

when this self-reliant policy was first announced, compared unfavourably with those of the other colonies, but on a comparison being made now it will be found that New Zealand securities have attained to the highest position.

From some of our prominent colonists recently returned from the Mother-country I gather that there is only one expression of opinion at Home in regard to New Zealand—its people, its resources and finances, either as a field for investment or for settlement—all speak in the most glowing terms, and to be a New Zealander is a thing to be proud of, and not only does this feeling obtain in the Mother-country, but it is the same in Australasia.

Reference to the Press of Australasia will fully confirm the favourable opinion and confidence thus expressed in regard to New Zealand, and the policy which has been adopted here, namely, to live within our means, to gradually improve the condition of the country from the revenues received, to promote settlement, and to generally carry on our business without the aid of the money-lender. Such a policy places us in an independent position, and not as in times gone by, when, cap in hand, money was asked and grudgingly given at rates satisfactory to the lenders but ruinous to the taxpayers of the colony. The evil of the borrowing-policy of the past must be apparent to all thinking men when we realise that the sum of £1,842,686 has to be annually laid aside to meet interest and the instalments due on account of sinking funds.

Having thus briefly sketched the advantages of continuing the self-reliant course adopted, it will be unnecessary to say that the Statement this year will probably not be attractive or pleasing to those who are favourable to large loan expenditure, but to those who really have the best interests of the colony at heart, and who are prepared to make the necessary sacrifices entailed by the continuance of the policy indicated, I hope to give a measure of satisfaction.

During the recess I have visited the different districts in which the works are in course of progress, with the result that I find that the construction of the works authorised last session has given general satisfaction, but, as previously stated, the amount expended has been small compared with the expenditure during previous years. Before dealing with the particular works in detail it is well that I should make a statement as to the condition of the Public Works Fund

PUBLIC WORKS FUND

The state of the Public Works Fund on the 31st March last (including an asset of £878 due to Part I. of the fund under "The Government Loans to Local Bodies Act, 1886") was as follows:—

Parts of Fund.	Unexpended Balances, 31st March, 1891.	Receipts during 1891-92.	Totals.	Expenditure, Year ended 31st March, 1892.	Balances remaining, 31st March, 1892.	Liabilities existing, 31st March, 1892.	Net Balances available, 31st March, 1892.
	£	£	£	£	£	£	£
Part I.	361,989	*350,071	712,060	†412,482	299,578	250,064	49,514
Part II.	356,107		356,107	79,130	276,977	63,807	213,170
Totals	718,096	350,071	1,068,167	491,612	576,555	313,871	262,684

* Including asset of £878 under Government Loans to Local Bodies Act.

Including £100,000 paid off floating debt.

As already announced in the Financial Statement, the Government proposes to devote £200,000 of the estimated surplus revenue of the year to public works purposes. In addition to this a sum of £50,000 will be available under "The Government Loans to Local Bodies Act Amendment Act, 1891," and some miscellaneous credits to the extent of another £2,000 or so are expected to be received in addition. The following table shows the state of the Public Works Fund on the 31st March last, and an estimate of how it will stand on the 31st March next, if the proposals which I now submit to the House are approved of.