Showing an average annual expenditure on works of the classes named of £421,496. Add to this £85,647, the average expenditure for works on open lines for the same period, and we have a total average annual expenditure of £507,143. Although the average expenditure for the seven years on the works named in the table is £421,496, it will be seen that the amount for last year is only £123,655, as against £595,090 in 1883–84, and £552,183 in 1886–87.

The works on open lines are directly due to the spread of settlement and trade, further accommodation being required at stations for the increasing traffic in country produce and general merchandise, as well as additions to rolling-stock. Urgent demands for these works are constantly made on the Railway Commissioners by settlers and the public generally, and the demands are in many cases so reasonable that they cannot be refused. As there is no capital account in connection with our railways, this expenditure must in future come out of revenue.

In addition to the cost of new works and extensions which will fall on the Consolidated Fund, the charges already on it for maintenance will be considerably augmented, particularly as regards public buildings. I have had returns made showing the history and condition of each of these buildings, from which I find that many of the older wooden structures are urgently in need of extensive repairs. Not only have they arrived at the age when decay proceeds rapidly, but apparently they have not been efficiently maintained, probably from mistaken motives of economy.

The General and Provincial Governments have, from first to last, expended between £3,000,000 and £4,000,000 on public buildings throughout the colony, exclusive of those on railways, and they are now valued by the Property-tax Department at £2,250,000. The amount expended on the maintenance of these buildings has for the last seven years averaged £22,500, but for the reason just stated it will be necessary to increase the expenditure.

These facts and figures show that a cessation of borrowing will augment the charges on the Consolidated Fund to a considerable extent, but the experience of the last few years proves that the resources of the country are sufficiently elastic to bear the increase. The spread of settlement, which creates further demands, is at the same time providing the means of meeting them. At a critical stage in the history of New Zealand, when the colony was left by the Mother-country with a Maori war on its hands, the colonists adopted what was called a "self-reliant policy," and successfully fought their own battles. In the more peaceful operations of colonisation we may well follow their example, and meet the demands of further settlement from our own resources. Not only would this promote a true spirit of independence, but it would be the surest guarantee of economy in the administration of our finances.

The usual departmental tables and reports accompany this Statement.
