

colony to enter the London money market for a further loan before next December, and the consequent necessity for husbanding our means, we only spent during the year, as the Treasurer has told us, the sum of £935,508, thus leaving in hand on the 31st March last a balance of £924,865. The Public Works liabilities outstanding have also slightly decreased as compared with the previous year, being at the close of the last financial year £540,528, while they were on the 31st March, 1881, £588,623. I beg to call the particular attention of honorable members to the rate of expenditure, because the Government does not desire to anticipate any portion of the loan before it is raised, and therefore it may happen that fewer contracts will be entered into during this year than during the last. Last year we disbursed nearly a million, and incurred liabilities to more than half a million. We began the current financial year with £924,000 in hand available for the year's disbursements, and we propose not to incur liabilities in excess of this amount until after the loan has been floated. We shall probably, therefore, reach the termination of the financial year with only such outstanding liabilities as we may incur after the floating of the loan. Consequently, when honorable members meet next session, it is probable they will find the three million loan but little encroached upon.

RAILWAYS.

Although the amount voted last session for survey and construction of railways, including additions to opened lines, was £1,026,636, yet the amount spent was only £454,333, and the liabilities outstanding on the 31st March were £320,254. Here I should like to invite the attention of honorable members to this fact, that, of the expenditure, £166,086 was for additions and improvements to lines previously open for traffic, and, of the liabilities, about £122,520 was on same account; and I wish I could state that this recent outlay of £288,606 had fully completed and equipped our open lines, but, as I shall show later on, this is very far from being the case. From one point of view, this insufficiency of accommodation upon our open lines is a matter for congratulation, since it arises from the very large and rapidly-increasing traffic which is much greater than was provided for when the lines were built, and which has necessitated heavier rails, enlarged stations, increased rolling-stock, more extensive workshops, and numerous improvements and stock-yards at the smaller country stations. But, of course, the fact that a large further expenditure is necessary must be borne in mind when considering the question of the feasibility of reducing fares and rates of freight.

The length of railways in various stages of progress during the year was 234 miles, and of this length 46 miles were opened for traffic within the year,—23 miles in each Island.

The total length of railways opened for traffic on the 31st March last was 1,333 miles, there being open in the North Island 458 miles, and in the Middle Island 875 miles.

I will now make a brief reference to each of the lines of railway. To what extent they have been proceeded with or improved is stated in detail in the reports from the Engineers in charge; but it is customary to refer to them in the Statement itself; and on this occasion to do so will make a desirable and convenient preface to the proposals for the expenditure of the new loan.

Kawakawa.—The length of railway undertaken in this case is about eight miles, and of this distance about three miles were completed and opened in 1877. The formation of the remainder having been let in two contracts, the first of these for a length of about one mile was completed in May, 1880, and the other for the remainder of the distance, and including a wharf in deep water, will probably be completed about September next.

Whangarei-Kamo.—The last mile of the seven comprising this line, together with a wharf 714 feet in length, is upon the point of completion.

Kaipara-Waikato.—The last eleven miles of this railway, 140 miles in length, were completed and opened last July; but the line as a whole will still require a large expenditure upon it. In addition to liabilities existing on the 31st March of £17,035, it is estimated that £100,000 more is required for the reclamation and station at Auckland, workshops at Newmarket, minor additions along the line, and further rolling-stock.