

material on works (which during the last few years has been provided for by a vote on the Consolidated Fund), was made for the year by a single vote out of Loan Fund of £7,000, against which appears a net expenditure of £7,347, or an excess of £347.

This excess is primarily accounted for by the heavy charge for land at Auckland above mentioned, and partly by the reduction of the originally-proposed vote of £10,000 to £7,000 when the year was one-third past.

The liabilities at the 31st March may be set down at £893 upon material and £834 upon works, which will merge in any vote that may be passed for the current year's expenditure.

The total outstanding liabilities at the 31st March may therefore be set down at £1,727. The full originally-ordered equipment of material having been received and paid for, provision for further orders of such is now made in the votes for the maintenance of the permanent forces, and consequently the liabilities are vanishing. The amount stated is for provision of certain submarine gear short of original establishment. The liabilities for works are merely the amounts of outstanding items and wages which would be due if the works were stopped, with an allowance for contingencies; for, as the works are carried on by prison-labour, they are capable of being wound up at any moment by the simultaneous discharge of the convicts from the temporary prisons, and of the outstanding accounts. And there are no actually existent liabilities for land-purchases, beyond the amount above mentioned.

The values of lands acquired, owing to the exigencies of negotiations, in excess of actual requirements, and of the engines, plant, &c., on the works, amount, at a low valuation, to about £10,000. This sum is an asset against the cost of the defences and against the liabilities at any date at which the works might be discontinued.

The total actual expenditure on harbour-defences up to the 31st March, 1892, together with the liabilities at that date, amount to, in round numbers, £478,000, of which it so happens at this year's balance that exactly one-half, or £239,000, represents cost of material of war from England and miscellaneous charges connected therewith, and the other half, or £239,000, the cost of works in the colony. Of this latter sum, about £36,500 represents cost of land, and the remainder, £202,500, the cost of forts, batteries, submarine defences, steam-launches, reports of Royal Engineer officers, engineering, supervision, and all other charges.

The usual return is attached to this report, giving, under some principal subdivisions in tabular form, the total expenditure upon the harbour-defences of the colony from the first steps taken up to the present date.

31st March, 1892.

ARTHUR BELL, M.Inst.C.E.,
Engineer for Defences.