

deferred. But this cannot be regarded as anything more than the postponement of the evil day when the liquidation of external debt must be accomplished; and it is probable that the ultimate remedy will be more oppressive in its effects the longer the obvious remedy is delayed. Every consideration forced upon the writer in the preparation of this essay upon the economics of borrowing compels a reluctant admission of the truth of Viner's verdict concerning the Canadian situation, and its close application to the problem of the future liquidation of our own external indebtedness.<sup>1</sup>

But the time has now come to round off this survey of a century of Australia's economic history by bringing the discussion back to the point from which it started. The chief motive underlying the examination of the different factors in Australian business, and of the interrelation to be detected among the various tendencies, has been the desire to demonstrate the control exercised upon Australian prosperity by the rate at which capital has been injected into the economic organization. It cannot be pretended that anything more than a beginning has been made in dissecting the very complex situation presented by the economic life of a modern state. No single investigator could be competent, or even physically able, to cope with the vast number of subsidiary issues raised by such a problem as this. Much more light will need to be thrown on the international movements of capital before many of them can pass from the realm of conjecture. But a few observations still remain to be made.

It has been a matter for comment in the past by investigators of our business fluctuations that, contrary to current opinion on the matter, no close correlation was to be discovered between business conditions and the volume of agricultural and pastoral production. Although relatively wide swings in productivity have occasionally produced violent fluctuations in business, excellent returns from the land have not invariably

<sup>1</sup> *Canada's Balance of International Indebtedness*, p. 306. 'The further discovery and exploitation of rich natural resources, a generous increase in population, an increase in the intensity of the world demand for the important Canadian products, the adoption of a sounder and more far-sighted commercial policy, and of a more conservative policy of capital investment in questionable enterprises—these would substantially lessen the severity of the task of liquidating foreign indebtedness.'