

# 1887.

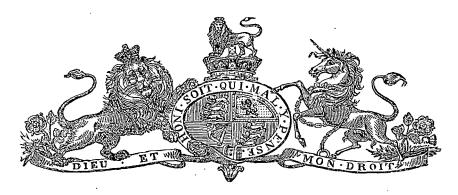
## PARLIAMENT OF TASMANIA.

# DERWENT VALLEY RAILWAY:

Correspondence and Documents re Cancelling of Mr. Falkingham's Contract, and subsequent abandonment of Day-work.

Return to an Order of the House of Assembly. (Mr. Nicholas Brown.)

Laid upon the Table by the Minister of Lands and Works, July 22; and ordered by the House of Assembly to be printed, August 3, 1887.



PAPERS and Correspondence, including Estimates of the Engineer-in-Chief or other Officers of the Public Works Department and Recommendations of the Engineer-in-Chief, relating to the cancelling of the Contract for the Construction of the Derwent Valley Railway and the completion of the work by day labour, and all similar Documents relating to the abandonment of the arrangements for so completing the Work.

Public Works Office, Hobart, 29th December, 1886.

#### DERWENT VALLEY RAILWAY CONTRACT.

SIR.

In course of conversation with the Contractor the other day, in presence of Messrs. Sheard and Climie, he led me to believe that he would be glad to make favourable terms for the disposal of his Contract to the Government; and I informed him that if he would put his proposal in writing, I had no doubt but that the Honorable the Minister would give same his consideration.

I yesterday received the communication referred to, and now submit it for your perusal; at the same time I am sure you will find that many of the proposals show anything but a desire for an amicable settlement, and to be of such a nature that no further notice can be profitably taken of them in order to make any counter proposals.

In view of the hostile action which will be eventually inevitably taken by the Contractor, I submit, with a recommendation for your approval, that some solicitor should be employed to collate and condense the voluminous letters and papers, and generally prepare the Government defence, the proposals above referred to affording sufficient indication of the line to be adopted.

I have the honor to be,

Sir.

Your obedient Servant,

J. FINCHAM, Engineer-in-Chief.

The Honorable the Minister of Lands and Works.

The Minister of Lands and Works submits for the consideration of Cabinet that, in view of the important interests involved, he be authorised to employ a solicitor or a firm of solicitors as recommended by the Engineer-in-Chief.

N. J. B. 30. 12. 86.

Cabinet approved, and the Attorney-General was requested to arrange for a solicitor to perform the work. Subsequently the employment of Mr. G. W. Waterhouse was approved.

N. J. B. 21. 1. 8.

Public Works Office, Hobart, 31st January, 1887.

DERWENT VALLEY RAILWAY .- BRIDGES OVER THE RIVER DERWENT.

SIR

I HAVE the honor to report that I have twice lately inspected the bridges, and complained of the dilatory mode of procedure.

I have received assurance from the Contractor that everything is being done to expedite the work; but, in the face of the Inspectors' reports (copies attached), the want of interest, that is only too palpable from the small number of men employed, the absence of adequate appliances, and the urgent request of the resident engineer (as an absolute necessity in the interests of the Department) that some decided step should be taken, I am bound to ask you to take the bridges Nos. 2 and 3, except the superstructure of same, out of the Contractor's hands, under the powers conferred upon you by Condition No. 32 of Contract.

I have, &c.

J. FINCHAM, Engineer-in-Chief.

The Honorable the Minister of Lands and Works.

No. 2 Bridge, 28th January, 1887:

STR

I am compelled to address you on the subject of appliances for carrying on the submarine work at No. 2. We are surrounded with large rock and boulders, which are in our way, and make work harder, with poorer results; the divers can neither lift them nor blast them, because they have not got the appliances to do one or the other. The work being done now will all have to be done over again when the rock so often mentioned is blasted, because the shingle backed up behind will fall in upon our work. The divers inform me that they have repeatedly asked for what they require, but have never got it; in fact I took a message to New Norfolk for them myself on the 19th instant, without result. Hoping to see all things needed on the work soon,

I am, &c.

JAMES BRADLEY.

### C. K. SHEARD, Esq., C.E.

P.S.—After getting down about 3 feet 6 inches lower at the lower end of foundations, we have come upon what seems to be bed-rock, and until we get some of the above-mentioned obstructions removed, we cannot give a decided opinion.

J. B.

Derwent Valley Railway, No. 2 Bridge, 29th January, 1887.

SIR.

I must report that work for the week here has been very slow indeed,—only two courses of masonry have been put in for all the week, and owing to the trumpery dam at No. I pier, it being just a few sand-bags thrown on logs, sticks, and sand, the men there had to knock off on the 27th, since which nothing has been done to it. The divers have come down on a rocky bottom at No. 2 caisson pier, but have been applying for a month past for tools, &c., to get out boulders and rock, without any result, as they never got any; and altogether it is terribly slow.

Monday. No. 4 pier.—No masonry built. Tuesday.
Wednesday. "1 mason building. Thursday. "1 mason building. Triday. "No building. No building. No building. No building.

Five masons altogether, and twelve labourers at dam, No. 1 pier—3½ days; since then stopped to get their tin pumps repaired, and are at No. 3 foundations until pumps return on Monday.

#### C. K. SHEARD, Esq.

ROBT. SLEIGHTHOLM.

WILL the Solicitor-General be good enough to advise me whether it would be desirable for the Government to adopt the course recommended by the Engineer-in-Chief?

NICHOLAS J. BROWN. 7. 2. 87.

SEE opinion herewith.

ROBT. P. ADAMS.

8. 2. 87.

The Honorable the Minister of Lands and Works.

### Opinion.

I have considered Clause 32 and also Clause 33 of the Conditions of Contract, and am of opinion that if the Engineer-in-Chief is dissatisfied (and he seems to have very good reason for dissatisfaction) with the Contractor's mode of proceeding with his contract, or with the rate of progress of the works, or any part thereof, the Minister has power under Clause 32 to take such works, or any part of such works, wholly or in part out of the Contractor's hands, and to employ, procure, and make use of all labour and materials which may be necessary for completing the works.

Clause 33 gives power to the Minister to take possession of the whole of the works, and of the Contractor's plant and material, but I suppose he does not contemplate exercising such power at present.

ROBT. P. ADAMS. 8. 2. 87.

Public Works Office, Hobart, 31st January, 1887.

