

Less cash on hand belonging to loan account. . . . .	58,514	
Total outstanding obligations, omitting amount for harbor improvements. . . . .	\$25,568,947	\$25,671,977
Amount which will have to be paid in connection with harbor improvements	560,823	560,823
Making the total of the funded debt, including provision for all outstanding obligations of. . . . .	\$26,129,770	\$26,232,800

Thus it will be seen that the total debt and obligations during the past two years have only been increased by the sum of \$103,030, although during that period we have expended on permanent works and improvements \$297,300 as well as paying various judgments of the court for damages in connection with accidents, floodings, caused by sewers, etc. out of our revenue account, amounting to \$98,884.83 in 1896; \$60,562.70 in 1897; a total of \$186,447.53.

#### SPECIAL TEMPORARY OBLIGATIONS.

In 1896 the amount of special temporary obligations issued in connection with assessments and taxes due by the proprietors amounted to \$1,638,691. This amount has been reduced to \$1,168,000 on January 1st, 1898, to meet with special assessments are due by proprietors amounting to \$1,177,500.

#### REVENUE AND EXPENDITURE.

##### (Administration Account.)

During the five years ending December 31st, 1895, there was an average annual deficit of over two hundred thousand dollars. It will therefore be very gratifying to the ratepayers to learn that during the last two years, instead of an annual deficit, we come out with a surplus, that for 1896 amounting to \$420,18, while the surplus of revenue over expenditure in 1897 amounts to the handsome sum of \$82,476.05. I congratulate the City Council upon this satisfactory condition of affairs. It is probably the first time in the history of the city during the past twenty years, at all events, where a surplus of this nature has been shown.

It is no doubt largely owing to the restrictive legislation of 1896, which enacted "That the appropriations shall never exceed the amount of the actual revenue of the preceding year (that is to say, the appropriations of 1897 made in 1896 shall be based on the revenue of 1895 and so on yearly afterward). And that all reports of committees and all resolutions of Council involving the expenditure of money must, before the same can be legally passed by the Council, be accompanied by a certificate from the Comptroller that there are unappropriated funds at the credit of such appropriation." "And no contract or agreement shall be binding upon the city until

the same has been submitted to and passed by the City Council." "And every alderman who shall vote any sum exceeding the balance so unappropriated shall be personally responsible therefore and shall, *ipso facto*, lose the right of sitting in the City Council for five years." "The City Treasurer shall be personally responsible for every sum of money which he shall pay, knowing that it exceeds the appropriation voted by the Council for the purpose in question."

#### The value of

#### REAL ESTATE EXEMPTED FROM TAXATION

in the City of Montreal now amounts to forty millions of dollars. At no distant date the City Council will find itself compelled to deal with this question. It would seem to be an injustice to the taxpayers that nearly one-fourth of the real estate of the city should be exempt from taxation, and the question might be solved by taxing all the land now entitled to exemption, but not the buildings.

#### ACT OF 1897 CONCERNING THE FINANCES OF THE CITY OF MONTREAL.

As you are all familiar with this Act it is not necessary to do more than briefly allude to its restrictive clauses, which make it impossible for the City of Montreal to borrow, or expend any amount not authorized by said Act, and for the specific purposes therein mentioned.

I would strongly recommend the new members of the Council to thoroughly familiarize themselves with this, and the above mentioned law.

#### While

#### VALUABLE FRANCHISES

have been given by the city in former years, upon terms which involved a loss of revenue to and also an unnecessarily large expenditure by the city. I congratulate the Council upon not having granted any franchises during the past two years.

#### Probably

#### A FEW SUGGESTIONS,

based upon my experience in connection with civic affairs, may not be out of place. They are offered as suggestions simply, and with all due deference to the members of the Council who should be far more capable of judging of these matters than I am.

The clause introduced in our charter relieving the city from carrying out

#### FURTHER EXPROPRIATIONS

until such time as she has sufficient funds on hand to pay for them, has, I believe, been the salvation of the city, and in my opinion no further expropriations or improvements, such as street widenings, should be carried out for the present, because expenditure in connection therewith is not merely the amount paid to proprietors as compensation for the value of their lands or buildings, but incidentally the large outlays involved in street pavings, side-walks, drains, water services, to say nothing of subsequent