

(No. 71.)



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PARLIAMENT OF TASMANIA.

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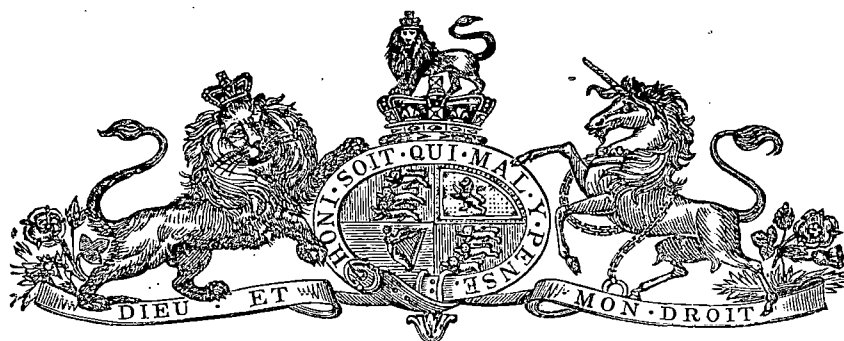
THE GREAT WESTERN RAILWAY AND ELECTRIC  
ORE-REDUCTION COMPANY BILL, NO. 3.  
(PRIVATE):

REPORT OF SELECT COMMITTEE, WITH MINUTES OF  
PROCEEDINGS, EVIDENCE, AND APPENDICES.

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Brought up by Mr. Propsting, November 22, 1899, and ordered by the House  
of Assembly to be printed.

Cost of printing—£46 18s.



*SELECT COMMITTEE appointed on the 26th day of September, 1899, to consider and report upon "The Great Western Railway and Electric Ore-Reduction Company Bill, No. 3." (Private).*

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MEMBERS OF THE COMMITTEE.

MR. BRADLEY.  
MR. FOWLER.  
MR. HALL.  
MR. MURRAY.  
MR. MINISTER OF LANDS AND WORKS,  
succeeded by  
MR. WOOLLNOUGH.

MR. BIRD,  
succeeded by  
MR. PAGE.  
MR. PROPSTING. (*Mover.*)

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DAYS OF MEETING.

Monday, October 16; Tuesday, October 17; Friday, October 20; Tuesday, October 24; Thursday, November 2; Friday, November 3; Monday, November 6; Wednesday, November 8; Wednesday, November 15; Tuesday, November 21; Wednesday, November 22.

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WITNESSES EXAMINED.

Mr. Hugh MacDonald Chrisp, Surveyor-in-Chief to the Great Western Railway Company; Mr. Walter Harcourt Palmer; Mr. Walter Ormsby Wise, Secretary to the Law Department; The Honourable Edward Mulcahy, Minister of Lands and Works; Mr. E. A. Counsel, Surveyor-General; Mr. John Macneill M'Cormick, Engineer of Existing Lines, Tasmanian Government Railways; Mr. F. Back, General Manager, Tasmanian Government Railways; Mr. W. J. McWilliams, M.H.A.; Mr. Stephen Terry; Mr. James Harrison, Inspector of Mines for the Mining District; Mr. R. Trivess Moore, of Melbourne.

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REPORT.

Your Committee, having taken evidence in support of the allegations contained in the Preamble of the Bill, have the honour to report that the said Preamble has been proved to their satisfaction, subject to certain Amendments which the Committee recommend.

Your Committee having agreed that the Preamble, as amended, should stand part of the Bill, then entered into consideration of the several Clauses, and have the honour to recommend certain further Amendments and additions.

Evidence and Correspondence having been submitted to your Committee, suggesting that financial aid be given by the Government to the Promoters, your Committee deem it proper to draw attention to this suggestion, but make no recommendation in respect of it.

Your Committee have now the honour of submitting the Bill, with the Amendments and additions, to the favourable consideration of your Honourable House.

W. B. PROPSTING, *Chairman.*

*Committee Room, House of Assembly, 22nd November, 1899.*

## MINUTES OF PROCEEDINGS.

MONDAY, OCTOBER 16, 1899.

The Committee met at 3 o'clock.

*Members present.*—Mr. Propsting, Mr. Woollnough, and Mr. Page.

The Clerk read the Order of the House appointing the Committee.

Mr. Propsting was appointed Chairman.

The Committee deliberated.

The Chairman laid upon the Table the Petition praying for leave to bring in the Bill.

Mr. Vivian Butler appeared as Counsel for the Petitioners.

Mr. Butler addressed the Committee in support of the Bill.

Mr. Hugh MacDonald Chrisp, Surveyor-in-Chief to the Great Western Railway Company, was called in, made the declaration prescribed in 35 Vict. No. 14, and was examined before the Committee.

Mr. Chrisp withdrew.

At 4.40 the Committee adjourned till 2.30 to-morrow.

TUESDAY, OCTOBER 17, 1899.

The Committee met at half-past 2.

*Members present.*—Mr. Propsting (Chairman), Mr. Bradley, and Mr. Page.

Mr. Walter Harcourt Palmer, C.E., was called in, made the declaration prescribed, and was examined before the Committee.

Mr. Palmer withdrew.

Mr. Vivian Butler submitted to the Committee the following documents, which were ordered to be printed :—

1. The Prospectus of the Great Northern Railway of Tasmania.
2. The Opinion of the Solicitor-General on Sections 17 and 83 of "The Great Western Railway Act, 1896."
3. Letter dated 23rd March, 1899, from Ellis & Co. to W. H. Palmer.
4. Letter dated 27th May, 1899, from Messrs. Jackson & Prince to W. H. Palmer.
5. Letter dated 5th June, 1899, from John Norton to J. W. Bakewell.
6. Letter dated 7th June, 1899, from H. E. Warner & Co. to W. G. Bakewell.
7. Letter dated 8th June, 1899, from John Brunlees to W. H. Palmer.
8. Letter dated 9th June, 1899, from Edwin Sloper to W. H. Palmer.
9. Letter dated 16th June, 1899, from Walford Bros. & Co. to W. J. Bakewell.
10. Letter dated 19th June, 1899, from J. W. Stubbins to J. W. Bakewell.
11. Extract from a letter dated 22nd June, 1899, from H. Tennant to W. H. Palmer.
12. Letter dated 8th August, 1899, from W. E. Dalton to W. H. Palmer.
13. Copies of the Correspondence between the Right Honourable the Premier and the Agent-General (Sir Philip Fysh).

Mr. Butler also submitted to the Committee a pamphlet entitled "Some facts connected with the project known as 'The Great Western Railway and Electric Power Company Limited,' formed under the Act of the Parliament of Tasmania, 60 Victoria."

At 4.20 the Committee adjourned till half-past 2 on Friday next.

FRIDAY, OCTOBER 20, 1899.

The Committee met at half-past 2 o'clock.

*Members present.*—Mr. Propsting (Chairman), Mr. Bradley, and Mr. Page.

At 3.45 the Committee adjourned till half-past 2 on Tuesday next.

TUESDAY, OCTOBER 24, 1899.

The Committee met at half-past 2 o'clock.

*Members present.*—Mr. Propsting (Chairman), Mr. Page, and Mr. Woollnough.

Mr. Walter Harcourt Palmer, C.E., was recalled and further examined.

Mr. Palmer withdrew.

Mr. Butler submitted to the Committee :—

(1.) Opinions on, and suggested alterations to, Sections of the Great Western Railway Act, 1896, (Private.)

(2.) Letter dated 22nd June, 1899, from Mr. H. Tennant, to Mr. W. H. Palmer.

At 4.15 the Committee adjourned *sine die*.

THURSDAY, NOVEMBER 2, 1899.

The Committee met at 11 o'clock.

*Members present.*—Mr. Propsting (Chairman), Mr. Fowler, Mr. Page, Mr. Bradley, and Mr. Murray.

## V

The Committee deliberated.

The Minutes of the last Meeting were read and confirmed.

Mr. Woollnough took his seat.

*Ordered*, That Mr. Back, General Manager of Railways, Mr. Minister of Lands and Works, Mr. J. M. M'Cormick, Engineer of Existing Lines, Tasmanian Government Railways, and Mr. E. A. Counsel, Surveyor-General, be summoned to give evidence, the three last for 11 o'clock to-morrow. (*Mr. Bradley.*)

Mr. Walter Ormsby Wise, Secretary to the Law Department, was called in and made the declaration prescribed and was examined before the Committee.

Mr. Wise submitted to the Committee copies of opinions of the Solicitor-General on Section 15 of the Great Western Railway Act, 1896, (Private), dated 22nd April, and 3rd July, 1899, respectively.

Mr. Wise withdrew.

At 12 o'clock the Committee adjourned till half-past 10 to-morrow.

## FRIDAY, NOVEMBER 3, 1899.

The Committee met at half-past 10 o'clock.

*Members present*—Mr. Propsting (Chairman), Mr. Page, Mr. Bradley, Mr. Hall, Mr. Woollnough, Mr. Murray, and Mr. Fowler.

The Minutes of the last Meeting were read and confirmed.

Mr. Butler explained that he had ascertained that the appendix marked E., which had been put in as being the opinion of the Solicitor-General, was, in fact, a memorandum of the ex-Premier. He wished at the earliest opportunity to correct this error. The advisers of the Company and Mr. Palmer were under the impression that the document was genuine, and it had been handed to them as a copy of the Solicitor-General's opinion, this being the first time he had had an opportunity of seeing the original documents. He very much regretted that the mistake had been made, and could assure the Committee that it was purely unintentional on the part of the Company's representatives.

He also wished to inform the Committee that advices had recently been received intimating the fact that Mr. Austin, who was a member of the Board of Directors of the London Company, had withdrawn from that position.

The Honourable Edward Mulcahy, Minister of Lands and Works, was called in, made the declaration prescribed, and was examined before the Committee.

Mr. Mulcahy withdrew.

Mr. Walter Ormsby Wise was recalled and further examined.

Mr. Wise produced a copy of a memorandum from Sir Edward Braddon to the Solicitor-General on the subject of Section 15 of the Great Western Railway Act, 1896 (Private).

Mr. Wise brought with him for inspection, but did not hand in, the original of the memorandum attached to a number of other documents.

Mr. Butler requested the Committee to call for the documents brought by Mr. Wise.

Mr. E. A. Counsel, Surveyor-General, was called in, made the declaration prescribed, and was examined before the Committee.

Mr. Counsel withdrew.

Mr. John Macneill M'Cormick, Engineer of Existing Lines, Tasmanian Government Railways, was called in, made the declaration prescribed, and was examined before the Committee.

Mr. M'Cormick withdrew.

Mr. Walter Harcourt Palmer was recalled and further examined.

Mr. Palmer withdrew.

The application of Mr. Butler for permission to inspect papers was considered by the Committee.

*Resolved*, That Mr. Butler be informed that the Committee could not accede to the request that the papers brought down by Mr. Wise should be called for, or that he should be granted permission to have access to them, but, that if Mr. Butler should apply specifically to have any document called for, his request would be considered by the Committee. (*Mr. Page.*)

*Ordered*, That a letter be sent to the Honourable the Chief Secretary, with a copy of the papers ordered to be printed by the Committee, requesting him to have those appendices, marked in red pencil, compared with the original papers in the Premier's Office, and certified as true copies.

*Ordered*, That Mr. Back be summoned to give evidence for 10 o'clock on Monday next.

The Committee adjourned till 10 o'clock on Monday next.

## MONDAY, NOVEMBER 6, 1899.

The Committee met at 4 o'clock.

*Members present*—Mr. Propsting (Chairman), Mr. Page, and Mr. Woollnough.

Mr. Frederick Back, General Manager of Tasmanian Government Railways, was called in, made the statutory declaration prescribed, and was examined before the Committee.

Mr. Back produced to the Committee the following documents :—

1. An extract from a letter, dated 5th November, 1896, from Mr. W. Harcourt Palmer to himself.
2. A telegram, dated 7th November, 1896, from Sir Edward Braddon to himself.
3. A copy of a telegram, dated 7th November, 1896, from himself and C. M. Officer, jun., to the Premier.
4. A copy of the "Specification of Works in connection with the Construction of the Great Western Railway."

Mr. Back withdrew.

The Committee adjourned till 10 o'clock on Wednesday next.

WEDNESDAY, NOVEMBER 8, 1899.

THE Committee met at 10 o'clock.

*Members present*.—Mr. Propsting (Chairman), Mr. Hall, Mr. Murray, and Mr. Woollnough.

Mr. Back was recalled and further examined.

Mr. Butler produced to the Committee the Memorandum and Articles of Association of the Great Western Railway Company, and the Contract of Works with Pauling and Co., Limited.

