We do not desire to enter into discussion as to the relative burden of an internal as opposed to an external debt except to say that the real burden to a community of an internal debt is less heavy than that of an external debt. The figures, however, show in a marked fashion the influences of war expenditure on the public debt of the Dominion both as concerns the 1914–18 war and the recent war. Gross figures, however, of the public debt really mask certain of the facts concerning the real burden of such a debt on the Dominion. A proportion of the debt is directly reproductive. Such expenditure would include that on railways, telegraphs, and so on. Admittedly, at certain periods the railways have not been completely reproductive, but the general aim is that the railways shall be completely self-contained as far as expenditure is concerned. Other public debt has been of the investment type, and includes such things as advances to settlers, loans to local bodies, land purchase, and so on. Still other debt is indirectly reproductive in so far as it stimulates and assists in the economic development of the country. Such debt would include land improvement, including roads and bridges, immigration, and coal-mines. Unproductive debt, however, may be more in the nature of a real burden on the country. Hence, if we take the unproductive debt and analyse its development, we will get some idea of the burden of this debt on the community as a whole :—

Table No. 126.—Table showing an Estimate of the Unproductive Debt from 1901 to 1944

Date.	Total Unproductive Debt.	Percentage of Unproductive Debt to Total Debt.	Unproductive Debt per Head.
	£		£
1901	15,000,000	30	18·5
1911	20,000,000	24	19·1
1921	105,000,000	51	83·9
1936	88,000,000	31	56·2
1944	269,000,000	47	164·2

Although as between 1901 and 1944 the unproductive debt has increased by eighteen times, the unproductive debt per head has increased by only approximately nine times, or half the total amount. The above discussion is not given with a view to discussing the debt question, but merely to show the influence of an increasing population on the burden of debt per head. An increasing population normally means an increasing national income, and, provided the point of optimum population has not been passed, the rate of increase in the national income is usually greater than the increase in the size of the population. In view of the potentialities of the Dominion, there is little doubt that this country could absorb profitably over a period, other things being equal, a fairly large increase in population with definitely beneficial results to the national income of the community, or, conversely, without in any way reducing the average standard of life, but rather the reverse. Hence, if the population were to increase, then the taxation per head for debt purposes would tend to decrease. The same type of argument could be adduced to show the effects of developmental expenditure, but sufficient has been given to show that an increase in the population at least from this point of view is definitely desirable. More important, perhaps, the above discussion shows the serious effects which will accrue financially if population declines.

The whole of the above section has been given in order to show that the size of the population, its age-structure, and the size of the national income are very important factors as determining Government policy in relation to population development.