

Legislature has decided what effect shall be given to the resolution passed by the House last session—namely, that the principle of specially taxing property increased in value by the construction of public works with public money is just, and to the recommendation by the Select Committee appointed to consider the subject that all public works to be commenced thenceforth shall be undertaken on the condition that property which may be specially benefited by such work shall be subjected to such special charge or treatment as the General Assembly may determine. The Government has carefully considered the subject, and intends, in order to deal with it, to submit for the consideration of the House a measure the outlines of which I shall give presently.

The report by the Commissioners appointed to inquire into the merits of the route proposed for the railway between Canterbury and Cook Strait, and the report by the East and West Coast Railway Commissioners, have both received the most attentive consideration from the Government, and I am sure that I only give utterance to the desire of the House in thanking gentlemen who, animated by a desire to be of service to the public, undertook, at the wish of the Government, those laborious duties which the Commissioners have so conscientiously performed. Upon the first of the subject-matters reported on I have already said that the action of the Government awaits the determination by the Legislature of what shall be the conditions precedent to further railway extension. But the question of committing the colony to the East and West Coast Railway, involving, as it does, an expenditure of about two millions, and probably an annual loss in working, requires that the Government shall declare its views without delay. The Legislature has determined that the rate of expenditure out of loan shall not exceed £1,000,000 per annum, in addition to such expenditure under the North Island Main Trunk Railway Loan Act as it may from time to time authorize; and, in the opinion of the Government, an expenditure at this rate is as much as we can prudently afford. The Public Works Fund is practically allocated to specified works, and cannot be diverted, and the expenditure upon these works will proceed at this rate. The Government, having due regard to the necessity of keeping faith with the public creditor, is of opinion that the immediate commencement of the construction of the East and West Coast line is not of such urgency as would justify an attempt to raise a special loan for the purpose; but the Crown lands within fifteen miles on either side of the Arthur's Pass line, and the lines leading directly to Brunerton, will be reserved from sale, so that, if in the future the Legislature should determine to construct this railway, no part of the public estate to be benefited will have been alienated.

ROADS.

The particulars of the works undertaken will be found in the report of the Engineer in Charge. Whilst making provision for some important colonial roads, and placing on the Estimates a portion of the amount allocated to roads north of Auckland, it is not the intention of the Government to ask the House to make any further special grants in aid of county roads and bridges, believing that in the future all the assistance afforded to local bodies should be under the Roads and Bridges Construction Act. The unexpended balances of the previous year's vote will be placed on the estimates, as the localities interested may reasonably consider that they are entitled to them; but for the future the distribution of such funds as this House may set aside for roads and bridges will be made upon a system defined by law. And it will, I think, be no slight public advantage that, with the disappearance of the usage of special votes for specified works, which has heretofore prevailed, there will also disappear even the pretext for those insinuations against the motives of honourable members who support the Government of the day which unfortunately, upon one or two occasions, have recently discoloured the current of debate in the House.

WORKING RAILWAYS.

The receipts from railways during the last year show a very gratifying increase, having risen from £892,026 in 1881-82 to £953,347 in 1882-83, an