Mr. Back produced to the Committee a "Comparative Table of Rates for 38 miles—Distance, Hobart to Glenora."

Mr. Back withdrew.

Mr. William James McWilliams, M.H.A., was called in, made the declaration prescribed, and was examined before the Committee.

Mr. McWilliams produced to the Committee a letter dated 11th August, 1899, from the Agent-General (Sir Philip Fysh) to himself.

Mr. Palmer was recalled and further examined.

Mr. Palmer withdrew.

The Committee deliberated.

The Committee adjourned *sine die*.

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WEDNESDAY, NOVEMBER 15, 1899.

The Committee met at 10 o'clock.

*Members present*.—Mr. Hall, Mr. Woollnough, and Mr. Page.

In the absence of the Chairman (Mr. Propsting), Mr. Page took the Chair.

Mr. Stephen Terry, Prospector, was called in, made the declaration prescribed, and was examined before the Committee.

Mr. Terry withdrew.

Mr. James Harrison, Inspector of Mines for the Western District, was called in, made the declaration prescribed, and was examined before the Committee.

Mr. Harrison withdrew.

Mr. R. Trivess Moore, of Melbourne, was called in, made the declaration prescribed, and was examined before the Committee.

Mr. Butler produced to the Committee :—

(1.) An extract relating to curves and gradients from the correspondence relating to the Main Line Railway, (Paper No. 29, 1871, page 21.)

(2.) A copy of a letter from the Agent-General (Sir Philip Fysh) to Mr. W. Harcourt Palmer, dated 13th April, 1899.

Mr. Moore withdrew.

The Committee adjourned *sine die*.

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TUESDAY, NOVEMBER 21, 1899.

The Committee met at half-past 10 o'clock.

*Members present*.—Mr. Propsting (Chairman), Mr. Bradley, Mr. Page, and Mr. Woollnough.

The Minutes of the last four meetings were read and confirmed.

The Committee deliberated.

The Committee entered upon consideration of the Preamble.

Amendment made (Mr. Woollnough), page 1, line 4, after "whereas," by inserting "portions of the."

Amendment made (Mr. Page), page 1, line 12, after "manner," by striking out "and have continued such construction to the satisfaction of the Governor in Council."

Amendment proposed (Mr. Woollnough), page 1, line 14, by striking out "as provided in Section Five, Sub-section v., Clause (B) ;"

Question—That the words proposed to be struck out remain part of the Clause—put, and agreed to.

Preamble, as amended, agreed to.

The Committee then entered into consideration of the several Clauses.

Clause 3.

Amendments made (Mr. Page) :—

Page 2, line 18, after "substituted," by striking out "and the whole of."

Page 2, line 19, before "Clause," by inserting "Section 5, Sub-section v., the whole of."

Page 2, line 23, after "substituted," by striking out "Section 15—After the words 'Three feet Six inches,' in the fourth line the words 'and in the discretion of the Promoters' are hereby inserted."

Clause postponed.

At 12.10 the Committee adjourned till half-past 10 to-morrow.

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WEDNESDAY, NOVEMBER 22, 1899.

The Committee met at half-past 10 o'clock.

*Members present.*—Mr. Propsting (Chairman), Mr. Bradley, Mr. Fowler, Mr. Murray, Mr. Page, and Mr. Woollnough.

The Minutes of the last Meeting were read and confirmed.

The Committee further considered the Bill.

Clause 3 further considered.

Amendments made (Mr. Woollnough) :—

Page 2, line 35, after “inserted,” by striking out “and the whole of the last Clause, beginning with the words ‘Provided that,’ and ending with the words ‘the said Railway,’ are hereby expunged.”

Page 2, line 41, after “substituted,” by adding “and after the word ‘west’ in the fourteenth line of the said Section the words ‘and the boundaries of such blocks shall be marked along the railway line by the erection of such posts with notices thereon, as may be approved by the Minister,’ are hereby inserted.”

Clause, as amended, agreed to.

Clause 4 disagreed to.

Clause 5.

Amendment made (Mr. Page), page 2, line 49, before “It,” by inserting “subject to such regulations and restrictions as are, and may be from time to time made by the Minister in respect of timber growing upon Crown lands.”

Clause, as amended, agreed to.

Clause 6.

Amendment made (Mr. Page), page 3, line 1, after “persons,” by striking out “who shall at any time, under agreement with the said Promoters, be engaged in prospecting or searching for minerals or metals on any of the Seven blocks of land mentioned in Section Eighty-three of the said Act,” and inserting “shall at any time have the right to prospect or search for minerals or metals on any of the Seven blocks of land mentioned in Section Eighty-three of the said Act, and acquire lands from the Promoters on the same terms as mineral lands are from time to time acquired from the Crown, but subject always to the additional payment to the Promoters of the royalty provided in the said Act and.”

Clause, as amended, agreed to.

Clause 7.

Motion made, and question put—That the Clause be disagreed to. (Mr. Woollnough.)

The Committee divided.

*Ayes.*  
Mr. Woollnough.  
Mr. Fowler.  
Mr. Murray.

*Noes.*  
Mr. Bradley.

So it was resolved in the Affirmative.

Clause 8 agreed to.

Draft Report brought up and agreed to.

The Committee adjourned *sine die*.

## EVIDENCE.

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MONDAY, 16TH OCTOBER, 1899.

The Committee met at 3.15 P.M.

*Mr. Butler* :—The reasons for which the Company are coming to Parliament to have amendments made in their Bill are the unsettled state of affairs on the English market, principally caused by some telegrams and correspondence which has passed between members of the Government of Tasmania and the Agent-General, and this, whether rightly or wrongly, has caused a feeling in the minds of the public and of London financiers that the Government is hostile to the Company, and that under these circumstances they will not receive that liberal support that they might fairly ask, and such an interpretation of the Act as would meet the views of the people who are finding the money for construction of the line. Also, taking into consideration that other colonial Governments have had concessions of a similar character given to promoters of companies placed on the market, that they have not dealt with the promoters and the public, who have found the money, in the way that a commercial house anxious to keep its footing would do. We find in some correspondence I wish to have put in later on that some very strong opinions are expressed as to the action of the Government in not giving that interpretation to the Act that might have been expected. It will be seen from perusal of the correspondence between the Agent-General and the Premier of Tasmania that the Agent-General has always been very hopeful of the flotation of this Company. Again and again in his letters he says, "I am hopeful that the Company will be floated." Notwithstanding the various delays that have taken place, he still points out the way in which it is being put before the people in England, and that the prospectus is not at all highly coloured. Every word has been scrutinised by the ablest heads of solicitors' firms in London, and the Agent-General says he could put his name to these documents, as Agent-General, without in any way compromising the honour of the Colony. Under these circumstances money was subscribed, and a large amount underwritten. The amount of £1,100,000 was underwritten on terms which appear likely to be accepted. [Telegrams were read from Mr. Fitzgerald to the Agent-General, dated March, and from the Agent-General to Mr. Fitzgerald in reply; also letter dated 20th April, 1899, from the Agent-General to the Premier of Tasmania. The Attorney-General's opinion was read, and also the Solicitor-General's opinion, dated 20th April, 1899; also reply on the Solicitor-General's opinion sent by the Premier, dated 22nd April.] I should like to call attention to the Solicitor-General's opinion as to curves and grades being used as often as required. The Premier says exactly opposite. The whole of this trouble has been caused—as Mr. Palmer will tell you when giving evidence—by the actions of the Government of Tasmania. Had the Government fallen in with the suggestions of their Agent-General, there is no doubt that the Company would have been floated, and a very large sum of money would have been spent in the Colony. The contractors are men of the highest standing in England, and the contract is for a very reasonable sum indeed—less by £160,000 than for building somewhat similar railways in Tasmania. The matter as to the concessions having lapsed naturally caused some feeling of distrust amongst the financiers, but hearing that the Government had selected their blocks and also accepted the surveys, put the agents in England under the impression that the concessions really had not lapsed, and that though the Government at the time had stated the concessions had lapsed, they had subsequently given up that opinion as not being tenable, more especially as advice was given by Sir Edward Clarke, of England, that the Company had fully complied with the requirements of the Act. [Letter from the Minister of Lands, dated 30th December, was read.] The Company's blocks were pegged on the 26th November, so that the Government have treated the Company as being alive. There is a letter from the Premier, of the 5th June, 1899, in which he refers to floating the railway upon lapsed concessions. He can hardly say in June, 1899, that they had lapsed in November, 1898, when, on the last day of December, 1898, the Minister had selected the blocks under the Act, and was really acting under the Act, the concessions of which were said to have lapsed. I will now call Mr. Chrisp, engineer in charge of the railway.

MR. CHRISP took the declaration.

1. *By Mr. Butler*.—What is your name? Hugh M'Donald Chrisp.
2. You were engineer in charge of the survey party of the Great Western Railway Company?  
Yes.
3. When did you begin the work of the preliminary survey? At the end of September, 1897.
4. How many parties were working on that survey? Three.
5. Who were they? My own party of 10, and Mr. Duffy's at Zeehan, and afterwards Mr. Griffith's, near Queenstown.
6. You started the survey at three different points, then? Yes.

7. What points? Glenora at this end; Leslie Junction at the further extremity; and Mount Sedgwick close to Queenstown.

8. How many men were there with each party, speaking roughly? There were from 10 to 12 in each party.

9. How long did the survey take you? From September, 1897, till April, 1898—about seven months. The survey has gone on continuously ever since that date. The preliminary survey was finished then.

10. How much was the cost of the preliminary survey? About £3500.

11. Was Mr. Bernard employed on the work? Not under the present Company. He was under a previous Company.

12. Have you furnished the Government with plans of the survey of the whole of the line? Yes.

13. Is that the result of the actual survey made by you? Yes; myself and my assistants.

14. You took the actual bearings, curves, and distances? Not the curves.

15. You would take the distances and bearings? Yes.

16. From the field notes you would prepare your plan? Yes.

17. Have you deposited any plans and sections of any portions of the line? Yes; since the preliminary survey was sent in I have deposited four different lots.

18. When did you deposit them? From Glenora, mileage 0 to 4 miles 53 chains, deposited on 9th May, 1898; the second batch from 4 miles 53 chains to 10 miles, on 6th June, 1898; a third lot from 10 miles to 15 miles, on 15th July 1898; the fourth lot from 15 miles to 20 miles on 25th October, 1898.

19. Twenty miles complete of the working plans? Yes.

20. Have the Government accepted them? Yes.

21. Did they make any statement to you with regard to them? Yes.

22. What was it? I received a communication which came either from the Minister of Railways or from Mr. M'Cormick. At any rate, it came through the Ministry, to say that the plans were satisfactory and were accepted by the Government.

23. Have you had any conversation with Mr. M'Cormick? Yes.

24. Did he consider the plans satisfactory? Yes, quite satisfactory.

25. Have you done any further than 20 miles of survey? Not finally completed. We have done a considerable amount of work up to about 30 miles. The work is not quite completed, but a great part is done.

26. Is the preliminary plan in accord with Section 15 of the Act (Section 15 read)—you notice what is said about grades and curves—is it in accordance? Yes. Curves are not shown on the preliminary plan.

27. Your survey is made with the object in view of showing them later on? It will show them—yes.

28. Are the grades not more than one in forty, and is the preliminary survey made so that the curves shall not be less than five chains radius? No grades on the plan exceed 1 in 40—there are none steeper. I can hardly answer about the curves, because you can put any curves you like.

29. As you prepared the survey, the curves will not be less than 5 chains? Until they are actually shown or put in you cannot say that there can be curves of any particular radius.

30. Were not the instructions of Mr. Palmer that grades should not be more than 1 in 40, and curves not less than 5 chains—was that carried out? Yes.

31. You know the position of the eastern boundary of the line? Yes.

32. You know the terminus at the Western mining division? Yes.

33. And the preliminary survey between these points, will that be the position of the permanent survey? It will be approximately.

34. Does not the country compel you to that? In some particular parts. The final survey must follow closely on the preliminary. There will be, of course, little deviations here and there. For 30 miles the final line is almost identical with the preliminary line.

35. Up the Rasselas Valley, for instance, will it adhere to the preliminary survey? That is the portion I have referred to.

36. You remember as to selection of the blocks—having made this preliminary survey, it is really the permanent survey as far as the selection of the blocks is concerned? Yes, fairly so. It fixes the position of the blocks.

37. Have the Government approved of the fixing of these blocks? No.

38. Are they marked out? So far as the eastern block, the Government say they will select that block. Still that is only on paper. They were marked on the paper by the Government.

