

The Lunatic Asylums at Auckland and Wellington, and the Gaols at Wellington and Gisborne, have been extensively altered and added to.

In the Middle Island, about forty buildings have been in course of erection, or been altered or repaired, during the year. The more important of the new works are the Lunatic Asylums near Christchurch and Dunedin, Courthouses and other public offices at Timaru, Invercargill, Christchurch, and Ashburton, and General Post and Telegraph Offices.

REDUCTION IN PUBLIC WORKS STAFF.

A considerable reduction has been effected during the last fifteen months in the staff of the Public Works Department throughout the colony, the number of officers dispensed with being 95, the aggregate of whose salaries amounted to £21,664 annually. Owing to the extent of country over which operations of this department have to be carried on, the staff is still numerous, but during the current year further reductions may be found practicable.

PROPOSALS FOR THE CURRENT YEAR.

My honorable friend, the Colonial Treasurer, was able to place before the House a very gratifying statement of the condition and prospects of the ordinary finances of the colony. The improvement he was able to announce will in due time have its effect on the resources at our disposal for the prosecution of public works. With regard to the loan expenditure, however, we have now reached the period when the operation of the pledges on the subject of further borrowing, which were required of us in 1879, are to be practically felt, and our expenditure on public works must be less than it has been for some time past. The balance remaining of the Public Works Fund on the 31st March last, was £1,860,373; of this sum £645,793 is absorbed by the expenditure between 1st April and 30th June, and by liabilities, irrespective of Native land purchases, outstanding on the latter date. There remains, therefore, but £1,214,580 available for additional public works and for engagements in respect of Native land purchases. For the last-named purpose £87,623 will be required during the current year, and £100,000 should be reserved for further liabilities. When honorable members call to mind that the payments out of the Public Works Fund during the nine months of 1879–80 amounted to £1,750,350, and during 1880–81 to £1,958,351, and when they are aware that, of the expenditure we can now afford, a considerable share must be devoted to the completion of works already in hand, and to the further equipment of railways already being worked, they will not be surprised to learn that we are compelled to disappoint some reasonable expectations, and to postpone, for the present, some important undertakings the value of which is admitted. I trust, however, that this limitation of direct Government expenditure will to a considerable extent be compensated for, by the operations of companies availing themselves of the facilities we propose to offer for the construction of railways by the system of land grants.

Our proposed expenditure will, in the course of a day or two, be laid before the House in detail, in the Public Works Estimates. As already stated, a large part of most of the votes to be asked for is required in respect of works, or contracts for works, entered upon under previous authority.

It will also be found that a considerable proportion of the expenditure of the year will be devoted to roads and bridges. This is partly with a view to facilitate settlement on Crown lands, and partly to render justice to those portions of the colony which have benefited but little by railway expenditure.

RAILWAYS.

I now come to the proposed Railway works.

1. *Kaipara-Waikato, Auckland-Helensville*.—It is proposed to finish the equipment and minor works still necessary on the Kaipara line, of which the last section has just been opened. The vote to be taken will cover all expenditure at present necessary between Auckland and Helensville.