

During 1895 there was no addition to the funded debt. As a matter of fact the law of 1889, which limited the city's borrowing power to \$24,000,000, prevented any large increase of the debt. But the expenditure in excess of revenue arising from the engagements contracted by committees over and above their annual appropriations, which had been carried forward from year to year, amounted to \$800,000, and the legislature authorized the transfer of this sum to the consolidated debt. This addition, with another transfer made at the previous session has so reduced the available borrowing power of the city as to interfere seriously with its ability to carry out its obligations.¹ On December 31st, 1895, Montreal had a floating debt of \$5,968,319, which, added to the funded debt, made a total liability of \$29,427,413.² It has been incurred by expenditure on waterworks, parks, markets, opening and paving streets, harbour improvements, etc. The following are some of the largest items³:

Waterworks.....	\$8,618,806
Mount Royal Park.....	1,033,337
Market properties.....	849,972
City hall.....	524,338
Streets—opening and widening.....	3,290,861
sewers.....	1,493,379
pavement.....	3,868,784
Grant to railways.....	769,012
Harbour improvements.....	603,129

The lavish expenditure of Montreal during the past few years has finally resulted in financial embarrassment, and means of extricating the corporation from its difficulties are now under discussion. The borrowing power of the city is limited to \$26,838,000, but that figure has been exceeded by \$407,164. It is absolutely necessary (1896) not only to pay off the excess, but to meet further engagements amounting to \$522,606. Moreover, there are works estimated to cost about \$500,000 which must be carried out, but which cannot be paid for out of current revenue. It was decided some time ago to ask the legislature to increase the borrowing power by \$2,000,000, but a refusal was anticipated, as the present limit, established in 1893, was fixed on the distinct understanding that it should last for four years. The council, therefore, have decided that in case of refusal the legislature should be asked to authorize the

¹ Report of the Treasurer, City of Montreal, 1895, p. 2.

² Ibid, p. 5.

³ Report of the Treasurer, Montreal, 1894, p. 76.