39. When did you begin the work of construction? On the 23rd of May, 1898, and stopped on the 27th of July, 1899.

40. Where did you begin? Close to Glenora.

41. Did you peg off the first block? I posted a notice up at the corner of the block.

42. When? On the 25th November—or it may have been the 24th: I am not quite sure.

43. About the working plans for the first 20 miles: have these been accepted? Yes.

44. Did you see a letter from the Minister of Lands and Works, dated 30th December, 1898, about pegging off (letter read)? No. Mr. McWilliams informed me as to its purport.

45. You remember that you left off work some little time ago, in August? Yes.

46. Did you proceed with the work after the Government had given leave to stay? Yes.



47. How long? I think about 3 weeks afterwards—a month or 3 weeks.
48. Do you remember an interview with the Minister as to the number of men arranged? Yes.
49. When? About the beginning of May, 1898.
- 49A. You know the terms of the Act when to commence construction? Yes. To commence work 18 months from the date of the Act.
50. Did you do so? Yes; about two or three days before.
51. Did you continue? Yes.
52. Until when? Till the 27th July last.
53. Did you conform with the remarks made by the Minister as to work? Yes.
54. You will notice, in Section 15, that the rails are to be 43 lbs. to the yard: do you know if it was proposed to put heavier rails in? Yes. From correspondence we have received from England, the contractors who were willing to take it up proposed to put in heavier rails.
55. How much heavier? 60-lb. rails.
56. Is that provided for by the contract? Yes.
57. Is there any difference in the ballast? It is somewhat heavier than provided for by the Act.
58. The contract provides for a more expensive line than the Act? Yes.
59. In other respects is it equal to the Act? Yes.
60. There is one point I want you to be particular on: did you maintain the number of men, as agreed to by the Minister? Yes.
61. All the time? Yes. Occasionally, perhaps, two or three men may have been sick, or away for a day or two. The number of men agreed upon by the Minister was 25. We had actually one man in excess of this.
62. Never less? No; never less.
63. *By the Chairman.*—You say the plans of the survey of the whole of the line were deposited with the Government? Yes.
64. And the working-plans and sections of about 20 miles? Yes, exactly 20 miles.
65. Will the course of the railway deviate much from the original plans? No; I do not anticipate that it will.
66. Does any part of the line present any serious engineering difficulties? No; portions will be expensive to construct; still, there are no unusual difficulties: it is similar to country in which several lines have been constructed in Tasmania already.
67. Does your account of what has been spent in surveys include what had been paid for clearing? No.
68. How much is that? About £180 a month. We have spent about £2500 in clearing.
69. Is that the only additional expense beyond what has already been told us, as far as you are concerned? The survey has been carried on simultaneously with the clearing.
70. What has been expended in that? About £2500, a similar amount. That is, since the first £3500 was spent there has been about between five and six thousand pounds spent in addition. About £8500, or £9000 altogether.
71. How far have you cleared? To 17 miles from Glenora.
72. I understand none of the blocks have been surveyed? No.
73. In the amended Bill it is proposed, instead of surveying and marking them out on the line, to mark them out on plans: do you know the object of that? No. Perhaps it is to save the very large cost of survey.
74. Would it be a difficult matter for prospectors to say whether or not they were on the company's land if the blocks were not surveyed? Yes, it would.
75. Will it make any difference to the character of the line if maximum grade and minimum curve is used as frequently as you like? A very decided difference.
76. What will the difference be? The cost of traffic on the line will be very much increased, because the engine would not pull anything like the loads, and the wear and tear on the rolling-stock would be increased. That is to say, a line with these 5-chain curves and 1 in 40 grades would be more costly to operate than one in which the curves and grades are easier.
77. Will the character of the line, as a serviceable line, be lessened by your frequently using the curve and grade mentioned in the Act? No, except that the speed of trains would not be so great.
78. Is the speed of the trains regulated by the Act? Yes, it says 15 miles an hour. That is the minimum speed.
79. I see the ballast stated in the Act is 1330 cubic yards per mile: do you know what is proposed? 1330 cubic yards to the mile would be about  $16\frac{1}{2}$  cubic yards to the chain, and the contractors propose to use 22 yards to the chain, that is,  $5\frac{1}{2}$  yards more.
80. *By Mr. Woolnough.*—Do the 20 miles working plans show the grades? Yes.
81. What is the steepest grade in these 20 miles? 1 in 46, I think. I know there are none down to the limit, and the piece of 1 in 46 is a very short bit.
82. Do they show the curves? Yes.
83. What is the minimum curve? 5 chains radius.
84. The remainder of your survey, I understand, is preliminary survey: does that show the grades? Yes.
85. What is the steepest grade in the whole lot? It is under the limit.

86. Are there any very steep grades near the limit? 1 in 45 is the steepest
87. In the same way, does the preliminary survey show the curves? No.
88. I understand only the first block is pegged out? It is not surveyed. A notice was posted at one end in the usual way of posting notices. When a piece of land is applied for it is usual to post a notice, and we did that.
89. That applies only to the first section? Yes, only to the first block. Still, the position of the first block regulates the whole of the succeeding blocks.
90. The last of the working plans was sent on 25th October 1898? Yes.
91. Have any working plans been prepared since that date, or have you only been engaged in the preliminary survey? We have been proceeding with the permanent survey since then. We have been working continuously since the beginning of August.
92. No further plans have been sent in? No.
93. Have you them ready to send in? Not quite ready, but we have a very considerable amount of information towards it.
94. How many miles would that include? About 10 miles more.
95. *By Mr. Page.*—Have you kept the same number of men employed from October to July—you spoke of having three batches of 10 or 12 men each? Those were only survey parties.
96. How many had you employed from October to July? One survey party of about the same strength as formerly.
97. Has the work done between October and July been continuous with the permanent survey? Yes. As well as the survey a considerable amount of work was entailed in cutting tracks. It was necessary to cut horse tracks.
98. You spoke of the curves making a difficulty in the ability to keep up the speed required. Is there anything to suggest any difficulty in keeping up the required rate of 15 miles an hour? Certainly not.
99. *By Mr. Woolnough.*—You have spent, I understand, £3500 to 25th October, 1898. Can you give any rough estimate as to how much money has been spent since then in preliminary survey and preparing for more detailed plans? Up to April, 1898, we had spent about £3500.
100. And since then? Since then we have had one survey party, and the permanent survey cost about £180 a month, up till last August. That is, 16 months at £180—about £3000.
101. That is in addition to the £3500? Yes, on the permanent survey.
102. Then there is the preliminary survey? That cost about £3500. And about £2500 in clearing, in addition to the two sums. The figures are only roughly given.
103. It is really about £10,000 altogether? Yes, somewhere about that. Perhaps more—certainly very little less.
104. That is, roughly, the whole of the money spent on survey and construction work? Yes.
105. *By the Chairman.*—Do you know what is the minimum curve and maximum grade on the Main Line? No.
106. Do you produce copy of any plan showing the work that has been done? No, I have a plan of the preliminary survey. The Government have copies of all plans.
107. *By Mr. Butler.*—As to the expenditure you have been giving us—does that include money paid in the London Offices? No, it is what has been spent locally and passed through my hands.
108. As to putting in plans in sections—is it usual in building railways to put the plans in in sections? Yes; I believe, in Tasmania, it is. Other companies building lines have pursued a similar course.
109. Suppose you waited till the whole survey was finished, how long would it take to complete the line—would you do it in the time allowed by the Act? It depends, of course, upon the number of surveyors at work.
110. It would then take an extraordinarily large staff? Yes.
111. It is absolutely necessary that it should be allowed that plans be put in in sections? It is certainly a more reasonable way.
112. Looking at the time it would save? Yes.
113. The expenditure, roughly speaking, was £400 a month? Close on £400 a month.
114. That is the local expenditure passing through your hands? Yes, that is for clearing and surveys.
115. There is one thing I would like to call your attention to: I am afraid I made you say that Mr. McCormick had approved of the whole of the plans that had been sent in? The whole of the plans and sections.
116. Not the preliminary survey? No.
117. He has approved of the working plans in sections that have been put in up to 20 miles? Yes, not for the whole route. I have received no communication as regards them.
- The Committee adjourned at 4:35 p.m.

TUESDAY, 17TH OCTOBER.

The Committee met at 2:30 P.M.

MR. WALTER HARCOURT PALMER, *examined*.

Mr. Palmer was called, and took Statutory Declaration.

*Mr. Butler.*—I think it would facilitate matters if I read over a statement to Mr. Palmer which he made in the *Mercury* of 12th August, and asked him if it were true, and put it in as part of his evidence.

The extract was read as follows:—

“ Asked what was the present position of affairs in regard to the London company and the making of the line, he said, ‘ If Parliament will give us the concessions we ask, and pass a Bill this session giving a more liberal interpretation to certain Clauses, such as is suggested by more than one of the leading barristers at the English Bar, and drafted by them, the flotation may be regarded as completed; the money was absolutely ready. Messrs. Pauling and Co. have actually signed the contract, the price being £1,017,000, most of which must be spent in Tasmania, the railway to be completed in two years. When they signed the contract they were not aware of the necessity for the interpretations of the Act that we now seek. That contract still holds good; but it would be absolutely unfair and inequitable to compel them to carry it out until these stumbling-blocks have been removed. My mission here at this time, then, is to get such an amending Act passed as I have indicated, and I believe your Parliament will do this much for us in the interests of the whole Colony, as well as by way of doing an act of justice to the contractors and the promoters of the line. When the public of Tasmania will have read all I have to say to you, confirmed by documents among the host of those you see before me, I think they will all strongly sympathise with us, and support us, regarding what we ask for as only right and fair. At present, a very illiberal construction is put upon some of the Clauses of the present Act by your Law Department, and which has done no end of mischief, as it has caused the English financiers and underwriters to be under the impression that the Tasmanian Government are our strongest opponents, and at present we cannot get them to abandon that idea. It will be seen at once that that is a very unfavourable condition of things. Remove that difficulty and the building of the line without further delay is assured, and my colleagues in Adelaide believe that your Government is in sympathy with us, and will do everything that is fair.

“ Statements have been made relative to myself in Hobart and elsewhere that have been cruelly unfair to me, and I am reluctantly compelled to ask the *Mercury* to allow me to put the real facts of the case before the public, leaving them to judge whether or not I have acted throughout as a friend to Tasmania in the matter of this great project, which, if accomplished, will connect your capital with its magnificent harbour, and the southern districts of the Colony, with what is believed will prove to be the finest mineral fields south of the Line. It is nearly 20 months since I left Hobart. At that time everything was done that could be done by certain persons to put me under a cloud, and to some extent they succeeded for a time. The evidence given before the Select Committee on the Great Western Railway Bill was represented in various guises, with the object of showing that I should be mistrusted; but I now think I have turned the tables on my detractors and those opposed to the best interests of the project. My then partner, Mr. Charles Officer at that time said the money required could be found, and notwithstanding the financial difficulties Mr. Officer fell into, the firm that he was then connected with could no doubt have found the money. I am now back from London in a position to assert, without qualification, that the money was assured in London months ago, and was obtained by myself, in confirmation of my late partner's statement, and I now ask that the evidence that I have given before the Select Committee may be examined as a proof of my *bonâ fides* instead of justifying the allegations that were made. Nothing but the action of certain people here and in Melbourne has prevented the work going on at the present moment. The money is now available, providing your Parliament will allow the Act to be fairly interpreted, and interpreted in honest English.

