

Since the 31st March these liabilities have been largely paid off, and the only important undertaking that is still unfinished is the Wairoa Bridge at Clyde, which is well advanced, and is expected to be completed by about the end of March next. The remaining liabilities consist of sundry small balances, several of which have been outstanding for a long while; and, as it is considered that the time has now come when all transactions under the Roads and Bridges Act should be closed, the local bodies have been informed that these balances will be shortly written off, unless good reason is shown to the contrary.

Subsidies to Local Bodies.—As regards subsidies to local bodies, under the Local Bodies' Finance and Powers Act, my colleague, the Colonial Treasurer, has already, in his Financial Statement, alluded to this subject; so I shall do no more than reiterate that it is proposed to reduce the amount of subsidies paid last year by one-half for the current year, and provision has been made in the current year's estimates for this purpose.

Further provision will also be made under the Public Works Fund for half the subsidies due next year, in the event of its not being practicable to throw them entirely on the Consolidated Fund before that date, but in any case they will cease to be a charge on the Public Works Fund after March, 1890.

Work for Unemployed.—It is to be regretted that owing to the depressed condition of the country it has been necessary for some time past to expend considerable amounts of money on more or less unproductive undertakings, in order to provide work for the unemployed, and these amounts have hitherto been mostly charged to loan.

As the Government, however, does not consider that any moneys expended on relief works are a proper charge to Loan Funds, it is intended that, for the future, only such amounts for "unemployed" shall be charged to loan as are expended on works of a reproductive character. And if further assistance than that is required to meet the unemployed difficulty, it is intended to provide for it out of consolidated revenue.

It is also considered that no relief works that can possibly be avoided should be undertaken, as we believe that it is detrimental to the interests of the men themselves to keep them employed on purely relief work, which, after all, is merely another name for charitable aid.

One of the great difficulties in connection with the matter is to get the men out of the towns and into the country, but this difficulty must be got over, as it is out of the question that we can continue to provide work within the towns, and we have therefore determined that such further work as is provided should be entirely in the country districts, and of, so far as possible, an immediately reproductive character.

On the class of works hitherto undertaken for providing work for the unemployed the expenditure last year was £16,629, and provision has been made for further expenditure, if requisite, to the extent in all of about £30,000 for the present and three following years.

ROADS TO OPEN UP CROWN LANDS BEFORE SALE, ALSO VILLAGE SETTLEMENTS.

Roads to open up Crown Lands.—The important work of rendering the Crown lands more accessible to settlement, by the clearing and formation of road-lines, has been and is being promoted extensively throughout the colony, as will be seen from the annual report of the Survey Department for the year 1886-87.

The expenditure on this class of works has been very considerable, having been about £84,000 in 1883-84, £49,000 in 1884-85, £62,000 in 1885-86, and £57,000 in 1886-87, and for the present year the expenditure will have to be about £60,000. In the two following years, however, it is proposed to considerably diminish the expenditure, the amount proposed for 1888-89 being £45,000, and for 1889-90 being £20,000, subject to some slight modifications, which I shall refer to presently under the head of village settlements; but it is not anticipated,