# DERWENT VALLEY LINE.—PROGRESS OF WORKS.

SIR,

I have the honor to inform you that since calling your attention to the very slow progress of the Derwent Valley Railway Bridges, and receiving your repeated assurances that every effort was being made to expedite the works, I have received reports from the Inspectors, copies of which I attach to this letter. [See reports above, dated 28th and 29th January, 1887, respectively.]

I feel that nothing but the most energetic measures can now make up for the long months of slow work, and these must be taken without further delay.

I have therefore to give you notice that it is my intention to represent to the Honorable the Minister my dissatisfaction with the rate of progress and mode of proceeding, and recommend him, without vacating the contract, to take the following works out of your hands under the provisions of Condition No. 32 of your Contract:—Bridge No. 2; all work excepting superstructure. Bridge No. 3; all work excepting superstructure.

I have, &c.

J. FINCHAM, Engineer-in-Chief.

J. FALKINGHAM, Esq.

Derwent Valley Railway, Tasmania. Contractor's Office, New Norfolk, 2nd February, 1887.

SIR.

Your letter of the 31st ult., referring to the unsatisfactory progress of bridges on the Derwent Valley Railway, greatly astonished me, as I flattered myself everything was going on to the satisfaction of your Inspectors. I went to Hobart yesterday to see you on the subject, but found you had gone for the day. I cannot understand why complaints should be sent to you by your Inspectors without first giving me notice of any objections they may have to make, as I assure you it is my wish to carry on every part of the work with the greatest possible despatch, and I have particularly mentioned this to your Inspector Bradley, who has always led me to believe he was well satisfied with the progress made by the divers, &c. It appears to me as if your officers were determined to stir up strife, and I regret you cannot go over the work oftener and judge for yourself. I cannot do more than I am doing, and, I would mention, at the time your letter was written I had four girders run on to No. I bridge and preparing the others with all possible speed, and have brought men from Melbourne and engaged others here competent for the work. The foreman has instructions to put on as many men as can conveniently work, and to carry on the erection of the girders, &c. with all diligence.

No. 2 Bridge.—The foundations of east abutment are out, and filled with concrete to the height required. The foundations for No. 1 masonry pier are being taken out as speedily as circumstances will allow, as we are troubled with the water leaking through the rocks. No. 1 caisson foundation, you are aware, we have been working at with the divers for some time, and, as I thought, proceeding in a very satisfactory manner. The divers are working time and a half, and I have made every effort to get more divers for this work without success until this morning there are two come from South Australia that I sent for, and I now hope to be able to work two shifts. No. 4 masonry pier foundation is out; concrete, 4ft. deep, is in, and  $7\frac{1}{2}$ ft. of masonry on top of it: it is now above water-level. The west abutment, you are aware, is in a very forward state, and the whole of the masonry will be finished long before the other portion of the work. The caissons I would have carted on to the work at once, but, until the bottom is accepted, I do not know what to do, as it is possible the caissons may have to be lengthened; they are now made the size shown on drawings. It is these alterations that cause the delay. The masonry piers, I would also point out to you, will have to be

altered in height. You will observe that the reduced level of top of bedstones on piers and abutments are both the same, and the difference in height between the roller-plates on piers and bedplates on abutments is 5 inches. If I could talk these matters over with your Inspectors there would be no occasion to trouble you with so many complaints, or to ask you for instructions to make these alterations.

No. 3 Bridge.—The Honorable the Minister of Lands doubted my word yesterday when I told him the work was being proceeded with; and I can assure you that it is so, and, at the time your letter was being written, I had two gangs of men—one on each abutment of the bridge. And you will observe that there has been no time lost in proceeding with the work, as it was only on the 26th ult. that I received the plan for the altered foundations, and the plans for the permanent coffer dams to caisson piers only reached me on the 29th ult. I shall be glad if any one of your officers can point out to me or suggest how the work at the different bridges can be pushed on with greater speed, as I am using every possible means to forward the work. I hope my explanation may be satisfactory, and I do hope you may be able to go over the different works personally, and judge between the statement made by me and your Inspectors' reports.

I have the honor to be, Your obedient Servant,

J. FALKINGHAM.

James Fincham, Esq., Engineer-in-Chief, Hobart.

FORWARDED to Resident Engineer for perusal.

J. FINCHAM. 5. 2. 87.

Perused and returned with remarks. Also Inspectors' further reports re progress.

CHAS. K. SHEARD. February 7, 1887.

Resident Engineer's Office, New Norfolk, 7th February, 1887.

DERWENT VALLEY LINE.—PROGRESS OF THE WORKS.

MY DEAR SIR,

I beg to acknowledge receipt of Contractor's letter to you of 2nd February, 1887, and your reply of the 5th instant, and in returning same to inform you that the Inspectors spoke to the Contractor's Engineer and officials about plant, material, &c. requisitioned for by the divers, &c., at least half-a-dozen times, and took orders for them to the office repeatedly, which received no attention,—even now they are working disadvantageously. I must say that my Inspectors' reports are perfectly correct, and in thorough accordance with my own observations. I am quite certain that Bradley did not lead any one to believe he was satisfied, as he has complained so often. My Inspectors do not desire to stir up any strife, but simply wish to do their duty and see that the work is properly done, and more work done, also a few more men than 120 at work: if this is the despatch quoted, then you may as well look for the millennium as for this line to get completed in reasonable time. If the Contractor cannot employ and work more than 120 men as he says—"I cannot do more than I am doing"—let me again urge that you put them on yourself in the interests of the line, department, and Colony. I must say it is degrading to every one connected with this railway, to see the lack of progress.

- No. 1 Pier.—I have already reported upon this; but I forward you Inspector's report, which I endorse as being correct. The way this work has been played with is simply ridiculous: the water comes through a network of logs, branches, &c., and not through the rocks; already the dam they have constructed has been broken, and no wonder, constructed in the way it was.
- No. 1 Caisson.—If the Contractor thinks that it is satisfactory for the divers to work shift and half, and five or six men waiting on same without tools and proper tackling, &c., then we cannot expect anything but lethargy and expensive work.

Masonry.—Since the 17th ult. return, or week ending 18th January, the whole of the work done in the three weeks amounts to two (2) courses west abutment;  $7\frac{1}{2}$  feet height to No. 4 pier; the concrete quoted west abutment, east abutment was done 16th ult.; six courses masonry west abutment, and concrete No. 4 pier, 17 ult., from the start to the present. Even the past week, the rate is alarming; this last week has only seen two courses put on No. 4 pier, and one course on west abutment.—Vide enclosure from Inspector. Is this the despatch quoted?

