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Source: *Sydney
Morning Herald*
newspaper, Jun.
02, 1928

FINANCIAL.
—
FINANCE COMPANY.
—
AMERICAN CAPITAL.
—
TO HELP BRITISH INDUSTRY:
—
WITHOUT GAINING CONTROL.
—
(FROM OUR SPECIAL CORRESPONDENT.)

LONDON, April 26.

Few events since the war have caused so much excitement and interest in British financial and industrial circles as the recent announcement of the formation of the Finance Company of Great Britain and America, Ltd., with a nominal capital of £2,040,000, but with financial resources behind it estimated at £500,000,000. Thus a definite step has been marked in a new programme for the enlistment of American capital to assist and develop British industry without giving the latter into the control of the United States.

The announcement was made by Sir Alfred Mond, chairman of the gigantic Imperial Chemical Industries, Ltd., which will be the main instrument used in the development of industry and in the employment of the new company's capital and credits. To seek information concerning the company's plans, the "Herald's" London representative obtained an interview with Mr. V. Conway Davies, who is Sir Alfred Mond's "chief of staff" in his financial and commercial campaigns.

FINANCIAL GIANTS.

Mr. Davies, on behalf of Sir Alfred Mond, gave the following facts concerning the new company: "The Finance Company of Great Britain and America, Ltd., is a private limited company, with a nominal capital of £2,040,000, divided into 2,000,000 ordinary shares of £1 each, and 800,000 deferred shares of 1/ each. The ordinary share capital will be held in equal proportions by Imperial Chemical Industries, Ltd., and the Chase Securities Corporation of New York. The board of the company will consist of Sir Alfred Mond, Sir Harry McGowan (deputy chairman of Imperial Chemical Industries, Ltd., and one of the four British business men shortly to go to Australia on a Government mission), Mr. Albert H. Wiggin (chairman of the Chase

National Bank and Chase Securities Corporation), the Marquess of Reading, Lord Colwyn, Mr. Harold John Mitchell, Mr. Henry Mond, Mr. Clarence Graff, and Mr. James Henry Gannon (vice-president of the Chase National Bank). Sir Alfred Mond will be the chairman, Sir Harry McGowan deputy chairman, and Messrs. Graff and Gannon joint managing directors of the company.

"To assist the operations of the company an American committee has been formed under the chairmanship of Mr. Wiggin to act in close consultation and co-operation with the British directors. This committee is as follows:—Mr. A. H. Wiggin, Sir Alfred Mond, Sir Harry McGowan, Mr. R. L. Clarkson (president of the Chase National Bank), Mr. H. G. Freeman (president of the Chase Securities Corporation), Mr. A. P. Sloan, jun. (pres-

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ANGLO-AMERICAN CO-OPERATION.

"The inception of this corporation has been a necessity felt for some time by the leading men of business in both countries for closer and more intimate co-operation in the world of industry and commerce between America and Great Britain. The increasing volume of capital investments of American interests outside the borders of the United States and in Europe has often been commented on, and is a new feature in financial centres since the war. This feature is likely to continue, and large sums will be available in the future. The desire to direct these

into the most profitable channels has led to the idea of systematic and continuous co-operation of leading financial and industrial brains of both countries for the development of industries either already established or of new ideas which are daily brought forward.

"Imperial Chemical Industries is especially well-situated, owing to its world-wide manufacture, its trade operations, contracts and resources, the knowledge of its board in industrial and financial matters, and its highly scientific and technical staff, to take a lead in such a movement in Great Britain, the Empire, and Europe. In the same way, the personnel of the American committee provides an affiliated group of financial and industrial leaders of a most authoritative character. The new corporation will provide facilities for commercial and industrial financing in the British Empire, Europe, and the United States in co-operation between English and American interests, and will develop contracts for the purpose of international industrial development."

EFFECT ON AUSTRALIA.

Referring to a Press report that Sir Alfred Mond had declared that the new company would have no geographical boundaries, with the exception, as long as he was chairman, of Russia, but with preference to British and Imperial industry, and, in answer to a question as to what effect this might have on Australia, Mr. Davies said that Imperial Chemical Industries already had a number of important representatives surveying the Australian industrial field. Nothing definite at the present stage of the company's plans could

be indicated, but it was practically certain that Australian industry would be included. Following the receipt of cabled reports of the finance company, the Imperial Chemical Industries representatives had telegraphed to London that fears had been expressed in Australia that this would mean the control of Imperial Chemical Industries by American capital, and loss of the imperial nature of that concern's constitution.

