

who might act as brakesmen, five labourers in charge of horses, also to assist in loading and discharging trucks; on the Moanataiari, one carpenter and six men at the least to work the line.

The cost of this staff would be:—

1 Manager	...	...	...	...	£3 15 0 per week.
5 Depôt Clerks	...	...	...	...	12 0 0 „
5 Labourers	...	...	...	...	10 10 0 „
6 Brakesmen	...	...	...	...	12 0 0 „
1 Carpenter	...	...	...	...	2 14 0 „
					£40 19 0 „

Cost of staff and labour would amount to £2,000 per annum, exclusive of horse feed and material required for the maintenance and working of the lines.

As regards the best mode of working the tramways, I believe the best way to make them really useful to the field will be to lease them on the lowest tariff system (*i.e.* lowest rate of charge), the lessee of the Moanataiari to pay the Government £150 per annum, so as to refund the amount it has to pay Mr. Tookey; lessees to keep lines and rolling stock in thorough repair and working order. To insure that this be done, a monthly inspection should be made, and an inventory taken; and any repairs required to the line, or deficiency in the rolling stock, should be forthwith made good, otherwise the Government may enter on and make good the repairs at the risk and cost of lessee and his sureties; and, as a further security for monthly repairs, lessee shall lodge with the Government a cash deposit, equal to 10 per cent. on the probable receipts from traffic on the line, calculated on the basis of traffic for the last six months.

After the first month, lessee shall produce to the Government a proper amount of all receipts and accounts due for traffic on the line or lines so leased, said account to be duly audited by the Accountant or other Government officer, and duly verified by lessee before a Justice of the Peace; this account to be sent in within the first week of each month, accompanied by a cash deposit of 10 per cent. on the traffic, as ascertained from said account furnished.

After the monthly inspection of the lines and rolling stock has been made, and it be found that all repairs of line and plant have been made good by lessee, then the above 10 per cent. shall be returned by voucher; but the first 10 per cent. deposit shall remain in the hands of the Government till the termination of the lease, when it will be returned, if line and plant be found in good repair and working order.

By adopting this system of working the lines of tramway, it appears to me that, if the line be at all a paying one, it will be the interest of the lessee to keep it in proper working order, even if it pay him, over and above expenses, only his own wages for the management.

Annexed I give replies to each of the queries in your letter; also general returns having reference to the various tramways while under lease and worked by Government; and a return received from lessees of their income and expenditure during the time they held the tramways. As regards this return, I beg to draw your attention to the fact that the lessee of the Karaka line is the only one who shows that his income exceeds the expenditure. At the same time you will observe that the length of this line is nearly double the other lines worked by horse power, the principal part of the traffic (being firewood) is brought from the upper section, thereby increasing the working expenses.

I have been obliged to delay sending in this report in consequence of the difficulty I found in getting the lessees' statements, and without them it would have been incomplete, though they must be taken for what they are worth.

I have, &c.,

R. MILLET,
District Engineer.

John Sheehan, Esq., Gold Fields Secretary.

Query No. 1.—“The number, position, and extent of the several tramways.”

1. Moanataiari Tramway	...	120 chains	...	Gravitating and horse power.
2. Shooting Star Wire ditto	...	7½ „	...	Gravitating.
3. Madman's Gully Wire ditto	...	26 „	...	ditto.
4. Waiotahi Tramway	...	59 „	...	Horse power.
5. Karaka ditto	...	163 „	...	ditto.
6. Tararu ditto	...	80 „	...	ditto.
7. Tinker's Gully ditto	...	40 „	...	ditto.
8. Hape ditto	...	81 „	...	ditto.
9. Te Papa Wire ditto	...	40 „	...	Gravitating.

Query No. 2.—“Their cost, showing prime cost, and amounts since expended in extensions and repairs in each case.”

Name of Tramway.	Prime Cost.			Extensions.			Repairs.			Total.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Moanataiari	8,675	3	5½	110	5	0	50	3	4	8,835	11	9½*
Madman's Gully and Shooting Star	1,369	2	11	...	...	...	...	...	...	1,369	2	11
Karaka	8,542	5	6	...	...	...	100	8	9	8,642	14	3
Tararu and Tinker's Gully	5,588	12	10	666	15	6	7	13	0	6,263	1	4
Hape	4,041	13	9½	...	...	...	28	10	0	4,070	3	9½
Waiotahi	4,316	13	9	303	13	0	...	...	...	4,620	6	9
Te Papa	578	5	10	...	...	...	...	...	...	578	5	10

* Including £1,355 paid for Tookey's line.