PUBLIC WORKS FUND.

The balance to the credit of the Public Works Fund on the 31st March last was £768,780, and, in addition to this amount, and such further funds as may be required to be raised for North Island Trunk Railway, we propose a loan of £1,500,000, as described in the Financial Statement of my colleague, the Colonial Treasurer.

As against the credit balance of £768,780 existing at the end of March last, we had liabilities then existing to the extent of, nominally, £1,094,590; but these liabilities include an item on account of purchase of Native lands, North Island, amounting in all to £238,600; and, of this amount, £202,145 is for prospective liabilities, which will probably not come in for payment for a very considerable time, and which may therefore for the present be disregarded.

Deducting this £202,145 from the total liabilities above stated, the actual liabilities which we have to deal with amount to £892,445, of which £387,592 is on account of railways, and the balance, £504,853, on account of works and undertakings other than railways.

Of the £387,592 liabilities on railways, the sum of £376,740 is on account of items covered by proposed loan, as set forth in the Financial Statement, leaving £10,852 to be covered by other funds. The liabilities on account of works and undertakings not covered by proposed Loan Schedule amount therefore to £892,445 less £376,740—namely, to £515,705.

In connection with this question of liabilities, I have also to state here that the Government proposes that the purchases of Native lands in the vicinity of the North Island Trunk Railway should be temporarily charged to the loan for that line, and that the proceeds of the sales of these lands should be credited to the same fund from time to time as the lands are disposed of. The amount which we propose to so expend upon these lands during the next two years is £100,000, of which about £80,000 would be expended this year, and the balance next year. On this basis the liabilities at present existing on account of land purchases along this railway, which are estimated to amount to about £20,000, out of the £36,455 of actual liabilities on account of Native land purchase, will become a charge against the North Island Trunk Loan; and if this amount of £20,000 be deducted from the £515,705 of liabilities before arrived at, it leaves £495,705 as the amount of the liabilities which will be chargeable to the funds available for general purposes.

In addition to the £768,780 to credit of general Public Works Fund at the end of March last, that fund is also entitled to be recouped from the North Island Trunk Railway Loan to extent of £60,780 for expenditure on that railway up to the 31st March last, so that the proper cash credit of the general fund, allowing for this repayment, was £829,560.

Besides these assets we had also assets to the extent of £300,241, being the value of rails, sleepers, and rolling-stock in hand, unlaid, at the end of the year. Of this material there would be required rails and sleepers to the value of about £10,241 for railways other than the North Island Trunk Railway not covered by proposed Loan Schedule, leaving material to the value of, say, £290,000 available for use on the North Island Trunk Railway and the several railways which are included in the Loan Schedule.

Assuming that this material, to the value of £290,000 (which was purchased out of general Loan Fund), will be paid for from time to time as it is used, out of the amounts provided for the North Island Trunk Railway and the railways included in the Loan Schedule, the £290,000 will be recouped to the general fund, and will thus be available for works other than railways.

Taking credit for this amount then, our assets for general purposes at the end of March last would amount to £768,780, plus £60,780, plus £290,000, equal in all to £1,119,560, as against liabilities amounting to £495,705; so that we will have available for voting for absolutely new works other than railways a sum of £623,855, in addition to re-voting the liabilities on same, amounting to £495,705.

Our votes for undertakings other than railways can therefore reach up to fully £1,100,000 for the two years.