“ Through the statements of certain people in Hobart to Mr. Rymill during his visit here, the Board of Directors in Adelaide absolutely refused to allow me to go to London as the representative of the Great Western Railway Company, even after they had previously “minuted” a resolution that I should go. That involved my either throwing up the interests of a large minority of the shareholders who had placed the same in my hands, or my going to England at my own expense and watching the operations of the Company's attorneys, Messrs. Horn and Bakewell. But before going further into this part of my account I must here revert to an earlier stage of the proceedings. Mr. Charles Officer and myself, who were members of the firm of Officer & Co., got the Act passed, and everybody in Hobart will remember the circumstances and the difficulties that then arose. Through the death of Sir W. Clarke the Company went into liquidation. Mr. O'Dowd and I then offered Mr. Brown (the liquidator) £10 for the assets of the Company, and undertook to discharge all debts of the Company. This offer, after some deliberation, was accepted. There was no chance of finding the £10,000 deposit in Melbourne, and there was only a few days left in which to find it. So I immediately went to Adelaide, and there, on the very night before the date when the Bill would be forfeited, I managed to raise the last £1000, and wired the money to Hobart. I did not take advantage of the trust reposed in me by the shareholders in Melbourne, but handed to every shareholder their *pro rata* interest in the new company now formed. The Melbourne *Punch* of June 3, 1897, referring to it, said: “ Sir William Clarke's trustees will lose the £2500 deposit he planked down to the Tasmanian Government for the Great Western Railway concession. When the option looked like falling through an Adelaide syndicate paid up the required £10,000, and takes over the scheme. Mr. L. C. Agar Wynne was Sir William's chief supporter in this deal, and it was intended to send him to London to float the concession into a large company.” In the next week's issue of the same journal a letter, signed by Mr. C. L. Nation, one of the shareholders, appeared, which you will see read as follows:—

“ “ In your edition of the 3rd June a statement is made in regard to the Hobart Railway Co. now in liquidation, and also to the advance made by the late Sir William Clarke of £2500, to pay the first deposit

of £2500 to the Tasmanian Government. I must point out to you that the liquidator of the company sold such undertaking and property to Messrs. O'Dowd and Palmer, of Broken Hill Chambers, Melbourne, for a small sum, and a further sum sufficient to pay that company's debts, including the late Sir William Clarke's £2500. Mr. Palmer subsequently went to Adelaide, and sold the same property to an Adelaide syndicate on exceedingly good terms, and he then immediately and gratuitously arranged that the shareholders in the old company should share proportionately in the interest which they obtained from the Adelaide syndicate, so that they will receive exactly the same interest as if the liquidator had sold directly to the syndicate. I think such magnanimous and straightforward action should be made public, instead of paragraphs which are absolutely misleading and detrimental to Messrs. O'Dowd and Palmer, who were instrumental in obtaining the advance made by the late Sir William Clarke of £2500, and which £2500 is absolutely secured." Up to this point, then, you will see how I acted, and how what I tell you is confirmed by others.

"After this matters seemed to be going on swimmingly until Mr. Rymill came to Hobart. To my great astonishment, the moment he arrived in Hobart my power in the promotion of the railway was, for a time, neutralised, and when I returned to Adelaide I was further astonished to find that I was to be ignored by the other promoters, they regarding themselves as the originators, promoters, and everything else. After several very disagreeable episodes in Adelaide, I was formally told I was not to go to London to float the company, or as a representative of the provisional company in any way; but, in the interests of those shareholders who had throughout trusted me, I went at my own expense. I met Messrs. Horn and Bakewell, the attorneys for the provisional company, at the Bank of Adelaide, in London, when Mr. W. A. Horn positively and distinctly refused to have anything to do with me, notwithstanding the fact that I was in a position to introduce him to certain people who were able to float the company.

"Several months elapsed, when Messrs. Horn and Bakewell approached me, asking me to assist them in the very difficult task they had undertaken. Having the interests of those shareholders who had all along trusted me at heart, I acceded to the request, and worked with them heart and soul, with the result that, notwithstanding the hostility and intense antagonism of certain persons, and with the assistance of some firm friends, to whom I am under a deep obligation in the matter, the flotation of the company was put on a firm footing, and I here wish to state that, though Messrs. Horn and Bakewell misunderstood me upon my arrival in London, in consequence of the actions of the Adelaide and Hobart people above referred to, they afterwards proved themselves to have been as magnanimous and just as any men could be, and were most energetic. I would, perhaps, have failed, had it not been for the very able legal assistance given me by Mr. Bakewell, and the knowledge of company affairs generally displayed by Mr. Horn, and I also wish it to be clearly understood that I am now working in thorough harmony with my co-directors in Adelaide, and, I believe, the whole of the shareholders of the company. Here is a letter, dated the 5th of the present month, from the Adelaide directors to me, which I wish to have published:—

"“Messrs. Horn & Bakewell have both written that you have been of the greatest assistance to them in London, and have been mainly instrumental in obtaining underwriters for shares and debentures. They have also stated that the scheme of flotation was actually assured and would have been completed in a few days, had not Sir Edward Braddon sent to London certain telegrams at an inopportune moment that prevented the flotation.”

"I may say with reference to that letter, that, with one exception, the directors on the London Board are some of those who assisted me in London. The Board of Directors is as influential a body as have ever been got together to promote any concern south of the Line. Mr. Henry Tennant is the Chairman. He is the late General Manager of the North-Eastern Railway, and is now a Director of the Company; Chairman of Directors of the York City and County Bank, and Chairman of Directors of the Central London Railway Company. Then there are Mr. Wm. Austin, Chairman of the Rhymney Railway Company, which is one of the most "fashionable" railway stock in England, in that it has for years paid the highest dividend of any railway company in the old country; Chairman of the Cardiff Coal Company, and of several other Companies; Mr. James Craik, Director of the Central Argentine and Southern Mahratta Railway Companies, both of which are large dividend-paying concerns; and Mr. W. Frederick Pepper, the sole proprietor of the principal collieries in Yorkshire—the Monk Bretton Colliery Company, Barnsley. The Solicitors are known throughout the world as a firm doing the largest business in connection with railway companies, namely, Messrs. Norton, Rose, Norton, and Company. The engineers in England are a firm called "Messrs. Jno. Brumlees," who also have a world-wide name; while the Solicitors for the debenture-holders are Messrs. Bircham, who some years ago acted for the Tasmanian Government in a case in England. So you see there is not a dummy name on the prospectus, or one that will fail to inspire confidence on the part of investors and all classes; and if we now obtain the amending concessions we seek, the Great Western Railway will be a *fait accompli* at an early date. It is a pity that the rules and regulations of your Parliament compel us to go through the usual routine of advertising, &c., on account of its being a private bill, and so lose a certain amount of valuable time; but that cannot be helped. The Bill will be advertised in *The Mercury* in a few days, and no time will be lost on our part.

"I may say I found that the representatives in London in that matter were probably, through ignorance, misrepresenting the Great Western Railway."

"Mr. Palmer added:—“You may mention that while in Adelaide last week I arranged with my co-directors that I should make extremely reasonable terms with any prospectors who would like to go on to the company's blocks. The Government would not concede more reasonable terms under their mining Acts. I am informed that one syndicate has been formed in Adelaide already, for the purpose of prospecting on the blocks, and another is in course of formation. Already some "finds" have been made on our line.

"I think I may best answer that by handing you an extract from a letter received from Sir Philip Fysh by a Hobart gentleman, dated June 30, 1889, twenty days after I left London. It is as follows:—“Mr. Palmer and his co-operators here did good work, a perpetual strife against great difficulties, removing obstacle after obstacle, overcoming objections, and planting faith in the venture with such a strong company of contractors as 'Paulings Limited,' and so eminent a body of directors. Palmer deserves success.”

118. Was that statement made by you to a *Mercury* representative? Yes, some time after I came here.

119. Is such statement correct? Yes. [Letter, Appendix A, read from Mr. W. E. Dalton to Mr. W. H. Palmer, of 8th August, 1899, as to flotation being hindered.]

120. I must take you back to the beginning of this scheme: what was your connection with this scheme from its inception? I was the originator.

121. When was that? Late in 1895.

122. Are you a Director of the Company now? Yes, a Director of the present Company.

123. The Bill was passed on 26th November, 1896: what steps did you then take to float the Company? I collected all the information that could be obtained in Tasmania and summarised it in a pamphlet.

124. Have you the pamphlet? Yes. [Pamphlet produced.]

125. What was done then as to survey? I engaged three surveyors—Burrows, John Brown, and Bernard.

126. What initial expenses were there in connection with the survey? They were out for several months. I think the initial expenses in connection with the survey were about £4000 or £5000. They found and surveyed the two divides—the King William Divide and the Humboldt Divide—and made a rough trial survey through

127. Who found that money? The original company found most of the money.

128. The Act was passed on 26th November: when did the party start work? Before I left here, which was in December.

129. Were you going to England to float the Company? Yes.

130. What was one of the reasons which prevented you? The branch line questions—the Emu Bay line.

131. What had that to do with it? I had to come over here.

132. Where were you? At Adelaide, *en route* for London.

133. What bearing had the Emu Bay branch line on the flotation? It was believed at that time that if branch lines were run into Mount Lyell without the Emu Bay line running to Zeehan, that a line connecting Mount Lyell with a port would interfere with our chances of floating the railway connecting the Capital with Mount Lyell.

134. Was that mooted when you first had your scheme brought out? No.

135. What other surveyors were employed on the survey? No others, till the fresh Company was formed.

136. After you had reconstructed the Company? Messrs. Chrisp, Duffy, and Griffiths.

137. How much did they do? They surveyed the line right through. They were enabled to go right through without stoppage by the amount of work that had been done by the other surveyors, who had found the crossings of the various divides.

138. Have you any idea what was the cost of the survey? About £3500, for the survey. I would rather allow Mr. Chrisp's evidence on that point to stand as it is.

139. What money has been expended in the Colony in connection with this scheme? The amount of money I had to pay for debts of the old company when I took over this Company was £7400. £2600 was spent by the old company prior to that on surveys, &c., and of course part of that £7400 was part of the money that had been spent on the surveys, too. Then there was £10,000 deposit. The £7400 included £2500 advanced by Sir William Clarke. About £30,000 has been spent in the Colony, including the deposit. This does not take into consideration the office expenses, but is simply the money spent here or deposited.

140. When you went to England what took place when you arrived? Horn & Bakewell said if I could float the Company they would give me a fair show, but on my telling them I could introduce them to some very important people who would look into the thing, and who rather liked it, they refused to have anything to do with my suggestions at all. I think up to that time they had no idea I could introduce them to anybody, and when they found I could they did not like losing a share of the profits they would have got for the flotation, if I had had no hand in it.

141. How long did they keep to the intention of floating the Company, apart from you? Eight or nine months.

142. During that time what were you doing? I arranged the whole of my present float during that time, and had men ready to step in on the very day they told me I could float.

143. What did you do then? I sent out £500.

144. How? By wire, through the Bank.

145. Where to? To Adelaide, to carry on the survey here, and continued payments of £500 monthly during the rest of the time I was in England, until a month before I left.

146. That was sent out by your people? Yes.

147. Then during the time Horn & Bakewell were attempting to float you were perfectly right with your men? At times I was perfectly right, and at times they were off; because, for instance, the first firm I introduced them to was quite ready to go on with the scheme at once. Then they took the big Chinese railway on, and were of course unable to take up more, and I had to find fresh men. As a matter of fact, on three different occasions I had three separate sets of men ready to go on with the work. The time that Horn & Bakewell occupied in trying to float made some of them go off.

148. After the matter came into your hands, how did you succeed? When it came into my hands we had a rather awkward time. War was talked of between France and England over the

Fashoda affair, and that delayed the matter considerably. Of course people will never find money in England until war has actually commenced. That is a well known fact. When there is rumour of war they wait to see what the effect will be.

149. I am referring to the correspondence laid before the House—there is a paragraph in Sir Philip Fysh's letter to the Premier, dated 17th March, 1899—at that time were you sending out money? Yes.

150. What was the date when you took over the flotation? About the 22nd February, 1899.

151. What firms of solicitors are these mentioned in this letter of the Agent-General? Messrs. Norton, Rose, Norton, and Company. They are the solicitors for the new Company.

152. And the other solicitors? Messrs. Bircham and Company acted for the debenture underwriters.

153. What did they do in regard to the prospectus? They examined it carefully and thoroughly, and examined all the reports carefully, and would not let anything go into the prospectus that was not vouched for by documentary evidence.

154. A strong Board of Directors was formed? Yes. The £500,000 worth of preference shares was subscribed by very strong firms, including Barclay, Pauling, Erlanger & Co., &c., all substantial financiers. The £600,000 debentures was all underwritten, with the exception of £50,000 that Mr. Horn said he would take.

155. Was that arranged for? Yes, a few days later. The financiers said it was no use hurrying the thing through. They work on these lines—they underwrite a thing and make themselves responsible for it, but expect the public to take it up, and won't put anything on the market till the people are in a state of mind to take it up. If the thing had been pressed a little we might have got it through, but we agreed to the financier's request.

156. Were you in communication with the Agent-General? I was in communication with the Agent-General every day. The Premier did not take the advice of the Agent-General.

157. [Extract read, Appendix W., from letter of the Agent-General]: What was the object of the Agent-General in writing this? I cannot say. He never spoke to me on the subject of any hitch occurring.

158. What have you to say on the clause about being an advantage to the Colony: I want to know how much money it is anticipated would have been brought into the Colony? Everything would have been spent—a million pounds—with the exception of the £200,000 for material, equipment, &c.

159. [Telegram, dated 14th April, from Fitzgerald to the Agent-General, and his reply, was read (Appendix Z.)]: Did you know of that telegram being sent? Yes.