Caissons.—It is no alteration if they have to be lengthened, as provision is made for the depths of foundations, and these must be secure and safe: we cannot afford to play with such vital portions of the work. This can be done quickly and easily.

Roller Bed-plates.—I beg to inform you that some time ago I went through the drawings with the Contractor's Engineer in my own house, and when he was looking over my drawings I pointed out the reduced level heights of the piers and foundations. I also gave the Contractor's foreman and my Inspector the correct heights of the masonry piers and abutment bedstones when setting out the lengths of same. After the Commissioners' Report, the only change to No. 2 superstructure was putting the roller plates for sliding bed plates, and the Contractor has your written instruction for this when I forwarded him the drawing months ago, so if they cannot understand your letter and drawing, they ought to remember the same being pointed out.

No. 3 Bridge.—The statement—"And you will observe that there has been no time lost in proceeding with this work"—I beg to draw your attention to, and to inform you that months of time have been lost and thrown away, and what is far worse, may cause us the loss of the coming winter. Let me refer you to your letters to the Contractor, forwarded through me, dated 16th and 17th July, 1886, withdrawing the stoppage of the works; also, 24th August, 1886, notice to go on within contract time; also, 2nd September, 1886, forwarding working drawings No. 3 Bridge.

Coffer-dam.—This, as you are aware, I specially asked for, as the Contractor's foreman mason, Mr. Robert Anderson, (who has charge of this work,) informed me, in the presence of my Inspectors, R. Sleightholm and John Anderson, that he intended to commence and get the sand-bag dams, and get the foundations ready, and as I was not willing to allow the work to be endangered by the construction of the said dams with sand-bags on the top of shingle, you sanctioned a proper dam being ordered.

Suggestions.—I forward you a few remarks to send the Contractor if you like, in answer to his request, for I am quite certain if my suggestions are carried out they will result in four times the amount of work being completed.

I am, &c.

CHAS. K. SHEARD, Resident Engineer, D.V. Railway.

James Fincham, Esq., Engineer-in-Chief, Hobart.

### . DERWENT VALLEY LINE.—PROGRESS OF WORKS.

Contractor's letter to you, 2.2.87., answer to yours 31.1.87.—The last paragraph of the Contractor's letter invites suggestions from the Government Officers for altering the existing slow progress of the works, and I beg to name a few that can consistently be carried out, thereby greatly increasing the results obtained.

- No. 1. Bridge.—Get the whole of the girders and ironwork on the ground at once; put more men on drilling, slotting, and fitting; not to bring the girders up at the rate done. If this was done, three times the number of men could be put on, and to advantage; as it is, the men cannot possibly be worked to obtain any satisfactory result: it is impossible to do the work straightforward in the manner the work is being done.
- No. 2. Bridge. Caisson Piers.—Provide the divers with tools and materials of a proper description: fancy a jumper  $1\frac{1}{8}$  dia. of iron, 30 feet long, every time the drill has to be sharpened, three men have to lift it clean out of the water, and carry it to the forge to be done! Provide proper blocks and tackling to work with when requisitioned for by their head diver, and not allow anyone to take them away after providing them, as their foreman mason has done. Also, when plant and material is requisitioned for by the divers, provide them at once, not leave the same for months or weeks—that is, until the Government Inspectors have to report the bad state of progress, &c.

Coffer-dum.—Above all things, to stop erecting, or rather trying to erect, dams of the class tried at No. 4. Pier, and again, at No. 1 Pier, building with sand-bags and mullock on the top of logs, débris, sand, &c., and not to buy rotten palings and slabs from an old hut for sheet piles, with four or five-inch green pickets—instead, to set to work and construct a dam properly.

Masonry.—To put more force on quarrying, carting, and cutting stone—that is, sufficient to keep four or five wallers at work, properly supplied with cut and quarried stone, and perform a proper day's work, not leave them, as they have been since they began work at No. 2, so that only one day's work has been done by the men in three—not a single day has there been more than

half a day's work done. It cannot be wondered that the workmen are idle over their work when they are not kept at work with material. From January 29 to February 4 there was no improvement over the week before in this respect, and I am quite certain there will not be until the wallers are systematically kept going with stone and material.

No. 3. Bridge.—Set sufficient hands on, with proper supply of tools and materials, to do the whole of the Piers at once, and not leave each one to take care of itself, as at No. 1 and No. 2, and thereby show some life and interest in the work. By energy like this, get this work out of danger and give the workmen something like interest in the work, instead of causing them to fall asleep as we have done on this line.

I think yet, that if the contractor will set to and keep a dozen pieces of technical work going instead of a couple, that there might be some chance of looking forward to a completion; but at the rate we are now moving, it will certainly take years, not months, to complete.

D. V.-Railway, No. 2 Bridge, 5. 2. 87.

Sir,

I see that for No. 1 Pier coffer-dam ordered, that Mr. Anderson has got a few half-rotten slabs from an old hut of Cawthorne's, also a few saplings, willows, &c., about 4 to 5 inches diameter, that will stand no driving, and has a couple of men up to their middle in water trying to take out timber, &c., which I think is not the kind of coffer-dam you ordered, and I am afraid will make it a long job to get a bottom and keep it dry; so I think I ought to let you know same.

Yours respectfully,

ROBT. SLEIGHTHOLM, Inspector.

Mr. SHEARD.

No. 2 Bridge, Derwent Valley Railway, Week ending 5th February, 1887.

SIR

The progress made at No. 2 Bridge has been again slow. From 29th January to 4th February only two courses of masonry have been put on to No. 4 pier, and one on the abutment west side. Nothing done to No. 1 pier foundation, except the bringing a few slabs to make a coffer-dam. This is the whole work done, except what is being done by the divers at No. 2 Caisson Pier.

I am, &c.

ROBT. SLEIGHTHOLM, Inspector.

MR. SHEARD.

16th February, 1887.

SIR,

PLEASE to receive returns of work done and report on same to date.

I have only kept back 15 chains of wire fencing this time; this is on Young's ground—bad work; also a few panels of post and rail: all the rest is fairly done. Also gate at Dromedary—not returned.

