

three-year period may be called the period of balancing the budget, and balanced it was, even by the painful but salutary process of additional taxation.

Three Years of Debt Reduction

In the last three fiscal years we have had a period of debt reduction - nearly \$28,000,000 being paid off in the fiscal year ended 1926, nearly \$42,000,000 in the fiscal year ended 1927 and nearly \$51,000,000 in the fiscal year which has recently closed - a total reduction of \$120,000,000 in the three year period, which would have been \$16,000,000 greater but for the writing off of a part of the soldier settlers debt to the Government together with some other seed grain and relief advances, in the fiscal year which has recently closed. But this is not all. Thanks to the procedure by which the income tax is mainly collected at the commencement of each fiscal year, the Minister of Finance has already available from the first quarter of the current fiscal year \$52,700,000 of surplus funds, and has announced that the surplus will enable him to pay off in cash a \$53,000,000 five per cent loan which will come due on October 15 of the present year. When this date arrives, the reduction of the national debt since 1925 will have reached the substantial figure of \$173,000,000.

Further, as naturally results from our repayment of our