160. How were matters progressing then? Everything was then practically fixed.

161. That was about the 14th April? Yes; the time Pearson came into the thing.

162. [Letter from Agent-General to the Premier, dated 14th April, read (Appendix A.A.)]: What alteration is that mentioned? I expect about the 60 lbs. rail, because I did not consider 43 lbs. was sufficient for heavy traffic.

163. Is that agreed to in the contract? Yes.

164. The rails will be 60 lbs. instead of 43 lbs.? Yes.

165. *By the Chairman.*—What do you mean by "agreed to in the contract"? I mean the contract signed by Messrs. Pauling & Co.

166. *By Mr. Butler.*—Here is another letter, Appendix B., written by the Agent-General, dated 20th April, 1899, with reference to local expenditure. [Letter read.] What have you to say to that? Sir Philip Fysh interviewed the contractors at my request, or rather allowed them to interview him, and he told them that the curves and grades could be used as often as the contractors liked, and they then asked him if he would wire to ask if this was the case. I knew why the contractors did it, although the Agent-General did not. Mr. Pauling asked me to allow him to test the Government by asking a simple question, to see whether they were hostile or friendly. I said, "You can do as you think fit." He brought me this telegram and got Sir Philip Fysh to send it. I said, "Why did not you ask about some clause on which there was some doubt?" He said, "That would not answer the purpose; they would then have perfect right to answer and say there was a doubt." I said, "Mr. Pauling, I do not see how they can answer in any other way than 'Yes.'" Pauling said he had dealt with 83 different Governments in different parts of the world, and that the simpler the question and the easier it is to answer, the more easily the hostile Government puts its foot in it.

167. Was there any question about lapsed rights then? No. A wire had been sent Home to Sir W. Perceval by the Government of this Colony saying that the plans had been deposited. Then another wire was sent Home that the first block of land had been chosen by the Government fixing the position of all the blocks, so that there was no question of lapsed rights in England. There was a question in Tasmania some months before, when the Government wrote and said the rights for the land had lapsed, and our Company wrote and said that they had not lapsed, and that they had had the best advice on the subject.

168. Did the Government's subsequent acts lead you to believe they had given up that contention? The fact that the Government, after saying the rights had lapsed, chose the first block of land, made me think they had found out they had made a mistake.

169. You went on with your flotation under the impression that the concessions were still alive? Of course. Read Sir Edward Clarke's opinion on that point. Another thing that made us think the rights were all right was that telegrams were being sent frequently to the Government

on other points in connection with the concessions, and being answered. Why should the Government answer these points as to grades and curves and other matters if the rights had lapsed? When the wire came to us that the rights had lapsed, it seemed so utterly absurd that we could no longer contest the view of the financiers that the Government were hostile.

170. Did you get information that surveys were being accepted? Yes; every time a survey was sent in a notification was sent to the Agent-General or Mr. Bakewell.

171. Was money still being spent? Yes.

172. Now, as to the last part of this letter, with reference to the contract being signed—was the contract ready for signature on 20th April? Yes.

[Telegram, Appendix C., read from Agent-General *re* Clause 15, dated 19th April, 1899.]

173. Is that the telegram you have been speaking about? Yes.

174. And the reply you got from the Premier to that telegram sent to the Agent-General, mentioning Sections 15, 16, and 17 being read together—what was the result of that? The result was that I asked the Agent-General to send another wire before showing that answer to Pauling, asking the Premier to modify his opinion. This was because it was opposite to the Agent-General's statement to Pauling.

175. Two days subsequent to this a telegram was sent by the Agent-General to the Premier. [Telegram read, Appendix F.] Was that sent at your request? Yes.

176. The reply [Appendix G.] received, dated 22nd April, do you remember it? Yes.

177. Was it communicated to the contractors? Yes; they refused to sign the contract, and did not go on with it for some days afterwards.

178. Did they subsequently sign? Yes; I arranged to get £200,000 more of debentures to indemnify them against any loss that might arise from the stringent regulations as to curves and grades. If they had to put in anything more on account of the stringency of the engineer's supervising, the £200,000 was to meet extra expenses.

179. Was it added to the contract? No; It was held in trust, to be at the call of the contractors in the event of any extra work to be done.

180. That was on 28th April; the Agent-General writes and says—"The contract has been signed?" It was provisionally signed; that is correct. It was a provisional signature pending the final settling of some of the clauses; but has since been unconditionally signed.

181. The Agent-General refers in his letter to "such help as I should have gladly given this project, &c."—Did the Agent-General afford you assistance? Yes.

182. Was it of any value to you? Very valuable.

183. As to the Agent-General accepting a position on the directorate—had the money been subscribed before he accepted the position? Everything was absolutely finished before the Agent-General was asked to come on the Board, and it was then done out of compliment to him, in recognition for the amount of work he had done. He never was spoken to about it till the whole of the capital was subscribed.

184. While he was helping you to float the Company in this manner, was the question under consideration? Never in any way.

185. Then his name was never held out to the public as director while it was in course of flotation? No; Albert Vicars was one of the directors at the time. He was a very busy man, and said he would stand down if Sir Philip Fysh would take his seat. Prior to this his name was not mentioned, and was not used to assist in flotation, except that he allowed himself to be referred to whenever anybody liked. He took every possible trouble to assist us.

186. Here is a letter [Appendix J.] from the Agent-General, dated 5th May, 1899, as to the staff for construction purposes leaving—was that so? Yes.

187. Did Sir Edward Clarke have the proclamations laid before him showing that the Government had selected their blocks? Yes.

188. With reference to the instructions for Sir Philip Fysh to withdraw from the directorate,—did that militate against the flotation? Yes; the underwriters at once said the Government knew something of the scheme that was hidden from them.

189. Was it the opinion of the financiers in London that the Government and the Company should be in complete accord? Yes, of course; no contractor will work under a hostile Government.

190. (Reading extract from the letter as to three-quarters of a million being spent in Tasmania).—was that a large estimate? £800,000 would have found its way to Tasmania.

191. What was the cause of the stoppage of the flotation? Two causes: the telegram about the land concessions having lapsed after the Government had chosen the first block, and after having answered the telegrams we had sent on other matters: and then, immediately on top of that, refusing to allow Sir Philip Fysh to act as director. Both these matters were in the same telegram.

192. What effect had the telegram about the curves and grades? I had to get another £200,000 worth of capital.

193. What opinion had Pauling? That the Government were distinctly hostile. But, as I had guaranteed them that the Government were not hostile, and that it was only a little extra care on the part of the Tasmanian Government, they said "You will have to prepare for it." I then suggested raising the £200,000 extra debentures. I think, had it not been for the other telegrams later, the idea of hostility would have passed out of everybody's mind, because the fact of our being prepared to raise the extra money would prove that we guaranteed that the Government were not hostile.



194. There is a further telegram from the Agent-General, dated 11th May, 1899, about the rails? Yes, the rails are to be 60 lbs. instead of 43 lbs. The fish-bolts are exceptionally good and strong, with nearly three times the amount of iron in them that there is in the Tasmanian bolts. The fish-bolts are bolted on to the bottom of the rail, and to the bridge of the rail.

195. And as to ballast? There is more ballast. The Government amount is a little over 16 yards, and the contract in England is for 22 yards to the chain, so it is more than one-third more.

[Letter read of 12th May, 1899, from the Agent-General, as to the statements in the prospectus being strictly within the reports.]

196. What was done—did Sir Philip Fysh verify this? He had taken every report and read them beside the prospectus, I reading the prospectus and he reading the reports, and he checked each report with the prospectus.

[Letter, Appendix K., read from the Agent-General, dated 19th May, to the Premier.]

197. Who are Coates & Co.? Coates & Co. are the sub-underwriters. The principal underwriters were Barclay & Co., and Erlanger & Co., the Anglo-American Debenture Corporation, and two insurance companies. Coates & Co. were the sub-underwriters. They are broking underwriters. Their name would appear on the prospectus as brokers for the Company. They made no difference to the matter of underwriting, except as to relieving the other financiers of some of their responsibility. Sir Philip Fysh means that he was pleased that we did not try to run Coates & Co. into a corner by misstating anything.

198. The Agent-General had taken the trouble to inform himself as to the truth of the prospectus? He not only personally informed himself, but he asked us if we would allow him to interview Messrs. Bircham and Co. on the matter, and to get them to look into it for him as Agent-General for the Colony, and he said he would not care to assist us or go into the thing if he were not perfectly clear on every point. He had faith in Bircham and Co. If we paid Bircham and Co. to examine everything for him he would be more satisfied than if he examined the matters by himself.

199. Did the people in England consider the Government was showing a hostile front? They all stated so openly. They said the Government evidently knew something about the line that we did not know. I disagree with Sir Philip Fysh, that anything could act as an antidote to it. Nothing could have made anybody believe that the Premier was not hostile to the Company. The impression then was that the Government was absolutely hostile.

200. And about the message to *The Times*—the Tasmanian Government declining to allow Sir Philip to join the Board—was Sir Philip Fysh's name publicly placed on the prospectus? No. It was on the prospectus shown to the financiers and the directors.

201. Was there any necessity to publicly state that he was not allowed to join the Board? No. As we had got over all the other difficulties in regard to flotation, all the people there regarded it as being the only move possible to knock the thing out again. Of course, that is only an opinion. This happened 18 days after Sir Philip Fysh had gone off the Board.

202. You remember later on a cable was received from London to the Premier—"Palmer *en route* to Tasmania," dated 16th June, 1899—why was it considered necessary for you to come out here? Because it was made apparent that it would be impossible to float in England without coming out and re-arranging.

203. What is the method of flotation?—first of all a contract is signed—is it then you get the capital underwritten? Of course the underwriters will not underwrite anything unless they know that when the amount of underwriting is done they will not be called upon to subscribe more than the contract price.

204. *By the Chairman.*—How are the contractors able to form an idea as to the cost of the work to be done? They get a survey showing the curves, grades, and distances. If the survey is practically straight, it shows there is no heavy work for that portion; if it is crooked or twisty, it shows there is some very heavy work. The grades show what the amount of work is likely to be. Up to 30 miles sufficient work had been done to know what it would be like for that distance. They had my statements that Mr. Chrisp was to be relied upon, and that the first 30 miles was a fair average of the whole line.

205. *By Mr. Butler.*—Are not Pauling and Co. one of the most experienced firms of contractors? They are supposed to have built a greater length of railways than any other contractors in England. They have built nearly all the railways in South Africa.

206. Here is a letter from Brunlees, dated 8th June, 1899—did you receive that letter after you came to Tasmania? Yes. Mr. Brunlees is ex-President of the Institute of Civil Engineers in England.

207. [Letter read, Appendix N.] Is this gentleman connected with the flotation? He is one of the underwriters, and engineer to the new Company.

208. So he is competent to speak about the matter? Yes.

209. Does the Premier's name appear in the Great Northern or Emu Bay Company as a director [Appendix O.]? Yes.

210. Here is another letter [Appendix P.] from Norton, Rose, Norton, & Co., dated 5th June, 1899, to Mr. Bakewell—did you see this letter? Yes.

211. Who are Norton, Rose, Norton, & Co.? The largest firm of solicitors in England, and solicitors to the new Company.

212. Was that letter forwarded to you? Yes.



213. *By the Chairman.*—This letter of Brunlees was handed you in England, was it not? No, it was sent after me. I left London on the 5th June.

214. *By Mr. Butler.*—[Read letter, Appendix Q., from Mr. Edwin Sloper, dated 9th June, 1899, to Mr. Palmer]. Who is Mr. Sloper? He is late manager of Stuckey's Bank. He is now in rather a large way of financing himself, and is adviser to moneyed people. His opinion is entitled to some weight.

215. In connection with that paragraph about fixing rates, did you apply to the Government to fix the rates? The late Minister of Lands, Mr. Miles, agreed to do so. When Mr. Dobson and I asked Mr. Pillinger and Mr. Back to fix the rates, the latter said it was an impossibility. As a railway man for over 20 years, I know it is not impossible. It should be done at once. Why should we be uncertain as to the rates we have to pay for our goods over the Government line?

216. In what light was that action of the Government regarded in London? They said we should have to put a clause in the Act to cause the Government to go to arbitration. They said there must be hostility, or the rate would be fixed. The railway people pointed out that in perhaps 30 or 40 cases where railways were being built as extensions to other companies all charges were fixed at once. Suppose you had a thousand bags of wheat to send from here to Glenora, would not Mr. Back say what he would take them for?

217. Mr. Back's opinion is not borne out by these people in England, then? No, it is not.

218. Here is a letter [Appendix R.] from Walford Brothers, & Co. to Mr. Bakewell—who are they? They are brokers on the London Stock Exchange.

