

including £1,210,802 for land purchases, and £154,791 payable to counties in the Provincial Districts of Canterbury and Otago in respect of stoppages from the surplus Land Revenue of those districts. If finished in the stipulated time, these works will require £2,559,082 of this amount to be paid before the 30th June next, and the remainder of the liabilities, excepting a portion of those for land purchases, within the following year.

The balance, therefore, which is available out of the new loan is £1,717,255, and the only method of adding to this for public works, in addition to receipts from land sales, is by diverting to this purpose a sum from one of the other objects for which the loan was authorized.

I have stated generally our intentions, and the principles which we believe must guide our proposals. Whatever may be the opinion of the House as to the expediency of the course which we propose, that course must, to a large extent, be guided by circumstances which we cannot control.

It is my duty to inform the House that the understanding on which the Loan Agents are likely to obtain the £5,000,000 loan is such as will preclude our going upon the English money market for further loans for a period of three years. It is imperative, therefore, in the interest of settlement, that the expenditure of this loan should be judiciously spread over that period.

Our proposals for expenditure will be placed in detail before you. I regret to state that, although an earnest endeavour has been made to keep the Estimates within a reasonable compass, they reach a very much larger sum than honorable members will probably expect.

It will be seen, however, that no less a sum than £2,356,729 7s. in our Estimates is for liabilities which we found in existence upon our assumption of office, and a large portion of the remainder is for works which are necessary to make available those sections already in course of construction.

However much we have desired to contract the large expenditure to which the colony is committed, we have felt bound to ask for appropriations which we are advised will be required for the above purposes; but should Parliament agree to our proposals it will be our anxious endeavour to limit the actual expenditure during the current year considerably within the amount of the votes.

I will proceed, Sir, to briefly indicate the principal works intended to be carried out during the current year.

RAILWAYS.

Kawakawa.—Another section is nearly ready for tendering, and it is proposed to go on immediately with the work, its prosecution being an obligation imposed on the Government under an agreement between the Superintendent of Auckland and the proprietors of the Kawakawa Coal Mine, ratified by an Act of the General Assembly, the proprietors, under agreement, being bound to pay six per cent. on the cost. Irrespective of the agreement, however, this work would be a very desirable one, developing, as it will, one of the most important coal fields in the colony.

Whangarei to Kamo.—Plans have been prepared for the second section, extending into deep water, and tenders will soon be called for.

Kaipara to Puniu.—The whole of this work is now under contract, with the exception of the station at the Newmarket Junction. Tenders have been received for this work, and their acceptance is only awaiting the passing of the Estimates. Tenders have likewise been received for levelling and draining the site at Newmarket on which it is proposed to erect the district workshops, as soon as authority has been obtained from Parliament.

Waikato to the Thames.—It is intended to construct a bridge over the Waikato, and a section from Hamilton East. Orders for the bridge material will be sent to London by an early mail.

Napier to Woodville.—Tenders have been received for the plate-laying on the section south of the present terminus at Kopua, the acceptance of which is awaiting the passing of the Estimates. A further section will be put in hand with a view to contract.