

today meeting the interest and must go on doing so for many years to come.

But the additions to the national debt of Canada did not end with the war and with demobilization. Even in the post-war and post-demobilization fiscal year ended March 1921, the expenditures were \$92,000,000 greater than the revenues, resulting in the addition of this vast sum to the national debt. In the succeeding fiscal year there was little improvement, \$81,000,000 having to be borrowed to fill up the gap between revenues and expenditures. It was surely high time for a change, and the change came about.

#### The Policy of Balancing the Budget

It was at this juncture that a new policy was adopted - that of balancing the budget at all costs and, if possible, reducing the tremendous deadweight of war debt which hung like a millstone round the necks of the people of Canada. It was not remarkable that the first year of the new policy was not marked by complete success in the reversal of a long-continued tendency toward deficits, but the addition to the debt in the fiscal year ended 1923 was only \$31,000,000, more than offset by a reduction of \$36,000,000 in 1924 and a slight further reduction in 1925, with the result that in 1925 the net debt was \$2,417,000,000, or \$5,000,000 less than in 1922. This