219. Did you see that letter? Yes; it was forwarded to me.

220. And Ellis and Co.—who are they? They are the brokers of Barclay's Bank and other banks—investing brokers.

[Letter from Ellis and Co., Appendix S., to Mr. Palmer read.]

221. Was that letter received by you? Yes. With that should be read a letter from Stubbings, who is Barclay's other agent.

[Letter read, Appendix T., from Stubbings to Bakewell, dated 19th June, 1899.]

222. Who is Stubbings? He was attorney for the Bank of New Zealand, and agent for Barclay and Co.

223. Was that letter received by you? Yes.

[Letter read from H. E. Warner and Co., Appendix U., to Mr. Bakewell, dated 7th June, 1899.]

224. Who are Warner and Co.? They are solicitors for the Bradford Cotton Combine.

225. Did you receive this letter from Mr. Bakewell? Yes.

[Read extract from letter of Mr. Tennant, Appendix V., of 22nd June, 1899.]

226. Who is Mr. Tennant? He is Chairman of Directors of the Central London Railway. He was General Manager of the North-Eastern Railway. He is Chairman of Directors of the York City and County Bank. He is a man of 75 years of age, but does not look that age. He was General Manager, till last year, of the North-Eastern Railway. He is chairman of our English Company.

227. You have a Bill in your hands containing the proposed amendments to the Great Western Railway Act—who suggested those amendments? Messrs. Norton, Rose, Norton, and Co., who instructed Mr. Buckley (who is one of the most eminent barristers in the world in Railway Companies' business), Sir Edward Clarke, and Mr. Kirby, to advise us what amendments we require.

228. Were these amendments suggested by these gentlemen after consultation? Nearly all of them.

229. We will go through each amendment, and ask the reasons for each—what are the reasons for the first amendment we have, that is to say, that the plans, specifications, and sections have been lodged with the Minister, who has approved of the selection, &c.? That has to be slightly altered, I think. The whole of the plans of a survey of the line and part of the specifications and sections are in.

230. How long did the survey take? Seven months. It is more than an ordinary flying survey. The actual bearings, distances, and grades have been taken. The whole of the line laid down is laid down from an actual and perfect survey. It is only a flying survey, in that it is not a permanent survey. It is not what we usually call a flying survey, but an engineer would call it a flying survey. It has proved itself so correct for 30 miles that the permanent survey has followed it exactly up to that 30 miles.

231. The second clause here, "Promoters have made the deposits mentioned in Section 171"—what is the reason for this—is that required by the people in England? Yes, it is an absolute fact, because the Government could not have given us permission to cease work unless we had been doing *bonâ fide* work.

232. From these letters that have been read, did the people in England require it to be stated in the Act that you have complied with the Act so far? Yes.

233. We now come to Section 4 as to words, "First day of January, 1900,"—is that to extend the time of the primary lease? It is giving 4 years further.

234. Section 5—in place of the words "for a further term not exceeding"—please explain that? That is to make it clear that, provided that we carry out our part of the contract, the leases shall be permanent. The clause says if the land is actually occupied. If we occupy it, then we have the right to occupy it for a further successive term.

235. Section 5, sub-section iv., clause B? It has been commenced and continued to the

satisfaction of the Governor in Council up to the time the Governor in Council allowed us to cease work, therefore that clause is unnecessary. It should be "if the construction of the railway is not 're-commenced'."

236. Section 15, after the words "Three feet six inches"? That seems to me to be rather curiously worded. Clause 15 wants altering. It seems that the Promoters have discretion for more than the curves and grades by what is proposed here.

237. *By the Chairman.*—What does your Company mean by these words? That we may use the curves and grades as often as we like.

238. *By Mr. Butler.*—Section 33: the reason for that please? That again is badly worded. We are compelled to give the Government running powers over our line, and if we do not agree to terms they can go to arbitration; whereas the Government *may* give us running powers over their line, and we have no arbitration clause if they fix high rates.

239. Was that suggested by the English capitalists? Yes.

240. Section 42—is that to give the full term? Yes; it is to keep it in conformity with the rest of the Act.

241. What was the necessity for putting in the word "plant"? It is now known that the contract is let for a locomotive line instead of electric line, and the suggestion of a great many people in England is that that clause enables the Government to take over the line without taking over the plant. That is the opinion of experts.

242. Section 83—That is as regards land concessions? Yes. We contend that we have the right to select our land and mark it now. Clause 83 enables us to acquire the right if we do certain things—which we have done. Having done the things, we want it put very clearly that we have acquired that right. As there is no limit to the time, we want it to be said that we have actually acquired the right. We have deposited the money, and commenced work, and done everything that is required.

243. Schedule 1, paragraph 2, under the heading "description"—who suggested these words? Mr. Miles, the late Minister for Lands.

244. What was his opinion as to the meaning of the original Act? He said he would have taken the contract himself, and used the curves and grades as often as he liked. He said the Act really meant that.

245. Section 5—Timber—why did you want this amendment made? The opinion of the English counsel is that, although we may use timber for ourselves on our own blocks, we have not the right to send any timber off our blocks for sale. We should have that right.

246. Section 6—as to prospectors for minerals? That is entirely for the protection of the people looking for minerals. That if we lose our rights in any way the people who are prospecting shall not lose theirs.

247. It is more in the interests of prospectors than in yours? Yes. We want to see that the people who prospect our land are protected from being "jumped."

248. Section 7—branch lines? We must be able to connect with the railway lines that connect with Macquarie Harbour—either the Mount Lyell line or the North Mount Lyell line—so as to be able to commence at three different points. We want to be able to connect with the big population of Gormanston. Then, of course, the reason for wanting to connect with the coal-mines is apparent. The timber supply on the West Coast is getting very rapidly denuded. It is difficult to supply the mines with timber for fuel, and we know we can deliver coal from the coal-mines along our line, at a price that will supply the whole field with fuel.

249. You have come from England by the instructions or at the instigation of the financiers to obtain certain amendments? Yes.

250. If you get these amendments is there any chance of the railway being carried through? I think it will be carried through with these amendments pure and simple. I think it is possible it could be got through. To make the flotation an absolute certainty we must get some form of guarantee from the Government for a small percentage on half the cost of the line, say, on the debentures alone. There are three different methods proposed, one by Sir Philip Fysh, that the Government should take £200,000 worth of 5% debentures. That would secure the flotation absolutely.

251. What guarantee have they for payment of their interest? No guarantee, except security over the whole line. The debenture-holders get security over the whole line. The second proposal was a guarantee by the Government of 3 per cent. on the £600,000 worth of debentures, but the late Minister of Lands, suggested 2 per cent.; the third proposal, made by one of the financiers at home, who was prepared to find the whole amount on this proposal, was, that the Government be secured 5 per cent. on the whole of the debentures, the same as the English capitalists—the Government to receive 5 per cent., and guarantee the English capitalists 3 per cent.; and thus the Government would make £12,000 per annum. The Government, having a mortgage over the railway, could take the railway at the £600,000, if the 5 per cent. were not paid. As security they would have the whole of the railway and land rights and other rights. As the Government would guarantee 3 per cent. on half the cost of construction, I wish to show that the cost is extremely light as compared with other Australian contractors' tenders; it is £160,000 less than Baxter and Sadler's tender. Baxter tenders for the contract at £6000 a mile, we finding rails and fastenings. Rails and fastenings come to about £140,000 when delivered on the line. Then, they do not find interest during construction, which comes to

another £50,000 per annum. You will see that their tender is about £160,000 more than Pauling's contract price; I wish to point this out to show that the Government would not have to find interest on the total cost of the line, but only on half of it.

252. What about preference shares? The underwriting of these stands.

253. What would the Colony gain by that guarantee? They gain £12,000 a year. If they take 5 per cent. and we get the money at 3 per cent., they get the difference.

254. *By Mr. Bradley.*—You suggest the idea of asking the Government to guarantee a certain amount—in view of the very large acreage of land under the first Act do you think it reasonable to ask this? Considering the Government absolutely blocked the flotation, anything that does not injure the Government is a fair thing for the Government to do.

255. This large acreage was given at the time to make up anything in lieu of that? The Government blocked the thing when we had it floated. You know the difficulty of resuscitating a scheme.

256. The question of getting the Government guarantee—is it vital? It may be and may not be. I cannot say whether it is vital or not. We had the thing done, and the people who did it ask now for a guarantee of interest on half the cost of the railway at a low rate. It is a sort of proof that the Government are genuine in their statement that they are friendly. We are spending over a million, and are only asking for a guarantee really of 2 per cent. on half that, or are offering to give the Government 5 per cent. if they like to guarantee 3, they taking a mortgage over the line and all other concessions we have got, and can foreclose if we fail to pay them the 5 per cent. This is to prove to the English people that we are working together.

257. *By the Chairman.*—Assuming that you get this Bill, when do you expect to have the railway finished? Within two years. When I left England the financiers said they would find the whole of the money on the lines of the third proposal. It would only require a wire from me to England to get the whole thing fixed up.

258. Under the original Act you had five years from that date? November, 1896?—Yes.

259. Since that time you have had the five years altered to six—you have now altered the commencement of the Act to first of January next? We do not want that; we want three years from the commencement of January next. It would be unfair to the Colony.

260. In the amended Act you speak of starting work in August—what have you to say to something added of this kind: That from the first of August you shall expend in the employment of labour so much per month, say £3000 a month for the first three months, and thereafter £10,000 a month? I do not see that there will be any objection to something of that kind, but consider £1000 per month for the first three months would be enough.

*Mr. Butler to the Chairman.*—In view of these letters that have been read, perhaps it would be better not to hamper the promoters with restrictions. The letter from Mr. Tennant shows that the Company have been hampered enough at present.

At 5.15 P.M. the Committee adjourned till 2.30 P.M. on Friday.

## TUESDAY, 24TH OCTOBER.

### MR. PALMER'S *Examination continued.*

261. *By the Chairman.*—Mention has been made of Sir Edward Clarke's opinion [Appendix BB.]—do you produce it? Yes.

262. Can you remember what were the facts on which Sir Edward Clarke was asked to advise? I would recommend you to see Messrs. Norton, Rose, & Norton's questions, and the opinion. The facts are attached to the opinion.

263. Do you know whether or not the plans, specifications, and sections have been deposited with the Minister of Lands? They have been deposited for twenty miles.

264. I mean for the railway? The Act says we can deposit the plans in portions.

265. But is not that working plans? They are the working plans I am speaking of. Plans, specifications, and sections, are working plans.

266. Clause 17 says, "Before the Promoters shall commence to construct the railway they shall deposit with the Minister copies of the working plans and sections"? It goes on to say, "provided they can do it in portions."

267. I am referring to section 83—"Upon deposit of the plans, specifications, and sections of the said railway," &c.—my question is: Have the plans, specifications, and sections of the said railway been deposited? "As hereinbefore provided"—Yes.

268. Do you still think it is necessary to alter the preamble at all—you propose to alter it and say "whereas portions," &c.? I think it is unnecessary. I was going to speak to you on that point.

269. Have any of the blocks been surveyed? No; if they had to be surveyed it would have been mentioned in the Act. They are to be marked out on paper.

270. You said in your evidence that a wire had been sent home by the Government to Sir W. Perceval, saying that the plans had been deposited—have you a copy? No.

271. Did you see it? I saw the wire.

272. Why did you ask in this Bill for the right to mark out on paper your seven blocks? To make it distinctly clear that marking out on paper was intended—to show the intention of the Act.

273. If you do not mark them on the land will it not be difficult for prospectors on Crown lands to determine whether or not they are trespassing on your blocks, and liable to the penalty of £20? No. The whole of the country has been surveyed by trigonometrical survey, and anybody who takes up a block of land can get his position fixed immediately by observing a trigonometrical station. I discussed that matter with Mr. Chrisp after leaving the room together the other day, and he agreed that it was very easy to fix the position exactly.

274. In actual practice, supposing a prospector went out, would he know whether he was on Crown land or on yours? If he were on our land he could have his block on the same terms from us as from the Government, therefore it makes no difference who he gets it from. We give land on precisely the same terms as the Government, plus a royalty of  $2\frac{1}{2}$  per cent. on such profits.

275. What assurance has a prospector that you will do that? We will put it into the clause in the Bill. I have the written consent of my co-directors.

276. Does the Committee understand that you would offer no objection to a clause being put that prospectors could take up land on your sections on the same terms as they get it from the Government? Precisely. It would be the same terms, but subject to our Act. We have to pay royalty to the Government. We do not charge more rent than the Government charge.

277. When did you arrive in England to start the flotation of the Company? On the 19th February.

278. What year? 1898.

279. Then, you tell us that eight or nine months were lost, and nothing done, owing to a dispute between you and Messrs. Horn and Bakewell, your co-directors? Hardly a dispute. They held a power of attorney, and I held no right in England at all, except that I went to watch the interests of shareholders.

