119, 633-634 government-related, 569-572 Overdrafts in Canada, 421-470, 424t-425t of Argentine banks, 671-673 building societies, 433-436 vs. collateral-based loans, 112-113 Overseas investments introduction to, 421-426 life insurance companies, 430-433 from British capital markets, 5-6, 9-10, mortgage and loan companies, 19-25, 34-35, 158 433-436 in frontier economies (see specific savings banks, 426–430 countries, e.g., Argentina) securities markets, 436-466, 467t (see insurance industry and, 148-149 also Securities market) Oxford Nickel and Copper Company, summary of, 466-470 in United Kingdom, 131-153, 134t, 135t, 138t-143t Paish, George, 373 finance companies, 150-151 Panic of 1873, 246 insurance companies, 133, 136-137, Cooke failure and, 302 138t-143t, 144-150 on savings banks, 279 investment trusts, 151-153 Panmure Gordon and Company, 174 Parana Land Company, 708 Post Office Banks, 131-132, 134t-135t Stock Departments, 133 Parr's Bank, 178, 374



Index 981

Pastoral finance companies, in Australia, R. Goldborough and Company, 577 576-578, 580t, 581, 636-637, Railroads in Argentina, 720-722, 765 Pastoral products, Argentine, 645–646 in Australia Paternalism, in Australia, 480 during boom period, 500-502 Payne, Peter L., 283 government and, 762, 764-765 Pennsylvania Railroad, 307 subsidy of, 483-485, 487-488 Pension Cash Office, 899 British loans to, 121, 302–303, 359, 373 People's Cash Office, 899 government involvement and, Perkins, George W., 310 759-760 Petroleum and Mining Board, 314 in Canada American investment in, 390-391, Philadelphia Savings Fund Society, 283 Philippines, 915–916; see also Asia, NICS in Bank of Montreal and, 420 Phoenix Insurance, 144 construction of, 352-353 Pierpont, John, 304 government role in, 359-361, 764-765 Pillsbury, 260 Great Western railway project, 359 Platt, D.C.M., 711 Inter Colonial Railway, 348-349 Pope, David, 558 financing of, 54 Port Sarnia Syndicate, 434 rates of return from, 213t, 216-217 Portalis, 688, 689 in United States, 306, 333 Portillo, President, 904-905 foreign investment in, 251-252, 255 Post Office Savings Banks on securities markets, 609-610 in Australia, 475-476 Railway Share Investment Trust, 181 in Canada, 428 Ranching, in Argentina, 698t, 699, in Japan, 891 699t-705t, 706-708 as nonbank intermediaries, 131-132, Real bills doctrine, 780, 791-792, 828 134t-135t Real Estate Mortgage and Deposit Bank in United Kingdom, 131-132 of Melbourne, 563 in United States, 882 Reciprocal Trade Agreement, 349 Postan, M.M., 8, 13, 15 Reconstruction Finance Bank, 891, 899, on Industrial Revolution financing, 50 Preference shares, on London Stock Redish, Angela, 116 Exchange, 165-166 Reed, Howard, 872 Premier Permanent Building Association Reputational signals, 755-756 of Melbourne, 504-505 Reserve requirements Pressnell, Leonard, 130-131 of British commercial banks, 118-120 Prime, Ward and King, 300-301 of United States Banks, 309 Proctor and Gamble, 3 Reserves, self-liquidating bills as, 128 Promoters Revolutionary War, debt crisis in, 35-36 in United Kingdom markets, 171-175 Riat Brothers, 707 Richard Goldsborough, 603 in United States markets, 301-302, 331-332, 339-340 Rio de Janerio Tramway, 451 Provident Institution for Savings, 283 Rio Negro Land Company, 708 Provincial exchanges, in UK securities Ritchie, Samuel, 392 market, 190-195 River Plate Fresh Meat Company, 710 Provincial Note Act of 1866, 408 Robinson, L.E., 153 Prudential Insurance Company, 286–287 Robinson, Lionel, 607 Rockoff, Hugh, 116 Public utilities, capital called in British markets, 33t Romer, Christina D., 344 Rosas, Juan Manuel, 644-645 Quaker Oats, 260 Rose, John, 304 Quebec, bonds of, 394 Rotella, E., 299 Quebec Bank, 777 Rothschild's Bank, 331 Quebec Timber, 385 in London acceptance market, 130 Queensland National Bank, 512, 631, 783 as underwriters, 167-168, 177, 179



