

electric light, water works, street railways, etc., so as to produce a surplus of revenue over expenditure, but seldom or never is there presented to us the possibility that our sinking funds might be so administered that they would exhibit a surplus and thus contribute materially to the City's revenue. If the sinking fund of the City of Ottawa had been managed as it should have been, I am confident that the present investigation would have disclosed a much larger surplus than that shown. The average rate of interest earned on the funds should have been at least 1% greater. As the accumulated funds now amount to over \$3,000,000, an additional 1% would represent \$30,000 per annum.

In order to carry out some of the suggestions made, it may be necessary for the City to secure legislation, but, as it is believed that the proposals outlined would work out to the City's benefit, it is not likely that there would be any difficulty in obtaining what was necessary in this connection.

During the investigation I had an opportunity of becoming acquainted with the great amount of detail work which the Treasurer and his staff are supposed to cover. I am convinced, in order that the duties of the Department may be expeditiously and efficiently handled, that additional experienced assistance should be furnished. If the sinking fund records are to be maintained as they should be, it will, it appears to me, be necessary to obtain competent help under the direction of the Treasurer. The financial affairs of the City of Ottawa are quite important, and it is only the part of wisdom to have them administered in the most efficient and thorough manner possible.

The important fact disclosed by the investigation is that for all outstanding debenture debts the City has on hand good interest bearing investments, or cash, of an amount substantially in excess of the full sinking fund requirements.

Yours truly,

T. BRADSHAW.