

Mr. Burton : Because the matter is of very great importance indeed, and it is an extremely interesting thing, one of the most interesting things I have come across for a long time. Mr. Keatinge sums up his examination, a very exhaustive examination of the main parts of South Africa in which this can be done, by saying that there is going to be a large development of the cotton industry in South Africa. The Empire Cotton-growing Corporation can do much to help and expedite this movement, and the moment is opportune for such assistance to be offered. If the Corporation decides to associate itself with this important development the assistance given must be on an adequate scale, and to take full advantage of the existing opportunities a decision should be reached without delay.

These are the things that he put to the Empire Cotton Corporation, and he makes recommendations to them. He also makes recommendations to the Union Government. These recommendations, let me say, embrace the establishment of experimental stations in the Transvaal, and the establishment of stations for cotton-collection, and so forth. These recommendations we are either already carrying out or will carry out. The recommendations will involve considerable financial responsibilities by us, but in the main we have already done or are going to do them. Our part of the business, therefore, I can commit the Union Government and the people of South Africa to in the main. There is one very important point which he makes: He points out that one of the great difficulties in respect of the successful development of this industry in South Africa is the difficulty of handling and marketing the stuff there. The farmer has to wait a long time before he gets his money, and Mr. Keatinge suggests that a most important thing would be for a branch of the Empire Cotton-growing Corporation to be established in South Africa, with the support of the Union Government.

The Chairman : I think the South African Committee of the Corporation have arranged already to meet General Smuts this month and go into all this.

Mr. Burton : I am very glad to hear that. I am quite sure that in this respect we can do a great deal in the development of South Africa, to help ourselves and to help you also. You have presented to us the desirability of the Empire growing more sugar, cotton, and tobacco. The rapid and large development of these things will assist you not merely in your difficulty with regard to unemployment here, but in your financial relations with other parts of the world; and here is something which to my mind, as far as my country is concerned, is tangible and practicable, and which we can put our hands to at once. So far as we are concerned in the Union, we will do whatever is necessary on our part to assist the development, but your scheme of advances to assist in the rapid development will, I think, come in in South Africa perhaps better in this than in any other respect I can think of at the moment in order to achieve your object.

Mr. Riordan : I do not think I can add anything worth while at the moment, but shall wait till the full scheme is known.

Concrete Case illustrating Value of Proposals.

Sir Marmaduke Winter : Mr. Chairman, the advantage of such an arrangement as is proposed here has been recently illustrated in Newfoundland. Perhaps I may give you a concrete case. A reputable and wealthy English firm with a capital of twenty million dollars were anxious to develop the water-power of the west coast of Newfoundland and to erect a paper and pulp mill, but they were only prepared to do it on condition that the Government would guarantee the principal and interest—that is, twenty million dollars. The amount seemed to be very large considering the limited financial position that the country is in, and the matter was taken up with the British Government; and after considerable negotiations had taken place an arrangement was made with the British Government by which they agreed to guarantee ten million dollars—that is, half the amount required; and the Newfoundland Government agreed to guarantee the other half, on the understanding with the British Government that the ten million dollars which they guaranteed would be spent in Great Britain in buying the machinery and material required for erecting the mill. I might say that the contract has been signed, and the work is now well under way, and that the twenty million dollars will be spent within the next two years, which will mean an expenditure in labour in England of ten million dollars, and will also mean that about a similar amount will be spent in Newfoundland, where at present there is a great need of employment.

I may say that the necessity for a guarantee for such a large amount was not that the venture was considered to be doubtful as to the ultimate result, but in connection with the marketing of the bonds they would sell at a better advantage with a Government guarantee. Those who are acquainted with the enormous water-power that we have in Newfoundland think that there is no risk whatever in the British Government or in the Newfoundland Government guaranteeing the bonds. As a matter of fact, I think, at the present moment the bonds are selling at a premium. However, that is a concrete case of the value of the proposition that we are now considering. Had we not received the assistance from the British Government which we have received the contract would not have been signed, and the project would have fallen through. I think it is a concrete case showing what good the proposal which the Government has made to us now is likely to do.

India prepared to Co-operate.

Mr. Innes : Mr. Chairman, I am afraid I have taken my own line on the last two subjects which have come before this Conference, but I am happy to be able to say that with regard to this particular question the Government of India are very anxious to co-operate with His Majesty's Government. In fact, I think I may say that we are already co-operating, probably to a greater extent than any other country represented round this table. I do not mean to suggest for a moment that we have embarked upon our development programme in order to help His Majesty's Government in their present time of trouble. As Mr. Graham said yesterday, we all have to look to the interests of our own country first, and we embarked upon these programmes because we were satisfied that development was what India needed.