D.—1.

within this year, and of the period following it during which Parliament will have probably met, and the session be proceeding. I must first say, that when war seemed imminent, it was deemed expedient to contract expenditure, and it has not been considered desirable to much extend it during the session. Thus, during the first four months of the present year the expenditure from the Public Works Fund has proceeded at little over the rate of £850,000 a year. Some heavy orders for defence material have been given, and payment may have to be made on this account shortly. Even taking the defence expenditure into account, however, I estimate that the amounts coming in for payment up to the 31st March next may be kept within £1,250,000. Expenditure, however, will continue to proceed under the liabilities contracted without reference to any further expenditure to be authorized next session. We must always calculate upon about a quarter of a million being in the hands of officers for advances. Taking this into account and the million and a quarter of expenditure which I anticipate within the year, we shall have available, of the balance with which we began this year, about half a million for next year on the 31st March. Seeing the period at which Parliament generally meets, and the pressing business which first engages its attention, we think it desirable that provision should be made for another million, which might be negotiated at any time after March, when the opportunity seems best. I hope it will take us well into 1887, but of that, of course, the House will best be able to judge next year.

Having already detailed, under their several headings, the nature of the works proposed to be undertaken during the current year, it will now, Sir, be only necessary for me to state the amounts of the votes which we propose to ask for on account of each class of undertaking. This being done, I shall have a few special remarks to make on the subject of expenditure on road works, and then I shall bring this Statement, which for various reasons I have been obliged to make an exceptionally long one, to a close.

For the year now current the amounts which we propose to ask the House to authorize are as follows :—

For Immigration, with liabilities at the end of March amounting to  $\pounds 8,000$ , we ask for a vote of  $\pounds 30,373$ ; thus providing for new undertakings to the extent of  $\pounds 22,373$ .

For Departmental Expenditure, with liabilities of  $\pounds779$ , we ask for a vote of  $\pounds28,931$ .

For Railway Works of all classes, with liabilities of £497,525, we ask for a vote of £1,347,400, the details for the several classes of works being as follows, namely: New works, Construction and Land, with liabilities of £231,444; amount asked for, £904,300. Additions to Opened Lines, with liabilities of £83,563; amount asked for, £172,100. Permanent-way, Sleepers, and Rolling-stock, with liabilities of £181,586; amount asked for, £268,000. Surveys of New Lines of Railway, with liabilities of £932; amount asked for, £3,000. The grand total, as before stated, being £1,347,400, including liabilities existing at end of March last amounting to £497,525. This will give £849,875 for new undertakings.

For Roads of all classes, with liabilities of £380,453, we ask for a vote of £586,704. This includes various classes of roads, as follows: Roads North of Auckland, with liabilities of £66,301; amount asked for, £69,229. Main Roads, with liabilities of £15,209; amount asked for, £45,100. Miscellaneous Roads and Bridges, with liabilities of £29,420; amount asked for, £83,974. Grants-in-aid under the Roads and Bridges Construction Act, and subsidies to local bodies, with liabilities of £166,329; amount asked for, £268,329. Roads to open up Crown Lands, with liabilities of £70,072; amount asked for expenditure this year, £70,072. Roads on Goldfields, with liabilities of £33,122; amount asked for expenditure this year, £50,000. Total for Roads of all classes, as before stated, £586,704, with liabilities of £380,453; being an addition of £206,251.

For Waterworks on Goldfields, with liabilities of  $\pounds7,369$ , we ask for a vote of  $\pounds30,200$ .