982 Index

Rothschild's Bank (cont.)	Scotland
United States investment banking and,	Australian investments of, 628, 634–635
301	banking practices of, 828
Royal Bank of Canada, 414, 415–416	capitalization rules in, 109–110
Royal Commission on Life Insurance,	inland bill market in, 801–802
441	Scottish American Investment Trust, 389
Royal Commission on Victorian Banking, 554	Scottish Australian Investment Company, 539
Royal Dutch Shell, 259	Scottish Provident Institution, 147, 636
Royal Exchange Assurance Company, 144,	Scottish Widows' Fund, 147
146	Scottish Widows' Society, 636
Royal Mail Line, 633	Seaman's Bank, 282
Royal Securities Corporation, 457, 460,	Sears, Roebuck & Co., 311, 340, 788
797	Second Bank of the United States, 267
Royal Victoria Insurance Company, 440	Securities Insurance Company, 563
Rubenstein, W.D., 602	Securities market(s)
	in Argentina, 692–694, 799–800
Sachs, Jeffrey, 875	in Australia, 598–626
Sachs, Samuel, 303	primary, 599–609
Santa Fe Land Company, 708	brokers for, 603–607
Santiago Estate and sugar Factories, 708	vs. Canada and America, 598,
Sarmiento, Domingo, 644	601–602, 608
Savings	government new issues in, 599-601,
in Argentina, 722, 741t	605–606
in Australia, 522–523	private securities on, 606–609
on British capital markets, 200, 204	secondary, 609–626, 620–624
in Canada, 355, 356t, 468–469, 797	early development of, 609–612
and investing decisions, financial	liquidity of, 799
intermediaries on, 42–49	Melbourne Exchange dominance
rate of	in, 612–615, 614t
in Australia, 522–523, 643	structure of, 615–620, 624–626
capital accumulation and mobilization	Sydney Stock Exchange and,
in, 8–19	620–624
interest elasticity of, 46–47	total issues, 1900–1914, 599t
in United Kingdom, 56–71 (see also	in Canada, 436–466
under United Kingdom, income,	vs. Australia, 598, 601–602, 608
savings and investments in)	bond underwriting and, 454–466,
in United States, 7–8, 332	469–470
in United States, 243–245, 332, 793–795	capital called on British market, 448t
vs. Britain, 340–341	chartered banks and, 418–421
rate of, 7–8	corporate directorships and,
Savings Bank Act of 1841 (Canada), 428	438t-439t, 440
Savings Bank of Baltimore, 48, 283	financial group structure in, 440–442
Savings banks	formal exchange origins in, 444–449
Asian NICS, 921	industrial securities on, 449–452
in Australia	listings by industry, 448t
assets and liabilities of, 568t	London market and, 443, 467t
government-related, 569–572	trading volume of, 452
in Canada, 426–430	vs. United States, 442, 453–454
in United States, 279–283, 284t, 921–922	in Japan, 896–897
Sawers, John, 508	private vs. government control of,
Schiff, Jacob, 303, 304, 310	922–923 in Singapora 016
Schroeder Bank	in Singapore, 916
in London acceptance market, 130	in United Kingdom, 153–195
as underwriters, 167–168	background of, 153–165, 156t–157t introduction to, 165–167
Schuster, Felix, 112	1111 OGUCTION 10, 103-10/



Index 983

primary market in, 167-181, 169t provincial exchanges in, 190-195 secondary market in, 181-190 in United States, 312-323, 794-795 consolidation of, 321-323 evolution of, 315, 316t-317t, 318, 319t-320t formation of, 312-314 London Stock Exchange and, 323-331, 324t, 331t sales volume of, in 1910, 323t Selection Acts (Australia), 495–496 Self-liquidating bills, 128 Seligman Bank, 167-168 Seligman Brothers, 303 Shaw, A.G.L., 480 Shaw, William H., 342 Shell Transport and Trading Company, 259 Sholes, Myron S., 876 Shunting, 192 Simon, Matthew, 248 Sinclair, Alasdair, 363, 368 Singapore, 912-913, 916; see also Asia, NICS in Skinner, James, 13, 45-46 Smelting and Refining Company of Australia, 543-544 Smith, Sheppard, 553 Snowden, Kenneth, 290, 299 Sociedad Anonima Mercado Cividad de Buenos Ayres, 712 South America, British overseas investment in, 59, 65, 70t, 72t-73t, 76t-77t, 80t-81t South American Cattle Farms, 708 South Building and Loan Association, 300 South Sea Bubble, 51 Sovereign Bank of Canada, 397 Spanish Bank, 675 Spanish Bank of the River Plate, 679 Special Tax Measures Law, 899 Specie Bank, 893, 894 Spence, Clark, 258-259 Sperling & Company, 170 Speyer, Philip, 303 Speyer & Co., 301 Speyer Brothers, 171 Standard Bank of Australia, 542, 562, 634, Standard Stock and Mining Exchange, 447-448 State Bank of Southern Australia, 597 Statist, 373

