

there will not be any very large increase in the revenue from this expenditure. Much has been said of the excessive land damages paid on account of the extension of the water mains on the west side, and which increased the cost of that important and necessary public improvement, perhaps fifty per cent. But on the other hand the new revenue derived from the extension, is more than sufficient to pay the interest on the cost. This is due to two causes—the revenue derived from the new water district created in the parish of Lancaster, and from the sale of water to winter port steamers. But what has been accomplished on the west side, cannot be looked for immediately on the east side. There is no populous village like Fairville on this side of the harbor, to help pay the interest on the investment. There will, of course, be greater consumption of water and new water consuming industries may be established, but the added interest charge for the new expenditures will have to be met by the same people who now pay the lesser rate. It is too soon to figure out what the exact cost of the extension will be, but for a few years at the least, the water department which enjoys a surplus of several thousand dollars a year will go behind unless the rates are raised. A proper valuation of the property now assessed, with the increased consumption returns, would in all probability render unnecessary any increase in the present water rates. In considering the water question, it must be borne in mind that the present generation of rate payers are still paying interest on the greater part of the cost of the works ever since they were taken over

by the city. This is due to the fact that the sinking fund, until a few years ago, had no existence. Another large block of water bonds fall, due a few years hence, and the sinking fund which has been regularly appropriated for the past 15 years will reduce the amount that must be refunded very considerably. In addition there will be a saving of 40 per cent. in interest on what has to be refunded, as the present issue of bonds calls for 6 per cent. interest. About the only gratifying feature of the city debt is that the interest charge is less now than it was three years ago notwithstanding the enormous increase in the debt. It may be well to point out that the interest on the debt under the control of the Common Council was \$180,226 in 1903, and \$178,514 in 1904. But last year was not a good year for increasing the debt. New bonds were issued for \$144,500, but old bonds amounting to \$112,019 were redeemed, leaving the net increase in the debt only \$32,481.

There must be further large expenditures made in the harbor this year in order that the winter port trade created during the past ten years shall have room for extension. Just what these new wharves and warehouses will cost is not known at the present writing, but not less than \$100,000. It is not proposed that the city will build these additional wharves and hand them over free to the Canadian Pacific railway as has been done with the wharves already built. Under the new arrangement the steamships and railway will pay a rental, equal at least to the interest on the cost of construction. Nothing has been said about the maintainence of the properties which amount to a