

tractors from the reserve South of Front Street originally set apart for a Public Walk.

No. 6 contains an estimate of the liabilities and probable receipts of the Corporation for the current year.

In these liabilities there are some very heavy items which may require explanation. The construction of the Esplanade closed the outlet of the whole of the city sewerage, and the disallowance by the citizens of the By-laws which provided for the construction of the drains south of the works, involved the alternative of taking the loan of \$32,000, from the Jail Fund, to complete the outlets referred to, or of subjecting the inhabitants to the terrible effects which would have resulted from a stagnation of all the city sewers. This will explain why the Loan was made for so important an object, and the construction of the Jail, which has been decided upon, renders it necessary that the amount should be immediately replaced.

The Council are aware that a By-law was passed during the last year to provide the means for filling up the large space in front of the city, situated between the South side of Palace and Front Streets and the North line of the Esplanade, and a contract was made with Humphrey, Camp, & Co., for doing the work. When a considerable portion of the work was completed, and some of the Debentures disposed of in the English Market, the By-law was set aside by one of the Courts as informal or illegal, and to prevent the vexation and expense of law suits, the Corporation of last year borrowed from the Esplanade Fund the sum of \$66,000, to replace this amount Debentures are now issued and in process of negotiation. In the cases referred to, it would appear to have been a difficult matter to have adopted any different course in the very anomalous position in which the Corporation was placed.

The amount of Debentures not called for in 1857, and those falling due this year, for which provision is made is in the whole \$41,743.55.