

## (A.)—CORRESPONDENCE.

The Hon. Minister for Public Works.

In accordance with your request we have the honour to report on the Forest Hill Tramway.

This line was made by the Government, being completed during 1882–83. At first it seems to have been thought that the Southland County Council would have worked it permanently, but it was found after a trial that this course was financially disadvantageous to the Council, and for some time the tramway lay unused. It was so constructed that the ordinary railway-trucks and engines could not run upon it, as it was not strong enough to carry them. It was undesirable to expend money on it to convert it into a railway proper, as there was no prospect of traffic to justify this course. It was subsequently suggested to let a contract for working it by horse-power. This proposal seemed to be the only reasonable plan of making the line of some use to the district. The tram-line was accordingly leased provisionally at £35 a year for three years to the Hokonui Coal-mining Company, as set forth in the terms attached by a deed dated the 9th May, 1887, and by *Gazette* notice No. 51, of the 4th August, 1887, was declared open for traffic, and the rates, &c., were fixed.

The Minister for Public Works having no legal powers to make this contract, it was a condition of the specification that the contract might be cancelled on a month's notice if Parliament disapproved of it. (See last clause of specification.) The conditions of contract were presented to Parliament by the Minister for Public Works (see Journals House of Representatives, Session I., 1887, Schedule of Papers laid on the table, page xxxii.), and no objection being made, the contract remained in operation. It expires in August, 1890. The Contractors, the Hokonui Coal-mining Company, are now in liquidation.

It is suggested that the right to work the tramway might be let in connection with the Hokonui coal-mining property if the lease were extended for seven years—say until August, 1897. The tram-line is of no use as a part of the railways.

It may be of some use as an adjunct to the Hokonui Coal-mine, if that is worked, but it is not a line which the Railway Commissioners can conveniently or satisfactorily deal with. The tram-line, by "The Railways Authorization Act, 1885," was constituted a railway under "The Public Works Act, 1882." No previous authority seems to have existed for working it as a public tramway. It has become vested in the Railway Commissioners along with other Government railways, but they have no power to deal with it as suggested.

As, however, the Government in 1887 followed the course of letting the working of the line, subject to the approval of Parliament, the Railway Commissioners think that, should the Government approve, a similar course might now be followed, and that after the assent of Parliament has been obtained, in such manner as the Government thinks fit, the contract should be extended. The Commissioners think that if the tram-line is not utilized in this way, it would be better for the Government to take power to close it.

JAMES MCKERROW,

J. P. MAXWELL,

W. M. HANNAY,

The New Zealand Railway Commissioners.

Railway Department, Head Office, Wellington,  
13th July, 1889.

## EXTENSION OF CONTRACT OF FOREST HILL TRAMWAY.

The Hon. the Minister for Public Works, Wellington.

7th August, 1890.

THE contract of the Forest Hill Tramway expires on 15th instant. During the currency of the contract it has passed through several hands, and the working of the line has been unsatisfactory to all concerned. There is not sufficient traffic offered by the settlers to keep open a regular service. The only hope of securing that is in connection with the traffic of the coal-mine. The Railway Commissioners would therefore draw your attention to the report of the 13th July, 1889, and would suggest that the course indicated therein be followed—viz., that the agreement to work the line be extended for seven (7) years, as from the expiry of existing agreement on 15th August, 1890.

JAMES MCKERROW,

Chief Commissioner.

## (B.)

THIS DEED made the twenty-fourth day of November, in the year one thousand eight hundred and ninety, between the HOKONUI RAILWAY AND COAL COMPANY (LIMITED), hereinafter called "The Contractor," which expression shall include its successors and assigns, where the context so requires or admits, of the first part; JOSEPH GEORGE WARD, of Invercargill, in the colony of New Zealand, grain merchant, of the second part; and the NEW ZEALAND RAILWAY COMMISSIONERS incorporated under "The Government Railways Act, 1887" (hereinafter called "the Commissioners," which expression shall include their successors and assigns, where the context so requires or admits), of the third part: Whereas by articles of agreement made and entered into on or about the ninth day of May, one thousand eight hundred and eighty-seven, between the Hokonui Coal-mining Company (Limited), therein named, of the one part, and Her Majesty the Queen of the other part, the said The Hokonui Coal-mining Company (Limited) covenanted to repair and put in working-order the whole of the Forest Hill Tramway, as mentioned in the specifications annexed to the said articles of agreement, and to supply the trucks mentioned in the said specification, and for the period therein mentioned to provide certain rolling-stock, matters, and things for the purposes mentioned in the said specification; and to perform, observe, and fulfil certain conditions, stipulations, and requisitions, and pay a certain annual sum, as more fully expressed in the said articles of agreement, in consideration whereof Her Majesty the Queen covenanted that certain moneys should be paid to the said Hokonui Coal-mining Company (Limited), and that the said The Hokonui Coal-