Submarine Work.—Getting on a little better since last report, but we have wasted a lot of time waiting for tools, and also not having the right kind of tools. For instance, on January 31st divers got a jumper made; started to fix their punts to use it. They were just two hours over what should only have taken them about fifteen minutes: six men looking on while one man cut a hole with his knife.

February 1st.—Started jumping a hole; drill got knocked up; the whole of diver's gang idle for one hour and a half while it was being done: this through only having one drill. Blacksmith said he could not get anyone to help him with the work. Gave him one of my men. Got another drill made.

February 2nd.—New jumper would not follow the other; three hours lost for all hands. This is a sample of what we have to contend with.

February 3rd.—Finished jumping these holes, but could not fire them off—no appliances.

Half a day lost on the 8th instant.

Half a day lost on the 9th instant, trying to fire off with common fuse: failed. Had to send them on to the other piers, which means a considerable loss of time moving punts about and mooring them properly.

February 12th—Got Mr. Ross to use battery and fire our shots for us. Divers now at work again clearing away on No. 1 Pier. We have now plenty of work, but the way in which it has been done makes it considerably more than it would have been if we could have blown up the rock, spoken of so often, a month ago.

I am, &c.

JAMES BRADLEY.

C. K. SHEARD, Esq., C.E.

Forwarded for perusal of the Honorable the Minister. This Inspector is a man who is always very careful in his statements, and his report illustrates a state of things that has driven me to make the recommendations with regard to the contracts that are now under his (the Minister's) consideration.

J. FINCHAM, Engineer-in-Chief. 18. 2. 87.

PERUSED and returned to the Engineer-in-Chief.

N. J. B. 19. 2. 87.

Public Works Office, Hobart, 14th February, 1887.

Derwent Valley Railway and the Contractor, Mr. Jonathan Falkingham. Sir,

On re-consideration of my letter to you under date 31st ultimo, and taking into consideration the returns of the limited total number of men employed on all works on the railway for months past, I have come to the conclusion that, in the interests of the Department it is my imperative duty to recommend you to take the whole Contract out of Mr. Falkingham's hands, as provided for in the conditions of such Contract.

I am convinced that, in spite of the continual reiteration of assurances and promises by the Contractor, nothing like the work possible is being done, and it will take years to complete the line if the Department is compelled to look on indifferently at the settled apathy that seems to have taken possession of the Contractor and his staff, while at the same time the Contractor is adding to the claims put in for future litigation.

Serious as the step is, it will be to the interest of the Department to take decided action now, and get the works completed in less time and at less cost than there is any prospect of doing if the present circumstances are allowed to continue.

It is certain that the Contractor has determined upon litigation, and it may as well be met sooner (while the Department can save the Colony both time and money, without any question) as later.

I have therefore the honor now to recommend the proposed step in the strongest manner for your favourable consideration.

I have, &c.

J. FINCHAM, Engineer-in-Chief.

The Hon. the Minister of Lands and Works.

Referring to the opinion of the Solicitor-General, dated 8th February, 1887, I shall feel obliged if he will now advise me as to the course of procedure to be adopted in taking possession of the works and of the Contractor's plant and material, and fixed plant and rolling stock, under Clause 33 of the Derwent Valley Conditions of Contract.

Also generally as to whether it is absolutely certain that the Minister of Lands and Works has full power, under the Contract, to adopt the course recommended by the Engineer-in-Chief; bearing in mind the fact that the ironwork for bridges is in the hands of a Sub-contractor, as will be explained by an Officer of this Department.

NICHOLAS J. BROWN, Minister of Lands and Works. 16. 2. 87.

The Solicitor-General.

16th February, 1887.

DEAR SIR,

In connection with the ironwork being constructed for Mr. Falkingham by Kennedy & Sons, I forgot to mention that some months ago the Engineer-in-Chief, acting on the advice of Mr. Adve Douglas, in presence of witnesses, and with the full consent of the sub-contractor and of Mr. Falkingham, formally took possession for the Government of all iron and ironwork in the Derwent Foundry required for the Derwent Valley Railway bridges, this being done in order that Mr. Falkingham might receive an advance of £3146, which was afterwards made to him.

I have, &c.

A. H. HANNAFORD.

R. P. Adams, Esq.

Solicitor-General's Office, 25th February, 1887.

Re DERWENT VALLEY RAILWAY CONTRACT.

SIR

HEREWITH I send joint opinion of Mr. Waterhouse and myself. The Certificate therein referred to is being prepared.

I have, &c.

ROBT. P. ADAMS.

The Hon. the Minister of Lands and Works.

# In the matter of the Derwent Valley Railway.

## Opinion.

Clause 33 of the conditions annexed to the Contract provides that the Minister, on the Engineer-in-Chief's certificate as to the propriety of the step, may take possession of the works, and forfeit all the plant, materials, fixed plant, and rolling-stock provided by the Contractor for the purposes of the Contract, and may, in effect, put the completion of the works into other hands on the happening of three events; viz.—

- (1.) Insolvency of Contractor or settlement with creditors.
- (2.) Failure through any cause (except such a cause as is certified by the Engineer-in-Chief to be an unavoidable accident, or by a default on the part of the Minister) on the Contractor's part to complete and deliver up any of the works under the Contract within the time specified for completion, viz. June 1st, 1886.
- (3.) Failure to proceed with due despatch according to the Engineer-in-Chief's judgment.

We understand that the first alternative has not happened, and although the third alternative has happened, yet we think, in accordance with certain decisions (particularly Walker v. L. & N.W. Railway, L.R.I.C.P.D., 518), which go to show that such a clause can be enforced only during the contract time, or an extension of such time, it would be unsafe to rely upon this alternative; but we think that the Minister may proceed to take possession of the works, and forfeit materials, &c., and to put the work into other hands under the second alternative, viz., a failure to complete and deliver up mithin the specified time. We are informed that the Engineer-in-Chief has not given any certificate to the effect that the cause of non-completion is an unavoidable accident, and, from the materials before us, we can see no reason to think that the cause of non-completion is a default on the part of the Minister. We advise, then, on these grounds: That, upon the Engineer-in-Chief giving a certificate as to the propriety of the step, the Minister should give notice of his intention to take possession of the plant, material, &c., as provided for in Clause 33.