The Stock and Share Journal, 611, 615 Stock-brokers, 185, 186-187 in Argentina, 692 in Australia, 603-607 Stock Departments, as nonbank intermediaries, 133 Stock Exchange of Singapore, 916 Stock-jobbers, 185, 186-187 Stone, Irving, 738-739 Storrow, James J., 308 Strong, Benjamin, 855 Studies in Income and Wealth, 343 Study of Savings, 11 Sulphide Corporation, 514 Sun Life Insurance, 144, 430, 431, 440, 441 Supple, Barry, 150 Supply schedule, intermediation on, 44-45 Svennilson, I., 851 Swanson Bay Forests, 388 Sydney Stock Exchange, 610-611, 620-624 Sylla, Richard, 15, 713 on correspondent system, 276 Taiwan, 916-917; see also Asia, NICS in Taylor, Alan, 723, 743 Tecka Argentine Company, 708 Telegraph, 620 Temin, 853 Temporary Capital Adjustment Law, 897-898 Tequila effect, 907-910 Terry's West End Brewery, 602 Thailand, 917; see also Asia, NICS in "The Money Trust," 339 Thomas, Mark, 517 Thomas Biddle and Company, 300 Thompson, Samuel C., 305 Tilly, Richard, 14 on foreign investment to United States, 251 Time deposits, 291, 294 The Times, 760 Tobacco, in Australia, 543 Tokyo Stock Exchange, 896 Toniolo, G., 853 Tonti, Neapolitan L., 285 Tontine insurance in Australia, 583 in United States, 285-286 Tornquist, Carlos A., 689, 739 Tornquist, Ernesto, 686, 687-688, 689, 719 Toronto Stock Exchange, 444–448 listings by industry, 448t Transaction costs financial intermediaries on, 42-43

institutional innovation and, 757

Sterling bill markets, 127-131

Stiglitz, Joseph, 876



984 Index

Transport capital called, in British capital yields and, government issues, 212t yields and, "other" issues, 214t markets, 32t Transportation system: see also Railroads yields and, railroad issues, 213t in Argentina, 663-665 growing sophistication of, 754 Trivet, John B., 501-502 identity of, 195-209 Trust and Loan Company of Upper foreign vs. domestic holdings in, Canada, 433-434 206t, 208t Trust companies geographic distribution in, 201t in Canada, 389 industry relative attractiveness in, in United States, 294-298, 309 203t, 207t Trustee Assets & Investment Insurance occupation in, 205t Company, 563 relative holdings by residence in, Trustee Savings Bank (Australia), 571 Trustee savings banks stock companies by industry class in Australia, 571 and, 199t in Canada, 429 by wealth class, 196t, 197t as nonbank intermediaries, 132-133, overseas investment innovations of. 134t-135t 765-767 Trustees Executive and Agency Company, United States investments of, 795 602 financial sector growth and evolution in Tulchin, Joseph S., 679, 707 bank and nonbank intermediaries in, Turner, H.G., 553 overview of, 71, 92-93 by continent, 72t-83t U.S. Rubber, 395 by financial institution, 84t-91t commercial banks in, 93-127, 94t-105t Underwriters in Canada balance sheets of, in percentage banks as, 418-421 distribution, 104t-105t of bonds, 454-466 balance sheets of, in pounds, reputation of, 757-758 102t-103t in United Kingdom primary market, Bank of England on, 107 167-181, 169t cartel policies of, 114-115 merchant banks in, 167-175 vs. developing countries, 116 promoters in, 171-175 and frontier countries, 776-793 (see syndicates in, 180 also under Institutional change in United States, 307-308, 311, 763 and development) Union Bank of Australia, 539, 542, 545, Gershenkron on, 93, 106 548, 557, 631, 782–783 industrial lending by, 122-124 Union Consolidated Copper, 539 international banking and, 125-127 Union Discount Company of London, legislative environment on, 107–110 130-131 loan practices of, 112-114 Union Life Assurance, 389 national integration of, 110-112 Union Mortgage and Agency of Australia, number of persons served by, 96t-97t Union of London and Smith's Bank, 112 numbers of, 94t-95t Unit banking, 785-786 numbers of, all banks vs. joint-stock United Discount Corporation, 131 banks, 100t-101t United Kingdom portfolio diversification of, 121-122 British investors in, 195-233 public liabilities of, 98t-99t Argentine investments of, 679, reserve requirements of, 118-120 682-684, 699t stability of, 117-120 Australian investments of, 512-513, commercial paper markets in, 517, 556–557, 578, 581, 633–634 127-131 Canadian investments of, 443 inland bill market in, 801-806 frontier countries rate of return on. nonbank intermediaries on, 131-153, 209-233 134t, 135t, 138t-143t yields and, all issues, 211t finance companies, 150-151



