

Total amount available
for service of 1877-78,
£3,540,905 8s. 5d.

Expenditure.

Distributable amongst
Counties.

The total revenue from all sources for the year will amount to £3,392,685, to which I add the surplus of £148,220 8s. 5d., with which we began the year. I deduct from the total of £3,540,905 8s. 5d., the estimated expenditure amounting to £3,109,754 12s. 9d., leaving a surplus of £431,150 15s. 8d. of which £329,369 9s. 10d. is distributable among the counties as surplus Land Fund, and we have a balance of £101,781 5s. 10d. available to meet possible deficiencies of the Land Fund in certain districts.

Immigration and Public
Works.

IMMIGRATION AND PUBLIC WORKS.

Detailed estimates for
completion of Railways
could not be prepared
during recess.

Works to be proposed,

In making my financial proposals last year, I said "I shall, next Session, submit for the consideration of the House a scheme based upon carefully-prepared professional estimates, showing definitely and in detail what works are required to complete our railway system, and the cost of such completion; and shall then ask the House to consider the arrangements necessary for completing the scheme. I shall propose to spread over a series of years the raising and expenditure of the moneys required, and thus to keep the annual charge for interest on the debt within the compass of our growing income." I regret to say that we have found it impossible to give effect to this intention. The preparation of such a scheme could not, we believe, have been satisfactorily accomplished during the past recess, because of the smallness of the staff as compared with the large extent of works in hand, and because of the time necessarily occupied in taking over the Southern Railways; and we felt that, as a hurriedly devised plan would probably be imperfect, it would be better under the circumstances to submit to some delay. We shall, therefore, ask, this Session, only for a sum sufficient to unite the already completed sections of the trunk line of 500 miles from Amberley to Kingston, and for extensions of the main lines in other parts of the Colony, particulars of which will be stated to the House by the Minister for Public Works.

Necessitate additional
Ways and Means,
£940,443 6s. 11d.

Including Immigration,

£1,200,000 needed.

£800,000 guaranteed
debentures should be
released,

And held as an available
security.

If this done, a loan of
£2,000,000 necessary.

I have stated that, should the House direct that the works which my honorable friend the Minister for Public Works will recommend be executed during the current year, additional Ways and Means to the amount of £940,443 6s. 11d. will be required.

The total proposed expenditure for the year on Public Works will amount to £1,796,451. We have also to make provision for the Immigration Services of the year, estimated at £124,182; and to provide for paying off the Provincial liabilities amounting to £259,556. These several sums make up a total of £2,180,189; which after allowing for the balance now at credit of the Public Works Account, will leave a sum of £1,200,000, for which Ways and Means will have to be provided.

Expenditure on works
might be reduced, so
that resort to London
market not necessary for
eighteen months:

As honorable members are aware, the £800,000 of Imperial guaranteed debentures have, in estimating our Ways and Means, been treated as cash applicable to public works. We propose to ask for authority to raise a sufficient sum to free those debentures, so as to keep them as an available security, against which we can obtain advances from time to time, at a low rate of interest. Should these several proposals meet the approval of the House, I shall have to ask for authority to raise a loan of £2,000,000. This sum could, of course, be reduced to £1,200,000, if the House should think it desirable to sell the guaranteed debentures: but the Government are of opinion that until the completion of our railway system, those debentures should not be sold, but should be used as they have constantly been since their creation. It is also possible to further reduce the amount of the proposed loan, should the House determine that some of the works which will be recommended by my honorable colleague the Minister for Public Works shall not be executed within the current year; but considering that most of those works are connecting links on main lines which are already returning a very fair percentage on their cost, I think the House will hardly consider it desirable to postpone their execution. If, however, the House should determine to reduce the expenditure upon public works by, say one-half, then the arrangement recently made with the Bank of New Zealand—which modifies the agreement subsisting with that Bank, so as to provide for increased advances upon certain conditions, and which fixes the time