

railways are being constructed or are proposed to be made, they have presented a very valuable report as the result of their labors.

Copies of this report have, by command, been laid before Parliament; and although the conclusions at which the Commissioners have arrived may not be universally approved, yet we feel sure that the colony will recognize the impartial spirit in which their inquiries have been conducted, and we believe that these gentlemen have well earned the thanks of the community.

In saying this the Government would not be understood as adopting implicitly the whole of their recommendations. It is, perhaps, hardly within the bounds of possibility that a report dealing with so many works and proposals in all parts of the colony should be accepted in every particular. For the present, however, even the restricted programme recommended by the Commissioners is far beyond our means.

The estimated cost, beyond the present liabilities, of completing the lines of railway authorized by Parliament is £6,666,200. That being the case, it becomes sufficiently apparent that we must greatly modify our scheme of railway construction, postponing some important parts of it until population and settlement have largely increased, and until the railways already constructed have become more nearly self-supporting. We have not the funds necessary to complete it at present, nor will our ordinary revenue bear the increased demand which every additional mile of railway makes on it for yearly loss in working.

We have no alternative, therefore, but to confine our operations to the extension of some of the incomplete lines to such nearest points as will bring them into use, and, as far as possible, make the expenditure already incurred to some extent reproductive.

Of the amount voted last year for public works, no less a sum than £2,356,729 was for actual liabilities which we found in existence, and further expenditure to a considerable amount was made necessary by these liabilities.

Realizing the position of the Public Works Fund, we have endeavoured, Sir, to minimise expenditure, and to spread it over as large a space of time as possible.

We have stopped many new works, even after contracts had been prepared by the department and tenders received. Nevertheless the country has learnt from my honorable friend the Colonial Treasurer that the state of the Public Works Fund is most unsatisfactory.

In his Financial Statement, the Colonial Treasurer showed that the total Ways and Means on 31st March last was £3,262,410, and that the liabilities of the Public Works Fund on the same date amounted to £2,455,313, reducible, however, by £315,763, advances in the hands of officers of the Government; thus leaving a balance of £1,122,860 on 31st March, 1880, clear of liabilities.

Since 31st March the Ways and Means have been augmented by miscellaneous receipts and recoveries, £29,934; and during the four months ending 31st July the liabilities of the fund have been unavoidably increased to the extent of £330,871. Adding, then, £29,934 to the balance of £1,122,860 on 31st March, and deducting £330,871, we arrive at £821,923 as the available balance on 31st July.

The position of the account may perhaps be stated more clearly thus: the Ways and Means on 31st July amounted to £2,677,910 17s. 1d., consisting of:—

	£	s.	d.
Cash in hand	...	593,910	17 1
Treasury and Deficiency Bills	...	1,217,000	0 0
Investments	...	67,000	0 0
Guaranteed Debentures	...	800,000	0 0
		<hr/>	
		£2,677,910	17 1

The liabilities on the same date amounted to £2,202,474. There were, however, imposts outstanding on 31st July £346,486, making £1,855,988, the net amount of liabilities to be provided for, and leaving a balance of £821,923, as already stated, for new works and services.

The Estimates which I am about to submit make a further demand on this balance of £674,238, leaving £147,685 only for future appropriations from the Public Works Fund.