As to the ironwork for the superstructure of the bridges, which, we now believe, is in Messrs. Kennedy's Derwent Foundry, we think that the Minister may take possession of that under Clause 33, so far as it is already made, for it comes within the designation, we think, of "plant and material and fixed plant provided by the Contractor." We have been informed that formal possession of this has already been taken on the part of the Minister to secure an advance; and we think that this strengthens the position so far as the right to take possession under Clause 33 is concerned. So far as this is manufactured, it comes within the words of Clause 33, and the payment for this, at the rate fixed in the schedule of prices, may be arranged under Clause 33, and the Minister is not liable to Messrs. Kennedy in any way, who have their remedy against the Contractor solely. So far as any of the ironwork still remains to be manufactured, we think that the Minister may, on determining the Contract under Clause 33, arrange with Messrs. Kennedy for the payment of this, subject to the Engineer-in-Chief's opinion.

As to further certificates being given for progress payments, we think that no more should be given, inasmuch as Clause 18 provides expressly that no more shall be given after the 1st day of June, 1886, (in the events that have happened), until the final certificate is given. It may be that some have been given since that date, and that fact may prevent the Minister from disputing their validity, but it will not, we think, prevent him from insisting on his right, under Clause 18, to refuse to give others.

As to penalty for overtime.—Clause 18 provides that if the Minister has not proceeded under Clauses 32, 33, and 34, the Contractor shall forfeit £20 for every working day after 1st June, 1886. We think that if the Minister acts under Clause 33 in forfeiting materials, &c., he could not enforce the penalty after such act; but we can see nothing to prevent him from enforcing the penalty until the Minister so acts.

25th February, 1887.

ROBT. P. ADAMS. GEO. W. WATERHOUSE.

CERTIFICATE BY THE ENGINEER-IN-CHIEF,—SUGGESTED BY THE SOLICITOR-GENERAL AND MR. WATERHOUSE.

I, James Fincham, of Hobart, in Tasmania, Engineer-in-Chief to the Government of Tasmania, do, in pursuance of Condition 33 of the Conditions of the Contract dated the 'day of 188, made between Jonathan Falkingham (therein and hereinafter called the Contractor) of the first part, and the Minister of Lands and Works in and for the Colony of Tasmania (therein and hereinafter called the Minister) of the second part, for the construction of a Line of Railway from junction with the Tasmanian Main Line Railway at North Bridgewater to Glenora (otherwise called the Derwent Valley Railway), in consequence of the Contractor having failed from some cause (not being a cause such as I have certified or certify to be an unavoidable accident or a default on the part of the Minister) to complete and deliver up to the Minister by the time in that behalf fixed by or under the said Contract any of the works under the said Contract, and there having been no extension of the time for the performance of the said Contract given by writing under my hand, hereby certify to the Minister that it is in my judgment proper for him to take possession of the works, and of the Contractor's plant and material and fixed plant provided by the Contractor for the purposes of the said Contract, and the rolling stock provided by him, and to employ such persons as the Minister shall think fit, either by contract or by measure and value or otherwise, as I shall certify to be proper to proceed with and complete the works, and to maintain the same as in the said condition mentioned, and in all other respects to fulfil the obligations of the Contractor under the said Contract, and to use for such purposes the Contractor's plant, materials, fixed plant, and rolling stock (if any) taken possession of as aforesaid.

Not acted upon. Transfer of works arranged.

J. FINCHAM, Engineer-in-Chief.

Public Works Office, Hobart, 1st March, 1887.

### DERWENT VALLEY RAILWAY CONTRACT.

Sir.

Reference to my letters dated respectively the 31st January and 14th February, 1887, expressing my dissatisfaction with the rate of progress, and also in reference to the various suggestions therein made by me, I have now the honor to inform you that the Contractor has offered to transfer the bridges over the Derwent known as Nos. 2 and 3 in their entirety to the Department for completion, upon the following conditions:—

- 1. The completion of the bridges will be carried out at the cost and risk of the Department.
- 2. No claim is to be made by the Contractor on account of profit upon construction in completion of such works.
- 3. Statement of account between the Contractor and his sub-contractors to be furnished by him, together with any written contracts entered into with them, and such sub-contracts to be taken over by the Department as though they had been entered into with the Hon. the Minister.
- 4. All completed work to be measured and paid for at contract rates, or at special rates if any have been already agreed upon. All incomplete work to be paid for at reduced rates to be arranged.
- 5. All plant and material provided on the works to be purchased at actual cost of same.
- 6. Statement by the Contractor of a definite date (to be approved by the Minister) upon which the works as above would be transferred.

As these two bridges are the key to the completion of the line, and as so little progress is made in their erection, I strongly recommend the proposal for your favourable consideration, and the more so as the action of the late Royal Commission has made it impossible to take legal action upon the score of non-completion within the contract time.

I can confidently state that this course will not only effect saving in time, but also a saving in cost.

With regard to the early opening of the line for traffic as far as the Plenty Station, the Contractor is willing to hand over such section on completion if the Department will take over the maintenance, and further, to allow a rebate on the payment for maintenance in proportion to the mileage so taken over. This I recommend as the best course to be adopted under the existing circumstances.

I have, &c.

J. FINCHAM, Engineer-in-Chief.

The Hon. the Minister.

Will the Honorable the Attorney-General be good enough to obtain for me the advice of the Solicitor-General hereon, the Solicitor-General having previously had all the papers and correspondence connected with the matter before him.

NICHOLAS J. BROWN. 1. 3. 87.

The Honorable the Attorney-General.

FORWARDED to the Solicitor-General for his perusal.

R. J. LUCAS. 1. 3. 87.

#### Re DERWENT VALLEY RAILWAY.

#### Opinion.

Having considered the Engineer-in-Chief's letters of the 14th February and 1st instant addressed to the Hon. the Minister of Lands and Works, it appears to me that the Contractor's proposals stated in the latter letter are worthy of being accepted and acted on by the Government; but on the distinct understanding that such acceptance is not to prejudice the position and rights of the parties under the existing contract, except as the same may be modified by the acceptance of the said proposals.

ROBT. P. ADAMS. 4th March, 1887.

HAVING considered the opinion of the Solicitor-General attached hereto (dated 4th March, 1887), I approve of the recommendation of the Engineer-in-Chief.

NICHOLAS J. BROWN. 4. 3. 87.

Public Works Office, Hobart, 4th March, 1887.

DERWENT VALLEY RAILWAY.—BRIDGES Nos. 2 AND 3.

