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It is apparent that a knowledge of world-affairs was never of more importance to Americans than today. The spirit of distrust which pervades the Old World is not without its effect upon our own country. How to combat this disintegrating tendency is a problem worthy of the most serious thought. Perhaps one of the best methods is the promotion of a better understanding of other nations through wisely directed educational effort.

The purpose of the foundation shall be the promotion of a better understanding on the part of American citizens of the other peoples of the world, thus establishing a basis for improved international relations and a more enlightened world-order. The aim shall always be to give accurate information, not to propagate opinion.

Annual Institutes have been held at the University of Chicago since the summer of 1924. This series of volumes includes the lectures there delivered, in essentially their original form.

FOREIGN INVESTMENTS

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FOREIGN INVEST- MENTS

[LECTURES ON THE HARRIS FOUNDATION 1928]

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FOREWORD

The first four institutes on the Harris Foundation dealt respectively with European, Far Eastern, Mexican, and British Empire affairs. The fifth institute from June 18 to June 28, instead of limiting itself to a particular region or state, dealt with the topic of foreign investments in both its theoretical and practical aspects and with the varied problems to which it has given rise in different parts of the world. While due attention is given in the lectures to the general economic and political consequences of the international movements of capital, especial attention is devoted to the recent problems arising in relation to the extensive American investments abroad, and to the inter-allied debt and reparation settlements resulting from the World War. The lectures are all printed substantially as delivered during the institute.

The qualifications of the authors to speak authoritatively on the subjects with which they deal are in part indicated on the title-page. Professor Cassel has long been recognized on the continent of Europe and throughout the world as a leading economist and since the war as the originator of the Purchasing Power Parity theory of interna-

FOREWORD

tional exchanges. He has written extensively in English, German, and Swedish on economics and finance and has served as expert on financial problems at various international conferences. His memoranda for the Brussels Financial Conference, 1920, and for the League of Nations Financial Committee, 1921, had a profound influence on the policies adopted for the rehabilitation of European currencies since the war. Professor Gregory is the author of many books on foreign exchange, tariff, and banking and has been a keen observer at close range of the financial operations in the city which has long been and still is the chief money market of the world. Dr. Kuczynski was formerly director of the Municipal Statistical Office at Berlin-Schoenberg and professor of economics, at the Berliner Handelshochschule. He has written many books on labor and financial problems. Mr. Norton has been a keen observer of economic and political developments in many parts of the world, especially the less-developed regions of Asia and Latin America. He is a well-known writer on topics related to world-politics and was attached to the American delegation at the sixth Conference of American States at Habana, Cuba, in 1928.

QUINCY WRIGHT, *Executive Secretary*

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