Index 985

insurance companies, 133, 136-137, capital stock composition in, 242t 138t-143t, 144-150 by sector, 240t-241t investment trusts, 151–153 financial markets in, evolution of, Post Office Banks, 131–132, 261-323 commercial banks in, 262-278, 836t 134t-135t savings banks, 426 asset growth of, 402t Stock Departments, 133 assets of, 268t-269t Trustee Savings Banks, 132–133, branch banking and, 266-267, 271–272, 785–786 134t-135t securities market on, formal, 153-195 vs. British banks, 262, 266, 786-789 background of, 153-165, 156t-157t commercial paper market and, introduction to, 165-167 273-276 primary market in, 167-181, 169t correspondent system of, 276–278 provincial exchanges in, 190-195 "crony capitalism" of, 900-901 secondary market in, 181-190 international opportunities and, 262-263 sterling bill markets in, 127-131 GDP per capita, 1913-1994, 842t-844t, loan length of, 265-266, 416-418 847-849 mortgage lending and, 263-264 numbers of, 268t-269t income, savings and investment in, 56 - 71by region, 270t annual growth rates in 1870-1914, 56, stability of, 418 state banks and, 273-276 British Gross National Product and introduction to, 261-262, 261t domestic and foreign investment non-bank intermediaries in, 278-300, 424t-425t, 836t in, 60t-62t British Gross National Product per assets of, 280t-281t capita in, 56, 57t building and loan societies, 298-300 capital created and called in, 69t-70t introduction to, 278 capital export in, 64t-68t life insurance companies, 283–291, to United States, 249-250, 253t 292t-293t, 402t formal securities markets on, 159 long-term loans and, 909-910 savings and time deposits, 291-294 national wealth in, 63t overseas investments in, 56, 58t savings banks, 279-283, 284t, 402t, savings and investment overview of, 50-56 trust companies, 294-298 United Provinces of the Rio de la Plata, securities market in, formal, 300-323 United River Plate Telephone Company, investment banking, 300-312 (see 712, 713 also Investment banking) United States, 234-344 securities markets, 312-323, balance of payments in, 245-248, 247t 316t-317t, 318t-319t, 323t (see British insurance premiums in, 144 also under Securities markets) British overseas investments in, 9, financial markets in, late 19th cent., 27t-33t, 35t 323-331 British savers' link to domestic stock listings on, 324t institutions in, 793-795 foreign investment in capital market development in, industrial disposition of, 251-260, overview of, 331-342 253t-255t banking system in, 336-338 commerce and manufacturing, capital flows to, 835t 259-260 domestic capital in, 334-336 government securities, 255-256 foreign capital in, 331-335 land-related industries, 257-259 nonbank intermediaries in, 338-340 railroads, 251-252, 255 political response to, 825–827 secondary markets in, 340-342 GDP per capita, 1913-1994, 842t-844t, economic growth pattern in, pre World

848-850

War I, 238–243



986 Index

United States (cont.) 375t, 377, 384, 395-396, 397gross national product of, 342-344 398 financial asset ratio to, 668-776, 770t, War Cash Office, 899 773, 775t international financial status of, Water transportation system, in Argentina, comparative, 236t 663-665 introduction to, 234-238 Watson, Katherine, 163 London and New York stock exchanges Weatherley, Edward, 55-56 in, late 19th cent., 323-331 Welland Canal Company, 390 net change in, 1869-1914, 235t West Argentine Gold Company, 710 overseas investments by, 38 Western Australia Agricultural Bank, 572, 597 in Canada, 390-396, 391t-393t population of, native born vs. total, 656t Westinghouse, 395 savings-investment aggregates in, Westminster Bank, 111 243-251 White, Eugene, 312 domestic, 243-245 White, G.H., 179 foreign, 245-251 White, W.H., 457 industrial structure of, 248-251, Wilkins, Mira, 250, 765-766 William Noall and Son, 607 temporal patterns in, 245–248, 247t Williams, John H., 735, 739 savings rate in, capital accumulation and Williamson, Jeffrey, 245 mobilization on, 16-20, 44 Winnipeg Paint and Glass, 388 United States Steel, 306, 340 Winslow, Lanier & Co., 301, 602 Upper Fraser River Lumber Company, Wood, E.R., 440, 457 385-388 World War I Urban growth, in Argentina Canadian financing of, 465 financing of, 711-713 on frontier economies, 850-856 population and, 663, 665 World War II, on frontier economies, Urquhart, M.C., 368 862-869 Utility companies Wright, J.F., 51 in Argentina, 712-713 Wright, Whitaker, 639 in Canada, 388-389 capital called in British markets, 33t Yokohama Specie Bank, 883, 893, 894-895, Vancouver Power Company, 389 Yucho, 891 Veenendaal, Augustus, 251 Victorian Credit Foncier, 597 Zaibatsu banks, 884, 885-888

Zinc Corporation, 514

Viner, Jacob, 362–363, 364t, 368, 373, 374,