"That is one misunderstanding we want to clear away," said Mr. Davies. "In England we have to pay 5 per cent. for any money we borrow. In the United States, because there is such a large surplus of money for investment, the rate is 3½ per cent. The formation of this new company will mean that Imperial Chemical Industries, Ltd., will have much more capital and credit at its command without losing its imperial character. In other words, we shall control American capital and American capital will not control us. The greatest ailment of British industry is shortage of capital, and that is the reason for the formation of the new company."

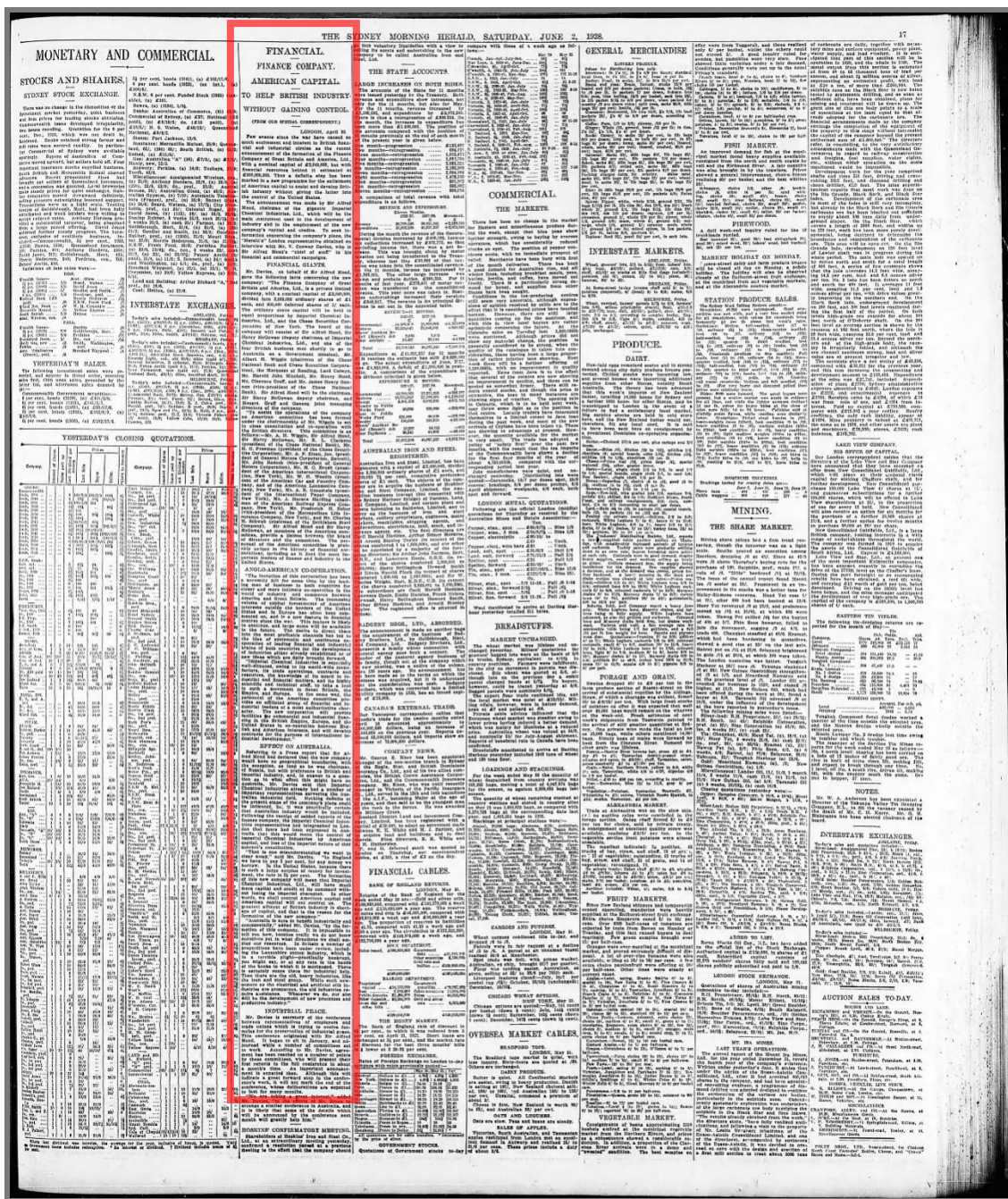
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Search words and phrases:

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American International Corporation
American Locomotive Company
American Railway Express Company
Bethlehem Steel Company
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The Herald