SID

I have the honor to inform you that the Engineer-in-Chief reports, at interviews held with you on 26th and 28th ultimo, having had conversations re the progress of the works, and that you then stated that if he was not satisfied you would be prepared to hand over same in their entirety to me, for completion by the Department. I now desire to state that I will be prepared to take over the Bridges Nos. 2 and 3 on the Derwent Valley Railway in their entirety, for completion by this Department, upon the following conditions (but upon the distinct understanding that such acceptance is not to prejudice the position and rights of the parties under the existing contract, except as the same may be modified by the acceptance of such conditions):—

- 1. The completion of the bridges will be carried out at the cost and risk of the Department.
- 2. No claim is to be made by you on account of profit upon construction in completion of such works.
- 3. Statement of account between yourself and sub-contractors to be furnished by you, together with any written contracts entered into with them, such sub-contracts to be taken over by the Department as though they had originally been entered into with me as Minister of Lands and Works.
- 4. All completed work to be measured and paid for at contract rates, or at special rates if any have been already agreed upon.
- All plant and material provided on the works to be sold by you to the Government at actual cost of same.
- 6. Statement by you of a definite date (to be approved by me) upon which the works above mentioned will be transferred.

I have, &c.

NICHOLAS J. BROWN,

Minister of Lands and Works.

J. FALKINGHAM, Esq., New Norfolk.

101, Macquarie-street, Hobart, 8th March, 1887.

# DERWENT VALLEY RAILWAY.

SIR

Mr. Falkingham instructs us to acknowledge receipt of your letter of the 4th instant, in which you offer to take over a portion of this railway upon certain conditions therein set forth. If the Engineer-in-Chief will now certify that the works have been completed to his satisfaction, Mr. Falkingham will then consent to your taking over the portions named by you upon the terms stated in your letter.

We have, &c.

DOBSON, MITCHELL, & ALLPORT.

The Hon. the Minister of Lands.

REFERRED to the Engineer-in-Chief.

N. J. B. 8. 3. 87.

Public Works Office, Hobart, 8th March, 1887.

DERWENT VALLEY RAILWAY AND MR. J. FALKINGHAM'S CONTRACT.

Proposal to surrender Contract.

SIR.

I should certainly advise acceptance of the offer contained in letter of Messrs. Dobson. Mitchell, and Allport, dated to-day, provided it is without prejudice to the claims of both sides, instead of Contractor's alone. To secure this end the retention money, or a portion of same, should remain at interest until accounts are finally adjusted after arbitration or otherwise, as a matter of equity, at current bank rate.

The purchase of the Contractor's plant, with any additional plant, is thus the only price to pay for getting the Contract peaceably under entire Government control, while it will be seen that the Contractor makes no claim for possible profit on the work yet to be done.

By the estimate of the Resident Engineer, dated 10th February, 1887, herewith, it will be seen that a saving of some £9500 can be effected. The Resident Engineer guarantees the quantities to be full. I have checked the prices and, generally, consider that the saving may be taken to approximate that amount very nearly, if not quite, and this should pay for all plant more than twice over.

The matters likely to be referred to arbitration will be reduced in number, and the offer is, generally, sufficiently satisfactory to induce me to recommend its acceptance.

I have, &c.

J. FINCHAM, Engineer-in-Chief.

The Hon. the Minister of Lands and Works.

This recommendation, and all the circumstances surrounding the Contract with Mr. Falkingham, were carefully considered at a Cabinet meeting held at the Chief Secretary's Office at eight o'clock on the evening of the 12th instant,—present the Premier, Mr. Burgess, Mr. Rooke, and myself; also the Engineer-in-Chief and Mr. C. K. Sheard. The calculated cost of completion as given by the Resident Engineer (Mr. Sheard) was again recommended to the Cabinet as reliable by the Engineer-in-Chief, and that officer strongly urged upon the Cabinet the desirableness of adopting the course recommended by him. Accordingly it was decided by Cabinet that upon a proper agreement being drawn up for reference of the various matters in dispute to arbitration, the Contractor's offer should be accepted, and the works be taken out of his hands to be completed under the supervision of the Engineer-in-Chief.

NICHOLAS J. BROWN. 13. 3. 87.

Minister of Lands and Works Department, Hobart, 9th March, 1887.

My DEAR SIR,

A fresh proposition is now made as to Falkingham's Contract, and I shall be glad if we can come to terms upon it. I intend to submit it to Cabinet at 4 o'clock this afternoon; but there are certain questions on which I want legal advice. Will you please ask Mr. Waterhouse to come. If you could conveniently come with him, of course it would be so much the better; but I dare say Mr. Waterhouse alone will do if you cannot.

Yours faithfully,

NICHOLAS J. BROWN.

R. P. Adams, Esq., Solicitor-General.

HEREWITH Draft Agreement between the Minister of Lands and Works and the Contractor, for consideration of the former. If it is approved, a fair Draft will be made for the perusal of the Contractor's Solicitors.

ROBT. P. ADAMS. 11. 3. 87.

The Hon. the Minister of Lands and Works.

12th March, 1887.

#### DERWENT VALLEY.

GENTLEMEN.

In reference to your letter of the 8th instant, on behalf of Mr. Joseph Falkingham, in which you state that, without prejudice to all existing rights and claims, he is willing to surrender his Contract, and give over all the works of the Derwent Valley Railway to the Government, on the following conditions:—

The Government to pay him for all work done since it was last measured on 15th February last, and to purchase from him the whole of his tools and plant, including horses and vehicles, at cost price, together with all erections used in connection with the construction of the Railway:

All claims which Mr. Falkingham has against the Government arising out of, or connected with his Contract, to be adjusted and paid forthwith, but such of the items as may be agreed upon to be referred to arbitration as may be arranged, as suggested by the Engineer-in-Chief:

The retention money and interest to be paid to Mr. Falkingham in full:

I have now the honor to inform you that on a satisfactory agreement being settled between the Solicitor-General and yourselves, and signed by both parties to the Contract, the Government propose to accept the offer of the Contractor as above set forth, with the exception that Four thousand Pounds (£4000) of the retention money shall be retained by the Government until after the final settlement of all disputed claims.

I have, &c.

NICHOLAS J. BROWN,

Minister of Lands and Works.

Messrs. Dobson, Mitchell, & Allport, Solicitors, Hobart.

Public Works Office, Hobart, 14th March, 1887.

