

the ultimate outcome of the reorganization of British industry should be increased productivity and, consequently, increased capacity to lend, the immediate effect will inevitably be to curtail, if not to stop entirely, British foreign loan issues. Competition for markets with countries whose industrial organization and technical improvement was not impeded by the war will intensify and prolong the British effort to regain her pre-war status; but the drain on available capital supplies will be correspondingly increased.

On the other hand, however, it is to be thought that invisible exports, both of capital and services, from Great Britain have been grossly under-estimated. The 'flight of capital' from taxation, unrecorded receipts from overseas, and international 'windfalls' of one sort and another undoubtedly modify the situation as presented above; but not sufficiently to invalidate the truth of the assertion that Britain's power to export capital has dwindled in a very marked manner; and little but disadvantage is to be gained by postponing the determination to reorganize Australian internal resources in accordance with the changed situation abroad.

Another possibility in the situation operates in the direction of lightening the incidence of the overseas debt by increasing the number of burden-bearers. Hand in hand with a more effective use of the national resources goes the necessity for an increase of both producers and consumers in Australia. A rapid increase of population by means of immigration would, through the increase of both producers and consumers, relieve the pressure in several ways. First, as producers effectively engaged in development, the new-comers should enlarge the volume of disposable income. At the same time they would take up some of the weight of taxation. But it is to be thought that the greater effect would be felt by reason of the increase of consumers. The present capital equipment, especially in the form of railways, roads, irrigation, postal and other public services, is adequate in the settled districts for a much greater population and a vastly enlarged volume of transport. Rapid growth of population would, by a greater use of these facilities, ensure a larger return upon much of the capital sunk in these enterprises; and would tend to diminish the steady drain upon production represented by persistent deficits. Further, the increase in demand repre-