

to purchase in terms of "The Railways Construction and Land Act, 1881," it will be necessary to give twelve months' notice to the company. Such notice should therefore be given at an early date if it is to mature before the Main Trunk line is finished.

Having given the matter very careful consideration, the Government has decided to at once give notice to the company of its intention to take over the railway in twelve months' time.

UTILISATION OF WATER-POWER.

In the last two or three Public Works Statements considerable attention has been devoted to this matter, and some valuable reports by the late Engineer-in-Chief and others have been presented to Parliament. The importance of the proposals outlined in these reports is undoubted, as is also the practicability of the majority of the schemes outlined. Whether they would all be remunerative is, however, more open to question, though I think there is not much doubt that some of them would be payable from the start. All of the schemes, unfortunately, involve very considerable expenditure, the total of the proposals running into several millions. The Government considers that the time for embarking on these undertakings, which would amount almost to a fresh public-works policy, has perhaps hardly yet arrived. As soon, however, as the expenditure on the North Island Main Trunk Railway ceases, and the demands on the Public Works Fund generally are less pressing, it would doubtless be advantageous to take action in the matter of developing one or more of the most promising of the schemes outlined. In the meantime it is proposed to lease some of the water-power available for actual use by private enterprise.

An amount of £4,664 was expended out of last year's vote, and for the current year an appropriation of £2,000 is proposed.

IRRIGATION.

On the estimates provision is made for a vote of £3,000 (on account of £100,000 proposed to be provided for the purpose) for irrigation and water-supply in agricultural and mining districts. The vote is primarily for the purpose of assisting in opening up and developing fresh lands for settlement in arid territory. The appropriation is included in the "Lands Improvement" class, and the work will be under the control of the Minister of Lands. Some preliminary work, in the shape of explorations and surveys, has already been done, but during the approaching summer season it is hoped to proceed with actual construction operations.

PUBLIC BUILDINGS.

The total expenditure on public buildings out of votes controlled by the Minister for Public Works amounted during last financial year to £259,631—namely, £32,713 under the Consolidated Fund and £226,918 under the Public Works Fund. This is in excess by over £70,000 of the previous year's figures, and by over £100,000 of the figures for 1904-5. For the current year votes totalling £39,007 under the Consolidated Fund and £251,800 under the Public Works Fund are proposed. This is in addition to the substantial provision for school buildings under the Consolidated Fund in the votes under the control of the Minister of Education.

GENERAL.

The buildings under this head are increasing. During 1905-6 the expenditure amounted to £2,303 only, whereas last year £15,263 was expended, and for the current year a vote of £30,000 is proposed. The principal items provided for in the proposed vote are the additions to the Parliament Buildings and to the Departmental Buildings in Auckland and Wellington; offices for the Geological and Health Departments in Wellington, and for other Departments at Westport, Greymouth, &c.