280. Then, subsequently the flotation was further delayed by the threatened war between England and France? The flotation was delayed by that.

281. Do I understand that it was not till the 22nd February this year that you took over the flotation? I assisted Messrs. Horn and Bakewell for three or four months before that; I was working with them when the Fashoda matter occurred.

282. And you began then independently? The whole matter was placed in my hands, but they assisted me and worked with me.

283. You were in treaty with Pauling & Co. in the first instance? Yes.

284. And owing to their not agreeing to the weight of rails, all negotiations were off? Yes.

285. Then you communicated with Sir. Wheatman Pearson? Yes.

286. Did they take it up? They agreed to take it up on worse terms than Pauling. I told Pauling they were acting stupidly in not giving way, and that Sir. Wheatman Pearson was willing to take the matter through. They then said that they would take the matter up again if Sir Wheatman Pearson voluntarily withdrew, or that they would stand in with him in the contract, but what private arrangements were made between them I do not know. Ultimately, however, Pauling took up the contract.

287. Are you agreeable to a provision obliging you to have the railway completed by January, 1902? Oh no—January, 1903. We cannot start much before August, and must be allowed 2 years and 6 months from then, but I do not think it will take that time. I think we shall probably start in January, 1900, if we get a Government guarantee, as suggested. It is a tedious matter getting these things fixed up, and one must not be too short of time.

288. You are agreeable to the Act compelling you to put in rails of not less than 60 lbs. instead of 43 lbs? Yes.

289. And ballast 1760 cubic yards, instead of 1330? Yes.

290. Section 42.—Why do you want that amendment you propose as to striking out in the original Act the reference to electrical works? Because you can put in a clause if you like to say it is a steam railway, and only a steam railway. Steam railway people and electric railway people are totally distinct, and those who are connected with steam railways do not, as a rule, like to have anything to do with electricity.

291. Is it your intention to use steam? Yes.

292. Will you have any electric works? Yes; but not in connection with the railway—just for lighting, &c.

293. You do not want to oblige the Government, on resumption, to take this over? I do not think so; if it pays us it will pay them.

294. Is that the only electric work you will have? Yes, in connection with the railway. The people who are in charge of this affair in London are all steam railway people, and it makes it clearer to them what will be required.

295. Will the use of steam make any difference to the water you will require? We shall require the same amount of water because we want to supply the mines with electricity. We would form a separate Company for that, apart from the Railway Company. We wish to generate electricity for the manufacture of chemicals, &c.

296. Do I understand the contract price is one million and five thousand? One million and seventeen thousand for building the railway, apart from the money it will take to buy land through which the railway will run, and the wharfage and other matters which the original Company have to find.

297. Is there much private land to go through? I think there are about twenty miles at this end before we leave the private land. I am not quite sure, but Mr. Chrisp's plan shows it.

298. The Agent-General, in writing to the Colony on 19th May, 1899, says, "The price of the contract is £1,005,000, but the original company is to find wharfage accommodation"—where? In Hobart.

299. And "purchase of all land"—does that include land in Hobart? Yes.

300. What is the share capital of the company? £1,400,000.

301. Then there are debentures beyond that? £600,000 beyond. We have the right to go up to £800,000 under the articles of association.

302. That £200,000 over and above the £600,000—was that for the purpose of meeting the question of curves and grades? Yes.

303. Who are Coates and Hanson? Coates, Son, and Company.

304. The Agent-General says Mr. Hanson, of Coates and Hanson, has called on him? Yes.

305. Did that firm undertake to raise the £600,000 debentures? They undertook to take the underwriting off the hands of the people who had underwritten; they were sub-underwriters.

306. Who are Coates and Son? The same people. Coates, Son, and Company it is, really: Mr. Hanson is a partner.

307. Have you put in a letter from Jackson and Prince, in which they say Coates stated they positively cannot entertain the debentures, &c.? Yes; that was after the telegrams were sent by the Premier to Sir Philip Fysh.

308. What portion of the £600,000 debentures were Coates and Son and the Clydesdale Bank going to raise? They were for the whole of the underwriters.

309. Who are Ellis and Co.? Brokers for Barclay and Co.'s Bank—investing brokers.

310. In another letter, they say, "Barclay and Co. are willing to underwrite £150,000 debentures on the terms mentioned by you—did that include the Government guarantee? No, certainly not.

311. In the letter from Norton and Co. it is said that the right of the Company to the land must be put in language beyond all question, and that a clause has been settled by counsel in England for this purpose—which clause is that? The amendment to Clause 83.

312. To what extent are Norton and Co. interested in the flotation—will their withdrawal seriously affect the debentures? It will stop them—that is, as far as their clients are concerned—and if the fact became public property, it may stop it throughout England.

313. Who are their clients, except those you mentioned? Barclay and Co., Coates, Baring Brothers, and all the railway people.

314. In Norton and Co.'s letter they say, "There must be an absolute and unalterable obligation on the part of the Government to make certain annual payment of interest on bonds without any claim on the Company for repayment, except out of surplus profits,"—what bonds do they mean? Guarantee bonds. They have given way to the extent of the Government not having any claim on the Company for repayment, except out of surplus profits. It has been pointed out to them that if the Government guarantee anything on the line the Government must have a security over the line the same as any other mortgagee. Although they wrote that letter they gave way, and accepted the proposal that the Government would receive 5 per cent. and guarantee 3 per cent.

315. Who are Warner and Co.? A firm of solicitors; cotton combine people.

316. Is Mr. Bakewell a lawyer too? Yes.

317. Is he a co-director? No; he holds a power of attorney.

318. He represented the Company? Yes.

319. What opinion did he give as to your rights as to the seven blocks of land? That they were intact.

320. What did Warner and Co. mean in their letter of June, 1899, when they wrote to Mr. Bakewell, "We note you have come to the conclusion that the land grants are not in order"? They came to that conclusion on account of the Government having sent the wires before referred to. They took it for granted that Mr. Bakewell had come to the same conclusion; Mr. Bakewell never did come to that conclusion.

321. They say in the same letter, "It was only comparatively recently you were able to make a clear arrangement with Pauling & Co. to do the work,"—what delayed that arrangement? The Premier's telegrams, entirely.

322. You say Mr. Sloper is late manager of Stuckey's Bank—is his opinion as to the likelihood of flotation reliable and valuable? I should think so; he is a very able financier.

323. In his letter he says there is no prospect of getting the Company through without a Government guarantee—do you agree to that? Not entirely. As far as his particular clients are concerned, I have no doubt he is correct. At the same time I think it is just possible we may get the Company through other financiers.

324. Sloper, Norton, Coates, Ellis, the Clydesdale Bank, Barclay & Co., all seem to absolutely depend upon this guarantee—do you think the Government guarantee is vital? Yes, as far as those financiers are concerned.

325. Why did you not include a provision in your Bill for a Government guarantee? Because some people advised me to wait before bringing these letters forward.

326. How many branch lines are you asking leave to construct? Three.

327. Are the coal mines you refer to at Hamilton and Lake St. Clair? Yes; and the third proposed branch is to connect with Gormanston or Queenstown.

328. To whom do they now belong? The Lake St. Clair one is Government property. I think it has been applied for by Mr. Howard Wright, but nothing done to it.

329. Has your Company secured any property in them? No.

330. Have you any information as to their extent and value? The Hamilton one, we have.

331. Can you tell us about the Hamilton one? It is a very large one. According to Mr. Montgomery's report it extends for hundreds of acres, and has a great many seams.

332. You do not ask for additional land areas or water rights? No.

333. You ask for the right to cut and dispose of timber. Do you object to such rights being subject to the Crown Lands Acts? The land is ours; it is only on our own ground we ask for the right.

334. You are asking for the right to cut timber on these 7 blocks? They belong to us as long as we occupy them.

335. Are they not subject to any conditions? We pay a royalty of  $2\frac{1}{2}$  on net profit of minerals. They are really leased lands.

336. There is a liability under certain conditions to forfeit the land? Yes.

337. Do you object to the cutting of the timber being regulated the same as it is on Crown lands? I think that the property being vested in the Company, the Company should be better judges than the Crown as to what the proper regulation of the timber should be.

338. *By Mr. Woolnough.*—You were speaking of an intention to supply electric light to the mines; would any such supply be under the directions of the railway company? No. The railway company would be quite distinct from subsidiary companies.

339. That is, the Bill would not touch them at all? No. We have practically made arrangements for a subsidiary company of £200,000 to work the electric power.

340. That is, for use of the mines? Yes.

341. Will there be any electric works connected with the railway? We may have enough to do the lighting, or work a hoist.

342. Will this electric power be used in connection with the railway, as stated here in the clause? There will be no electric power used on the railway for traction purposes. I should think, under these circumstances, that the very fact of its being a separate company, the railway company having to pay the subsidiary company for any electric light they may use, that it could not be said to be used in connection with the railway.

343. Is it in order to prevent any possible dispute on the part of the Government when purchasing—what clause is there protecting the Government from having to pay? The people running the steam railways are a conservative lot of men who are frightened that electric power will be used; they want it struck out.

344. *By the Chairman.*—But you have got large rights for the purpose of generating electricity? It will be an electric company pure and simple.

345. *By Mr. Woolnough.*—There are powers given under this Act only to be used by the railway company? No, you can make subsidiary companies.

346. If the electrical rights given under this Act are to be used by the railway company at all, whether by themselves or by a subsidiary company connected with them, do you not see that the Government would have to protect themselves in the case of purchase? That would be done by arbitration, and the arbitrators would see that the Government do not pay for anything that is not of value to them; and that being the case, the company is not likely to put up works that are not necessary.

347. Does that meet the difficulty—you have mentioned you contemplate under the powers of this Act to use electricity, one of the purposes being in connection with the railway—the intention of this clause is to guard the country from the necessity of purchasing such electrical works? They are guarded in the fact of their arbitrators protecting them. If the work is valuable to the Government the arbitrators will say, "Purchase it," that is, if there is anything of the kind used at all.

348. Under your present arrangement, would any selector taking up land on your block have to pay more for such land in the long run than he would have to pay on Government land? No; it will be the same.

349. The same terms of payment? Yes. I am authorised to state that by my co-directors.

350. *By Mr. Page.*—When did you first form the opinion that the Government were hostile to you? I never believed they were hostile till I saw the answer to Pauling's wire as to the curves and grades.

351. That was the first time you formed the opinion that they were hostile? I did not come to the same conclusion as Pauling's till we got the second wire about Sir Philip Fysh not acting on the Board, and then about the land being forfeited.

352. Did you take any measures, after you became aware of this telegram of the 22nd April, to test that opinion as expressed by the Premier as to curves and grades? Yes; I sent instructions to my co-directors in Adelaide, to ask Mr. McWilliams and Mr. Fitzgerald to make certain inquiries. The answers got back were rather satisfactory to my mind. Their answer was that they were simply acting in accordance with the advice given by the Law Department, and against their wishes—that having got certain advice from the Law Department they could not help wiring as they did.

353. Did you take steps to get opinions from any independent people as to this opinion? We immediately asked Mr. Norton and Mr. Bircham, and they told us we could use the curves and grades as often as we chose.

354. You have said that these financiers would not be satisfied now without a guarantee: You think, then, it is not possible to use any others? I think it is possible, but of course, having had experience of the time I have taken in getting things to the present point, I would not tackle the job. I think it may be possible.

355. What is the form of guarantee you would ask for? There are three different suggestions. Either one will suit these financiers.

356. Are you satisfied with the proposed amendment to Section 15? I think that quite covers it. It is in Clause 15, and then again in the Schedule, under the heading "Description of the Line." The wording in the proposed Clause, amending Clause 15, wants changing a bit; the last part wants amending.

357. *By Mr. Butler.*—About the time you wish to have for the completion of the railway—you said two years once—was not two and a half years the time? Two and a half years from the first of August.

358. You did say two years a little farther back. You have got to go to England, and then float the concern, and then send out here—it will be all time wasted? I fancy there would be two or three months wasted before we could actually start work. If we get liberal treatment, I do not think it will be very long before we start. We will start by the 1st August, and it will certainly be completed by the 1st February, 1903.

359. Has it not been suggested that one of the reasons for asking for this guarantee is that it gives confidence to the public that the Government will not treat the Company in that hostile manner which has been the case? The financiers had actually found the money, and never thought of a guarantee till they became convinced that the Government were hostile. They then said there was only this one way to show they were not hostile.

360. This project has been before the public for something like fifteen months. Is there any chance of it being to a certain extent discredited unless this guarantee is given? A thing that is "hawked" is always damaged. There is no doubt about its being damaged.

