

the present year, in discharging the liabilities already referred to, and carrying on the works.

It is hoped that by the end of March next most of the yet unmounted new guns will be emplaced, with magazines and submarine dépôts improved, so that both land and submarine defences may be effective against any sudden emergency. To complete the works, however, to such a stage as would enable all the guns and other materials of war, obtained at large expense from England, to be barely utilised, would, making allowance for prison labour, entail an expenditure of about £9,000, in addition to the amount already provided; while, to place them in a state of fairly-complete equipment, would entail a further expenditure of about £2,000. That would be, in all, about £11,000 in excess of the amount already provided.

In the carrying out of these works during the last year, the Government have had the advantage of General Schaw's reports and advice as to the defences, and of his generous co-operation towards their improvement.

#### RATES ON NATIVE LANDS.

For rates on Native lands the amount required as an advance for the payments which will fall due during the current year is £11,500, and a vote for that sum will be asked for accordingly. Beyond this amount no further provision is intended to be made for these rates out of the Public Works Fund, the intention being to provide out of Consolidated Fund for such further amounts as may be decided to be expended. The balance remaining on loan allocation for this purpose has therefore been allocated to other services.

#### THERMAL SPRINGS.

As regards our thermal springs, it is gratifying to observe that they are rapidly becoming of national importance, as the resort of invalids from all quarters. The waterworks at Rotorua have been completed, and are in good order. An unlimited supply of water is thus available for the baths, and also for the ornamental fountains and grounds, and hydrants have been provided in connection with the pavilion, and other Government buildings, as a safeguard against fire. At the Hanmer Plains, the baths and ornamental grounds are reported to be in a very satisfactory condition, and the increase in the number of visitors is so great that an early addition to the number of baths will be necessary. At Te Aroha the number of visitors attracted to the spa has so increased as to have had an appreciable effect on the railway traffic. Details as to the extent to which the various baths are being used and other information of a like character will be found in the Crown Lands Report. The loan allocation for thermal springs last session was £3,500, to which £500 is now proposed to be added, making in all £4,000: of this amount £2,999 was expended last year, leaving £1,001 for the current year.

#### EXPENDITURE ON PUBLIC WORKS OF ALL CLASSES.

On account of public works of all classes, the amount voted last session was £1,128,077, of which £966,159 was expended during the year. Of the amount thus expended, £440,854 was under Part I. of the fund, for the various works and services therein provided for; £152,315 was under Part II. of the fund, for the North Island Trunk Railway, including road works and Native land purchase in connection therewith; and £372,990 was under Part III. of the fund, on account of the various railways comprised therein.

#### PUBLIC WORKS FUND.

The funds available for Public Works as from the 31st March last are as follows:—