

instance, which are widely separated geographically, peopled by different races, or whose chief commercial products are entirely different, prove very dissimilar in tendency, so that while in one country realisable values are rising, in another they are simultaneously falling.

Statistics thoroughly establish this fact, which constitutes the foundation of the system of *Geographical Distribution of Capital*.

The surface of the earth has, for the purposes of this system, been divided into ten main investment areas, which are shown in the annexed chart. Every one of these areas has been found subject to an entirely different trend of trade and political development. Therefore, by placing a portion of his capital into each of these divisions, and, where more than ten stocks are held, into two or more of the various countries comprised within each of them, the investor ensures that all the stocks he holds are likely to differ in the variations of their realisable values, and that, therefore, the total realisable value of his investments is likely to remain stationary.

The Advantages which the System Offers.—Formerly there were no fixed rules to guide the investor in the disposal of his capital. Now the quantity, quality, and geographical position of every investment purchasable are indicated for his guidance with mathematical accuracy. When applied, the system leaves only one point to the investor's discretion, namely, the average rate of interest at which he should aim and the other investment objects he should work for; these govern the quality of the stocks he should hold.