

The Burden of the National Debt.

Our first sub-question, "Is the Debt an economic burden?" is now answered in the affirmative; we can, therefore, turn to the computation of the burden. The interest on our War Debt of eight thousand million pounds is four hundred millions a year. What meaning shall be given to this figure? The pre-war Income of the Nation is generally agreed as being in the neighbourhood of £2,400,000,000 (two thousand four hundred million pounds). Dividing this amongst our population of forty-eight million souls, we get an average income of £50 per head. The interest on our Debt is £400,000,000, which, divided by 50, gives eight million. But as money values have doubled during the war, and as in our calculation of National Income we took pre-war figures, we must halve this figure of eight millions, leaving us with only four millions. The gross burden of the Debt, then, is apparently equal to supporting four million citizens at the average income per head of the Nation. It is obvious that unless a very large proportion of the interest raised came out of the pockets of those to whom it was paid, the Nation could not bear this burden, but even supposing that taxes of every description, direct and indirect, amount to ten shillings in the £, the burden of the Debt, measured by average income per citizen, equals the burden of supporting two million citizens who produce nothing, or an idle population of two-forty-eighths, or over 4 per cent. My computation is a very rough and ready one, but I suggest it as indicating the lines upon which an inquiry for the purpose of ascertaining the real burden of the Debt should be conducted.

Regarding the Nation as a whole, it is obvious that the annual income from which it lives is produced by its Capital used in conjunction with its Labour. The consumption of goods by citizens, such as children, the aged, and infirm, not