

surplus revenues from the harbor, lands and public utilities owned by the city should be set aside to reduce the assessment for interest and sinking fund. It is very ingeniously argued by the aldermen—or some of them, that the streets would not be in as good condition as they are if it were not for the over expenditure—and the appropriation of money coming into the city treasury from the earnings of its property, for street and other departmental work instead of the assessing off it directly on the taxpayers, is an advantage rather than the reverse. This seems very fair and reasonable, but it does not state the case fully. Not long ago, the balance in the general revenue account was taken to help out the fire, police, light and street departments, which were a long way behind. Three years later, in 1904, a paltry \$2,000 of the old city debt had to be refunded for 40 years. This year over \$50,000 of the same debt falls due and will also have to be refunded. Had the method of spending within the revenue of the city been continued during the past ten years these bonds could have been paid in full and the citizens saved the interest for ever. The extent to which old indebtedness has been made new and passed on from one generation to another is appalling, and means that sooner or later even necessary improvements will have to stop until the old bonds are wiped out by the sinking fund.

There is also another phase of the situation which has been overlooked. Up to two or three years ago, the city managed to pull through the year without borrowing, in anticipation of the assessment. Few cities either in the United States or Canada, were in

such a position, but St. John with its large revenue outside of its assessment always had sufficient balance on hand to meet its current obligations and earned quite a handsome sum from the bank as interest on its daily balances. Over expenditures has changed all this and now St. John is in the procession of civic borrowers to carry on its business until the assessment is collected. This change made a difference of several thousand dollars a year in the work that can be done on the streets and in the fire, police and light departments as the bankers have to be paid interest on their advances.

The over expenditure of the Council has a great deal to do with keeping the city debt where it is, and when we consider that the interest charge on the bonded debt of the city, exclusive of the school debt is over \$600 a day it is not difficult to realize the importance of keeping the debt within its present limits. The taxing of small incomes has always been objectionable for the reason that wage earners object to direct taxation and in the larger cities are not assessed. It is of no use to argue with this class of people that if they are not directly taxed elsewhere they pay indirectly just the same. It is the visits of the collector that they object to and the fact that St. John continues to assess working men about one week's wage, for the privilege of living in the city has caused many a man to leave it St. John and go elsewhere. This fact was recognized by the Common Council 25 years ago and an honest effort was made to reduce the taxes of the working man, by increasing the rates on those better able to pay and more