#### DERWENT VALLEY LINE.

In reference to the Minutes of Agreement recently prepared, and the proposal therein contained to submit certain items to arbitration, and as the Contractor is anxious that Paragraph No. 4 of Clause 35 of the Conditions of Contract should be waived, and that, instead of the Umpire being appointed by the Governor in Council, two Justices of the Peace (to be named in the Agreement) should appoint such Umpire, I shall be glad to have your opinion as to the advisableness or otherwise of departing from the Contract.

I have &c.

J. FINCHAM, Engineer-in-Chief, For Minister of Lands and Works.

G. W. WATERHOUSE, Esq., Barrister-at-Law.

I can see no objection to the alteration proposed in Paragraph 4 of Clause 35, if Justices of the Peace are named in the Agreement in whom the Minister can have all confidence. I would suggest that after the words in the Minute referring to Clause 35, there be added the following words: "except that in Paragraph 4 of Clause 35 the power of appointing an Umpire be in the hands of —, instead of in the hands of the Governor-in-Council."

G. W. WATERHOUSE. 15. 3. 87.

Public Works Office, Hobart, 25th March, 1887.

COMPLETION DERWENT VALLEY RAILWAY.

MEMO.

In accordance with the decision recently arrived at by the Cabinet, and intimated by me under date 13th instant (on letter of the Engineer-in-Chief of 8th instant), authority is hereby given to the Engineer-in-Chief to take the necessary steps for the completion of this line of railway departmentally.

This authority includes the purchase of all plant and materials necessary for that purpose, the employment of all necessary assistance and labour, and all and every contingent expense connected therewith, as may be duly certified to by the Engineer-in-Chief—the cost of such completion not to exceed the amount estimated by the Engineer-in-Chief under date 9th instant, which estimate (hereto attached) was approved by the Cabinet on the 12th instant.

NICHOLAS J. BROWN, Minister of Lands and Works.

The Engineer-in-Chief.

ESTIMATE is now retained, with other papers, by the Engineer-in-Chief.

A. H. H. 29. 4. 87.

#### DERWENT VALLEY RAILWAY.

ESTIMATED Total Cost of completion of Line if Contract is surrendered to Government as proposed by Contractor.

·	${f \pounds}$	s.	d.	£	s.	d.
General works under Contract	112,521					
Land, Stations, Rolling Stock, expended, and Liabilities	62,000				· 1·Ω	Λ
Estimated allowance on account of Claim of £3400 for Suspension and Interest  Estimated allowance on account of Claim of £750 for condemned Cement Estimated risk on account of Arbitrators' allowance on Claim of £10,645,	1500			*174,521	10	U
for extra measurements and prices, of which I do not submit more than approximately, £500—say 25 per cent	2661 1000	0	0		0	0
			ų.	£179,682	10	0

J. FINCHAM, Engineer-in-Chief. 9. 3. 87.

\* Includes £6674 due to action of Commission.-J. F.

#### TASMANIAN GOVERNMENT RAILWAYS.

#### DERWENT VALLEY RAILWAY.

COMPARATIVE Estimate of Cost to complete Railway under Contract, or by the Government Department, from 10th February, 1887.

Rate by Contract	45,034 35,514	9			u.
Amount of Estimate to complete	•••		35,514	8	7
	•••		80,000	0.	0
			£115,514	8	7
Amount of Estimate, March, 1886	106,303	2	0		
	9674	14	3		
	£115,977	16	3		

CHAS. K. SHEARD, Resident Engineer D. V. Railway. 14th February, 1887.

This is the Estimate referred to in the Engineer-in-Chief's recommendation as to the taking over of works on Derwent Valley Railway from the Contractor.

NICHOLAS J. BROWN. 25, 3, 87.

#### DERWENT VALLEY RAILWAY.

Amount of Increase in Cost through Joint occupation Bridges, and the result of the Royal Commission's Report.....

£ s. d. 9674 14 3

CHAS. K. SHEARD, Resident Engineer D. V. Railway. 14th February, 1887.

Public Works Office, Hobart, 18th April, 1887.

#### DERWENT VALLEY RAILWAY.

SIR.

Referring to your verbal instruction this morning to me to proceed to call for tenders for carrying out the completion of the Derwent Valley Railway, I most respectfully desire to point out the very grave and serious nature of such a step at this stage, and to ask if the decision is final.

It is well known to engineers that a contractor taking up broken and incomplete work demands and generally obtains very high and excessive prices; and it is right that this should be so, seeing that he must always take into account risks of unknown cost to himself in such a case.

The contractor would be bound to take over every existing liability and contract which the Department has undertaken, purchase all plant, tools, and material, and a stranger would require some time to ascertain his responsibility under this head.

The whole of the works must inevitably be at once stopped, and so remain until accurate detail measurements and particulars have been again taken all through the works, where same are incomplete, proper contract particulars prepared, and tenders invited and accepted. This will occupy many weeks. The estimates made by the Resident Engineer for the guidance of the late Government were full and sufficient for estimating purposes, but would have to be rendered in still further detail for contract, even if their utility for such purpose had not been annulled by the works done both by the late contractor (Mr. Falkingham) and the Department since such quantities were got out. The works must not only be stopped on above grounds, but because of the utter impossibility of the Resident Engineer being able to carry them on and, at the same time, prepare a new contract. His health has suffered lately from want of rest and sleep due to his devotion to the work, and getting order and system out of the reverse state of things. Again, his time will be much occupied in connection with the arbitration shortly to take place in connection with the late contractor's claims. Any stoppage of the works would cause the Government to lose the services of most of the Inspectors, who are good reliable men, trained until they have become acquainted with every detail of their particular branches.

I may venture to remark that I do not suppose that the Government proposes the above step from any want of confidence in the economy of the present Departmental work, which has not been going on long enough to be tested, but of which I should hereafter be able to submit ample proof by periodical certified statements of work done with cost as compared with the late contractor's prices.

I earnestly hope you will be able to obtain a reconsideration of the proposal as above, for, to my mind, the prospective delay or confusion, and the certain loss, appear worth your gravest and most serious attention. One inducement in my recommendation to the late Government of the course which they approved was the saving of all stoppage of the works, which would not have been possible had they been relet. Indeed, I do not see how I could have justified myself in recommending any release of the late contractor had I not felt thoroughly satisfied that such stepcould be made of advantage to the Government; and, as to this, I still have no doubt whatever at the present time and under present conditions.

