The guns, magazines, artillery-stores, ammunition, &c., are under charge of the Permanent Artillery, and are reported on by the Staff Officer.

Maintenance of Batteries.

The completed batteries and works which have been handed over to the Artillery have been maintained, and various minor works required in connection with them executed, during the year.

General Foreign Information.

Further information and suggestions connected with the perfection of the equipment and the fighting-powers of the guns in possession of the colony, and embodying also the latest ideas and results derived from experiments and trials of various guns and other means of defence in England, have been forwarded during the year by the Agent-General and General Harding-Steward, R.E.

Land for Sites.

In connection with the acquisition of sites for batteries and other works, the sum of nearly £600 has had to be paid for the completion of the original agreement with regard to the site of St. Clair Battery, Dunedin. An unusual complication as regards title, which, after prolonged negotiations, could only be cleared by a special Act of Parliament passed in 1890, accounts for the long delay in completion of purchase and final payment for this parcel of land.

A further land-claim is now under order for adjudication in the Compensation Court at Auckland. This is for the land taken for the submarine-mining dépôt in 1885, for which the owner did not lodge claim until the present year. The value by the department is £600, but, as land-claims against the Government are generally assessed at a higher rate than the valuation, the charges may amount to, say, £1,000.**

Expenditure.

With regard to expenditure during the year, provision for the *matériel* of war from England (partly in fulfilment of contracts entered into by previous Governments, and partly to complete equipments), which has always been charged to Loan Fund, as well as certain miscellaneous charges which cannot properly be brought against the vote for prison-labour and material, was made last year by a vote out of Loan Fund of £3,000, against which appears a net expenditure of £2,477 5s. 3d., or a saying of, say, £523.

or a saving of, say, £523.

A saving of £1,670 has also been made on the vote of £10,000 for the works, the expenditure

having been £8,320 10s. 10d.

The net result, therefore, is a saving of £2,202, or, say, 17 per cent. on the total amount voted. The liabilities at the 31st March were £3,710 upon matériel and miscellaneous charges, which will require to be covered by a vote out of Loan Fund, and £1,871 upon works, which will merge in any vote that may be passed for the current year's expenditure.

The total outstanding liabilities at the 31st March amount therefore to £5,581.

The values of lands acquired, owing to the exigencies of negotiations, in excess of actual requirements, and of the engines, plant, &c., on the works, amount, at a low valuation, to about £10,000. This sum is an asset against the cost of the defences, and against the liabilities at any date at which the works might be discontinued.

The total expenditure on harbour-defences up to the 31st March, 1891, together with the liabilities at that date, amounts to, in round numbers, £475,000, of which £240,000 represents cost of matériel of war from England and miscellaneous charges connected therewith, and £235,000 the cost of works in the colony. Of this latter sum about £36,500 represents cost of land, and the balance, £198,500, the cost of forts, batteries, submarine defences, steam-launches, reports of Royal Engineer officers, engineering, supervision, and all other charges.

The usual return is attached to this report, giving, under some principal subdivisions in tabular form, particulars of the total expenditure upon the harbour-defences of the colony from the first steps taken up to the present date.

Arthur Bell,

steps taken up to the present date. 31st March, 1891.

Engineer for Defences.

^{*} The award of Court has, since date of this report, been made. Amount, £1,500.