

points, and have come to the conclusion that it is not desirable the new Public Works Loan should be burdened with amounts for purposes such as those mentioned; especially since it is probable that the money necessary for those purposes could easily be obtained locally. Nevertheless, the Government believe that it is desirable there should be restored to the account of the original Loan all amounts taken from it for purposes the sufficient authorization of which by "The Immigration and Public Works Loan Act, 1870," has been questioned. It has been asked, for instance, whether the terms of that Act are sufficiently wide to include the payment of interest on the cost of works during construction. I may say that in the management of ordinary railway companies the item referred to is regarded as one to be paid out of capital. The Government wish it to be clearly understood that they intend to include in future estimates of the cost of railways interest during construction. But with respect to the railways already authorized, and as to which such provision was not made, the Government will, in a separate Loan Bill, provide for an amount estimated to cover interest on their cost up to the date of their construction being completed, including the restoration to the Immigration and Public Works Account of the sums that have been taken thence for the payment of that interest up to the present time. The same Loan Bill will include provision for repayment of the £150,000 taken from the Immigration and Public Works Loan Account for grants to Road Boards; and an additional sum of £100,000 will be included for future grants, at the rate of £50,000 a year. The following sums will also be included in this Bill:—£50,000 for Telegraph Extensions; £35,000 for the construction of Lighthouses; and £115,000 for Public Buildings. It is right I should state that the idea of borrowing money for public buildings is one that was suggested to the Government by a Memorandum of the Colonial Secretary in the Government which held office during a short period last Session. There cannot be a question that, throughout the Colony, the buildings for public purposes are lamentably deficient; and I take it to be equally beyond question that it has been decided, not only in this Colony but in every other, that it is perfectly legitimate to construct public buildings out of borrowed money. There are several large public buildings demanding immediate attention at the hands of the Government. Provision has to be made for meeting the cost of the Post Office and Custom House building destroyed by fire in Auckland; and also for the cost of the buildings required in Canterbury. Provision must be made for the erection of proper Government Offices in Wellington. The buildings which have been erected will only suffice for the two Houses of the Legislature; and as a matter of economy—indeed, as one of necessity for properly carrying on the business of the country—I may state that the Government are convinced that new offices must be erected. If the proposal to establish a Silver and Copper Mint should be carried out, the building should be erected in Auckland, where the silver required will be most available. Respecting the Mint, the Government await advices from Home before finally determining to propose it to Parliament. In other parts of the Colony which I need not specify, public buildings are urgently needed. The Government are determined, in any circumstances, not to allow the whole of the buildings to be erected during one year; and I hope that honorable Members will be moderate in their requests. That portion of the Loan applicable to Public Buildings should obviously be made repayable within a not very long term, and it is intended so to provide in the Bill.

There will, then, be two Loan Bills this Session. One will include £1,500,000 for Railways and Immigration, and £500,000 on account of the purchase of Native Lands. The other will include provision for restoring to the Immigration and Public Works Loan Account the sums taken from it to pay interest upon the cost of works during construction, and the amount still required for that purpose, in all £300,000; for restoring to the same account the £150,000 taken from it for grants to Road Boards; for an additional sum of £100,000 to be given, during two years, as grants to those Boards; for £50,000 to be applied in extending the Telegraph system; for £35,000, to be spent in much-needed Lighthouses; and for £115,000 for Public Buildings; in all, amounting to £750,000.

In future, interest on Railway works during construction, to be included in estimate of cost.

Second Loan Bill to provide for interest on authorized Railway works during construction;

also, for £250,000 for Road Boards, including repayment of £150,000 already given out of authorized loan; £50,000 for Telegraph Extensions; £35,000 for Lighthouses; and £115,000 for Public Buildings.

Buildings needed.

Auckland.
Canterbury.
Wellington.

Contemplated Silver and Copper Mint at Auckland.

Other Buildings.

Recapitulation of Loan Proposals.