

debts, we have experienced an improvement in our credit. We are able to borrow at lower rates of interest than before, with the result that our annual debt charge is diminishing proportionately more rapidly than the principal sum of our debt. Including the saving of \$2,650,000 as a result of the repayment of this autumn, the total annual interest charge on the debt as at the end of the present year, will be between \$122,000,000 and \$123,000,000, as compared with nearly \$138,000,000 in 1922 - a saving of a full \$15,000,000 a year in interest charges.

Reductions in Taxation

But the repayment of debt, which has had far-reaching effects in improving the national credit, has not been the sole accomplishment of recent years. Together therewith has gone the reduction of taxation. Up to 1925, it is true, the paramount necessity of the Dominion was the balancing of its budget, and while there were reductions of taxation in many directions, the total was not greatly affected. After the budget had once been balanced, however, the situation was changed, and in each of the last three budgets of 1926, 1927 and 1928 there have been large reductions of taxation, officially estimated to have cost the Treasury of Canada \$25,000,000, \$27,000,000 and \$19,000,000 per annum respectively - or a grand total reduction