

of taxation amounting to \$71,000,000 per annum in three years. In other words, the people of Canada in the current fiscal year are paying at least \$71,000,000 less in taxes than they would have paid if the 1925 basis of taxation had remained unaltered to the present. It is true that under this policy, known in England as "leaving the money to fructify in the pockets of the taxpayer", ~~that~~ the taxpayer has become so prosperous that in certain cases he may be paying more taxes than he did a few years ago, but then he has so much larger resources out of which to pay that the payments are far more easily and promptly met, as is seen in the case of the income tax.

Such in outline have been the chief financial accomplishments of the last six years. Do they indicate extravagance, or economy and a reaction against extravagance? Surely the money markets of the world have already given the answer in the great improvement of our national credit and the re-establishment of the Canadian dollar on an equality with the American.

Part II. The Last Fiscal Year

Let us now, after having summarized what has been accomplished in the way of debt reductions and tax reductions in the