

the guarantee of interest or capital; secondly, that the work should be started at once: and, thirdly, that the machinery necessary for the equipment should be purchased in the British market. As to the extent of capital and guarantee of interest, we are happy to say that Canada in the last year, and for years, has been able to borrow all the necessary money for any of her undertakings on her own credit. As to the public-utility undertakings, we are amply provided with our canals and railways. As to water-powers, I think that, more than any country, we have developed some of the very many water-powers that we have, so that we do not see very well the advantage that we could derive from your proposition.

What we need most is an increase in population and goods to keep busy the public-utility undertakings that we now have in our country. If we need more of them, some more developments, as you make it a condition for such an advance of capital or guarantee of interest on the capital that we should come to the British market or to the British manufacturers for our machinery, we are not sure that this proposition would be welcomed in our country, because we produce; we manufacture machinery ourselves, and all that is necessary for such development. All this is, Mr. President, not to discredit in any way your very interesting proposition for some of the other Dominions. We certainly approve of it, and we would take advantage of it. Some day we may have to take advantage of it, but just now I must say we do not see that we are directly interested in the proposition.

Australia Welcomes Proposals.

Mr. Bruce: Mr. President, I certainly desire to say, on behalf of Australia, that we welcome very much the attitude the British Government has taken up with regard to this matter, and we certainly recognize the way you have put it forward, but I think it much better that at a Conference of this character we should put the case as we see it from our own side. You have, with perfect frankness, said you have an industrial situation which you want to relieve, and, with all respect, I think Australia would say you have taken the very statesmanlike way of trying to deal with it by development in the Dominions. We certainly welcome your scheme very much, and I am very hopeful that in some ways it may be of very great mutual benefit to us if we avail ourselves of the suggestions which you have put forward.

Advance of Interest more suited to Australia's Needs than Guarantee.

As far as the suggestion of guarantee is concerned, I am inclined to think that that is not a matter that interests Australia at all. We are in a position to raise such moneys as we require for our own development, and owing to an admirably respectable past, generally speaking, in our financial affairs we can raise our money on terms which I do not think would be very materially affected even if we had a guarantee, for in a way we are trying to avail ourselves of the credit of the British Empire rather than Australian credit. Of course, I appreciate there might be some slight difference, but I can see rather serious complications in the future on the basis of a guarantee, and as, happily, we are not in the position, with regard to any scheme of this character, of having to take that course, I think Australia would regard a guarantee as not being a side of the scheme that she was interested in.

The Chairman: I mentioned it rather to put it aside. It had been suggested. I agree that the advance of interest is the most promising way.

Mr. Bruce: Believe me, I think it is very admirable that a guarantee is given. I should certainly say, with regard to a small colony, for example, that it might be the solution of a great deal of trouble in finance. I am merely putting it from our point of view. As regards the other side, the interest side, that might very possibly be of great importance to Australia, because, mainly speaking, development is dependent upon finance. In Australia we are certainly not in the happy position of Canada in being able to say that we have explored all the possibilities, and that there is nothing, if we were favoured by circumstances, which we could not press on with. We believe there are innumerable things, but certainly our programme for the future is very much conditioned by the burden that we can place on our present population. When I say it is conditioned by finance I do not mean by the amount of finance that could be raised on one's credit; I mean the burden of interest that one could place upon the people. There are, in Australia, a number of schemes which, unless we could put them in hand and proceed with them at once, without immediately incurring a great burden of interest which would have to be met by the people, and unless we had had a large flow of migration into the country, would mean an increase in our taxation. We have had to put these schemes aside; we could not go on with them. But these proposals of yours open the door to the possibility of a very considerable acceleration, because we regard any schemes with which we are going forward as being very wise schemes, and schemes which will promote the well-being of Australia, and which, after a very short time, will give us a very great return for our money. A guarantee over a period of years, while these schemes were coming to fruition, might be of the greatest interest to Australia, because we would press on with their development. We would not have to cast a greater burden upon our people while those schemes were coming to productivity, and when the full burden of interest fell upon our shoulders we would hope to be enjoying the results of our enterprise and energy in having promoted the schemes.

Conditions of Scheme acceptable to Australia.

I say unhesitatingly from Australia's point of view that we are extraordinarily interested in this scheme, and I hope that something material will develop from it. It has the characteristic that it is an extremely good one both from the point of view of Britain and from the point of view of Australia. That we should develop as rapidly as possible is our great desire. I think that we should develop as rapidly as possible is your great desire also, because our purchasing-power increases and we become a greater factor in Britain's trade.