I have, &c.

J. FINCHAM, Engineer-in-Chief.

The Hon. the Minister of Lands and Works.

PERUSED and returned.

P. O. FYSH.

WILL the Premier express his opinion upon this difficult point?

E. N. C. BRADDON. 18. 4. 87.

RETURNED, with letter by the Premier.

JAMES ANDREW. 19.4.87.

The Hon. the Minister of Lands.

Premier's Office, Hobart, 19th April, 1887.

 $\mathbf{Sir}$ 

WITH reference to the letter from the Engineer-in-Chief of the 18th instant, respecting the works on the Derwent Valley Railway, I have full confidence that Mr. Fincham has gauged the quantities and fairly estimated what the work should cost by day labour; but our experiences of that article have been disastrous, and Ministers are not called upon to take such a responsibility, especially after the animadversions upon the Department of Works during last Session.

Parliament is always better satisfied that the best is done when tenders are invited and the work contracted for, and Ministers are relieved from responsibility.

The engagement of a large staff of employees—professional and other—chargeable upon works, and not specially under the cognisance and control of Parliament as to emoluments, has always been a source of irritation to Members, and is as much as possible to be avoided.

Should tenders be very much in excess of the valuation affixed by the Department, it will then be time enough to fall back upon day labour, and the margin would be available as an assurance fund to back up Ministerial action.

Tenderers may have the advantage of the plant now owned by the Government, and will make allowance for its use.

Delay in opening the line is not of great importance; it simply means delay by a month or two of provision for passenger traffic only over the last seven miles. The line to the Plenty can be completed by the Department, and tenders taken only for works beyond.

I prefer a contract for £14,000 to day-labour work estimated to cost £12,000.

I have, &c.

P. O. FYSH.

The Hon. the Minister of Lands and Works.

TELEGRAM.

Scottsdale, 20th April, 1887.

PLEASE direct Fincham prepare for calling tenders Derwent Valley Railway completion. I had not time to settle before coming away.

E. N. C. BRADDON.

Hon. P. O. FYSH.

TELEGRAM.

Hobart, 21st April, 1887.

DERWENT Valley Railway completion beyond Plenty is to be by Contract. Have this in mind in your arrangements to-day.

P. O. FYSH.

J. FINCHAM, Engineer-in-Chief.

Public Works Office, Hobart, 22nd April, 1887.

DERWENT VALLEY RAILWAY.—COMPLETION OF MR. FALKINGHAM'S CONTRACT.

Sir,

I have this morning been verbally instructed by the Hon. the Premier, in your absence, that the existing arrangements for completing the Derwent Valley Railway are to continue for works up to and including the Plenty Station, but that contract particulars are to be prepared for the balance of the work in order that tenders may be invited for the same.

I have accordingly issued instructions to the Resident Engineer to discharge all the overseers and men; for the storage of plant and materials, and protection thereof; and for the preparation of plans, measurements, and details of all the incomplete work, in order that the necessary data may be furnished to intending tenderers.

I have &c.

J. FINCHAM, Engineer-in-Chief.

The Hon. the Minister of Lands and Works.

NOTED.

E. N. C. BRADDON.

26. 4. 87.

To the Engineer-in-Chief.

To the Engineer-in-Chief.

It is stated that six months will be occupied in getting specifications ready for Derwent Valley Railway works beyond Plenty. The Engineer-in-Chief is requested to state what time this will take. If quantities of total works were accurately taken out the measurement of works done can be taken out expeditiously, and the latter quantity being deducted would give the balance to be tendered for. With proper diligence this ought not to occupy any great time.

E. N. C. BRADDON. 26. 4. 87.

To the Hon. the Minister.

I AM in no way responsible for such an extravagant statement, and have already sent an engineer down to commence taking particulars. I dare say five or six weeks will be necessary, and intend that all possible diligence shall be used, although no great gain will come of it, because of the winter rains and floods that will be upon us ere long now, and make work difficult and slow.

The quantities of total work left to be done in last estimates have been changed by subsequent operations, by day labour and otherwise; and the only proper and satisfactory way now is to re-measure and re-estimate the work to be done. For instance, we have to start with an accurate survey of the bed of the river at piers for No. 2, so as to guide a contractor for remaining work.

As the two bridges will form the principal portion of the work, and require skilled contractors, I should be glad of instructions as to the competition being extended beyond Tasmania. The Hon. the Premier thought that perhaps this was not necessary.

J. FINCHAM, Engineer-in-Chief. 26. 4. 87.

I omitted to say that the Resident Engineer's time must be principally taken up with current work, and that during the next few weeks the "arbitration" will make it impossible for him to do much for new contracts personally.

DEAR MR. FYSH.

I think we must allow Mr. Sheard to continue bridge work, i.e., putting in foundations of bridges, so that the season may not be lost. I propose wiring orders to this effect. This will satisfy all parties, I believe. What do you say?

Yours &c.

E. N. C. BRADDON. 28. 4. 87.

Whatever will satisfy all parties will satisfy me; but, irrespective of that, I shall support your judgment, or rather the exercise of it.

P. O. F.

Most work has to be done at No. 3, and as water is shallow, the winter will not make so much difference to a contractor. I anticipated having to leave off at No. 2 after we had bottomed one of the two piers left to be done. It is not advisable to go on with preparing foundations only, even if we could do so now, as a flood would fill up the excavations with shingle. The divers have left, some for South Australia. Cranes and engines dismantled, stakes down. If the small sub-contracts for material are allowed to go on, this concession may satisfy them.

J. FINCHAM. 28. 4. 87.

SMALL Contracts may be worked out.

E. N. C. BRADDON. 28, 4, 87.

### TELEGRAM.

Askrigg, Macquarie Plains, 28th April, 1887.

Provided divers continued at work at No. 2 Bridge, no great harm can follow short temporary stoppage of work, provided also some more work being done on both abutments at No. 3 Bridge before floods. Individual loss to labouring class has occurred where men bought horses to cart stone No. 3. You can use this telegram.

F. MILNE.

The Hon. P. O. Fysh, Premier.

Some arrangement of temporary character might be made in directions suggested by Mr. Milne.

E. N. C. BRADDON. 28. 4. 87.

DEAR MR. BRADDON,

PLEASE to keep this with records anent this vexed question.

P. O. F.

FILE.

2. 5. 87.