361. Are you satisfied that £200,000 will do? Yes; the other £400,000 would be forthcoming. Sir Philip Fysh's proposal was that the Government should take up £200,000 worth of debentures at 5 per cent.

362. This letter from Mr. Tennant—one portion of it has been put in the appendices as an extract. There is a large portion of it which Mr. Dobson and I think should go in? I have no objection to its going in.

[Letter read, from H. Tennant to W. H. Palmer, dated 22nd June, 1899, (Appendix V.)]

363. Was that received after your arrival in Tasmania? Yes.

364. You might give us some information about the last paragraph—the want of confidence which prevails in relation to colonial matters? Mr. Tennant refers to the Midland Railway of Western Australia and the Midland Railway of New Zealand.

365. What were the consequences in these cases to the promoters? The New Zealand line was almost built by the English promoters, and all the money was found for construction. The money gave out when within a very short distance of the end of the line. Therefore, as they did not complete the construction of the line under the Act within the given time, the Government stepped in and took the line.

366. Did that happen in any other case? That happened in both cases.

367. Is that recently? Within the last few years.

368. Is it recent in the minds of financiers in London? It was so much thought of in London that the president of the Stock Exchange was asked to refuse to allow New Zealand stock to be quoted until the New Zealand Government paid a proportion at any rate of the money that had been paid down by the Company for this railway that the Government of New Zealand now use.

369. Did the Government of New Zealand do that? No; they let it go to Court, and the Court decided that legally they were right.

370. And what about the rights and concessions? They were forfeited too.

#### THURSDAY, 2ND NOVEMBER.

MR. W. O. WISE, *called in, made the declaration, and examined.*

The Committee met at 11 A.M.

Mr. Wise was called, and took Statutory Declaration.

371. *By the Chairman.*—What is your name? Walter Ormsby Wise.

372. What are you? Secretary to the Law Department.

373. Do you produce opinions given by the Crown Law Officers at different times upon sections of the Great Western Railway Company's Bill? I produce copies of two opinions of the Solicitor-General, dated 22nd April, 1899, and 3rd July, 1899. The Attorney-General desired me to state that it was unusual to produce the opinions of the Law Officers, but, that under the circumstances, he thought it was better that they should be placed before the Committee,

374. Is there not an opinion given by the Solicitor-General on the question of the forfeiture by the Company of seven blocks of land, dated 10th December, 1899? I believe there is such an opinion, but I was not asked as to that. I was only asked as to the construction of Clause 15.

375. Was there not an opinion given on the 20th April, 1899, by the Solicitor-General on the construction of Clause 15? There is one dated 22nd April on Clause 15. It was given on receipt of a cablegram from England as to curves and grades.

376. But here is an opinion printed, dated 20th April, given by the Solicitor-General? That is evidently a mistake—it must be 22nd.

377. (Shewing Mr. Wise printed opinion, dated 20th April)—Have you any such opinion as this? No; the two I mentioned before are the only opinions we have.

378. Can you say whether or not that dated 20th April is an endorsement on any communication? I do not understand it. Those two I have produced are the only opinions the Solicitor-General has given upon the construction of Clause 15. It is possible this may have been an endorsement. If you desire it I will search through the papers.

We shall be glad if you will, as it has been put before us as an opinion of the Solicitor-General.

Mr. Wise withdrew, and the Committee adjourned until 10:30 A.M. on Friday.

#### FRIDAY, 3RD NOVEMBER.

EDWARD MULCAHY, *examined.*

Mr. Mulcahy took statutory declaration.

379. *By the Chairman.*—Your name is Edward Mulcahy, and you are Minister of Lands and Works under the present Administration? Yes.

380. You have seen the draft Bill to further amend the "Great Western Railway and Ore-Reduction Company's Act"? I have.

381. You will notice that it states that plans, specifications, and sections, as mentioned in sections 17 and 83 of the Act, have been lodged with the Minister, who has approved of the selection of the most eastern of the blocks, &c. Have such plans, specifications, and sections, been lodged? Plans and specifications of the first sections of the railway have been lodged with the Minister in compliance with the Act, and have been accepted by him as satisfactory; and he has approved of the selection of the blocks as mentioned in the Preamble.

382. What portion of the line do these plans relate to? The first section, beginning, I believe, at Glenora.

383. For what distance? 20 miles, I understand.

384. In the evidence of Mr. Palmer there is reference to guarantee of interest, or taking up of debentures by the Government—do you care to express any opinion as to the manner in which the Government have considered, or are likely to consider, such a proposal? I cannot express an opinion on that matter, inasmuch as no definite proposal has been made by Mr. Palmer to the Government.

385. After having read the Bill, is there any evidence you would like, as Minister of Lands and Railways, submitted to this Committee by the heads of any of your departments? I am taken somewhat at a disadvantage, as I have not had proper time to enquire into this matter. I could not just now give you a full answer to that question.

386. The Committee propose to call the General Manager of Railways, Mr. McCormick, and the Surveyor-General. We do not know whether or not you wish anyone else called? If those officials are to be called by the Committee I shall be perfectly satisfied. I presume there will be no objection to my being present and putting questions to them.

Mr. Mulcahy withdrew.

MR. W. O. WISE, *re-called.*

387. *By the Chairman.*—Do you produce that document which was put in, dated 20th April, purporting to be an opinion from the Solicitor-General? I produce a copy of an endorsement upon a cablegram from London, and which is in exactly the same words as that which purports to be the Hon. Alfred Dobson's opinion. It is signed by Sir Edward Braddon. I hand you a copy herewith, and also show you the original. This is in the same words as Appendix marked E. (Document shown to Committee.)

388. Was this cablegram with the late Premier's endorsement, or a copy of it, laid on the Table of the House? I could not answer that question.

389. *By Mr. Butler.*—Where did you get these papers? The original documents I got from the Premier's office.

390. Was the opinion of the Solicitor-General amongst these? Yes; in the same order as they are now. That is practically the case that was submitted to the Solicitor-General for opinion, and to make doubly sure, I thought it best to bring the originals to show you, to verify the copy.

391. And you cannot say whether these documents were laid on the Table of the House? I have already told the Chairman I am unable to say what papers were laid on the Table of the House.



*Mr. Butler.*—I should like, if possible, for the official who did lay these papers on the Table of the House to be called to say what papers were put there.

*The Chairman.*—I fancy they were laid on the Table by the late Premier.

*Mr. Butler.*—It places us in an awkward position. We do not wish to misrepresent anything. We have been led astray, having been perfectly satisfied that this was the opinion of the Solicitor-General. This is the first time I have seen the correspondence in this form, and I do not think Mr. Dobson saw it at all. I think we were justified, to a certain extent, in coming to the conclusion we did. One document was missing, and this is it. The copies that were supplied to us do not give the signature of the Premier at the bottom of that telegram, and this has misled us. The copy that we have reads as follows,—“Opinion of the Hon. Alfred Dobson reads as follows”; &c. [Document read (Appendix E.)]. That is not signed, and Mr. H. Dobson and myself have always taken that to be an opinion of the Solicitor-General. This purports to be a copy of the telegram that has been laid on the Table of the House. I exceedingly regret the mistake, but I can assure the Committee that it has been totally unintentional on our part.

392. *The Chairman to Mr. Wise*—Can you throw any light on the matter of the original? None whatever, beyond the explanation given that the opinion of the Solicitor-General was taken away: and whoever copied the views of Sir Edward Braddon omitted to copy his signature. They have not made a proper copy of it, because the words “opinion herewith” are omitted.

*Mr. Wise* withdrew.

*Mr. Butler.*—I would ask that these papers be available if required; there may be some documents there which may have a bearing on the case.

*The Chairman.*—That is a matter for the Committee to consider, and requires deliberation.

#### EDWARD A. COUNSEL *examined.*

*Mr. Counsel* took Statutory Declaration.

393. *By the Chairman.*—What is your name? Edward A. Counsel.

394. And you are Surveyor-General? Yes.

395. The Great Western Railway Company have a Bill before the House which you have already seen? Yes.

396. There is a provision in that Bill entitling the Company to mark out on paper the 7 blocks of land which they receive as a consideration, or part consideration, for the construction of the line? Yes.

397. In what respect does that differ from the original Bill? The original Bill provides that the Company shall have the right to mark off 7 blocks, which I take to mean that they shall be marked off on the ground.

398. Why do you take it to mean that? The fact of marking off means marking on the ground. If this were not so, it would have been stated as amended.

399. Would marking out on paper create any confusion in the minds of prospectors as to whether they were on Crown land or on the Company's blocks? It would be likely to; it has, I believe, already caused some confusion.

400. Do you think that in the event of the Company having power to mark the blocks off only on paper it would retard prospecting only on Crown lands? I think it would; and this has been borne out in practice, up to the present. There has been very little prospecting done on this land, and I know there have been many inquiries.

401. Is not that because the land has been withdrawn? For a considerable time part of the land has been available.

402. Would it be easy for prospectors to tell, from the trigonometrical stations, without the land being marked off, whether they were on the Company's blocks or on Crown land? No, it would not, for obvious reasons. The stations are not defined, and a great many could not be distinguished.

403. There is another clause (5) of the Bill, empowering the Company to cut timber,—have you any observations to make with respect to that? I do not think they should have the right to take that timber without paying something for it. They should pay a royalty on the same principle as the royalty paid on minerals. A royalty should be paid on anything for sale.

404. What does the royalty amount to, at present, for the right to cut timber on Crown land? One shilling per thousand super. feet, and a rental of £1 per 100 acres.

405. The administration of the timber and forests of the Colony is within your Department? Yes.

406. Do you consider that the cutting of this timber should be regulated, as is the cutting of timber on Crown lands? Yes, to a great extent, at any rate; I think the royalty would be a fair thing.

407. And should there be any restrictions as to the manner in which the timber should be cut? It should be cut subject to the regulations as to size, etc. I do not think it would be fair to charge the Company a rental as well as the royalty, as is done at present.

408. *By Mr. Hall.*—The trigonometrical survey of the Colony was never completed? No.

409. For that reason it would be a difficult matter to locate these blocks on paper—from the fact of the mountains and rivers not being located? Yes.

410. That is your objection? Yes.

411. Do you know the country through which the line is to pass? Yes; generally.

412. Can you give us any idea as to the value of the timber,—whether it is pine, blackwood, etc.? There are some fairly good pine forests, but not extensive. There is not any great quantity of blackwood, possibly there would be patches.

413. Has a difficulty already occurred between your department and the prospectors? In the Mines Department, I believe, some trouble has arisen.

414. *By Mr. Murray.*—Regarding the survey of mineral land, if a prospector applies to Government for a block of mineral land will he not have to pay survey fees before working it? He takes out a prospecting area, or claim, and gets a right to prospect it, and afterwards to locate his section. He does not usually do it at once in a new country.

415. He has to pay for the survey? He has to pay before he gets a lease.

416. Will the same apply to a company if a prospector applies to the Company for the same right? He will have to pay survey fee, he would not pay for locating the sections. Connections have to be provided by the State.

417. *By Mr. Page.*—I understand you to confine the claim of royalty to such timbers as would be cut for sale, and to give them, free of royalty, what is wanted for construction? Yes.

418. *By Mr. Woolnough.*—Are there any forestry regulations now in operation in this colony? Yes.

419. Do these regulations prevent men from cutting certain kinds of wood? Yes; they can only cut the kinds specified in the regulations.

420. Are there any other regulations for preserving certain kinds of wood? The regulations are as to cutting certain kinds, and as to size and measurement.

421. Would it be desirable, in the interests of the public, to apply these regulations to the Company's land? Generally, I think they should, with some slight amendments. I do not think the Company should be called upon to pay rent and the fees as well. I think the royalty would be fair.

422. *By the Chairman.*—At the outset of this Bill it refers to certain plans, specifications, and sections having been lodged with the Minister. Have you seen such as have been lodged? I have seen plans for about 25 miles and sections. They came under my view, but did not belong to my Department.

423. Have you any other observation to make on the Bill, as affecting your Department? I cannot think of anything at present.

424. *By Mr. Butler.*—With reference to the timber—Have you taken into consideration that this land is practically the Company's land, part of their concessions? Yes.

425. And they have very long terms of lease? Yes. Do you think it fair to treat them in the same way as people with timber licences?

426. I have not suggested that; I mean under the same regulations? I think so, except as already stated.

427. No one else can go on that land to cut timber? I still think they should cut according to regulations. The Company may break up, and the land come back to the Crown; and why should young timber be destroyed.

428. The Company having leased this land for a long term of years, would they not be as careful of young timber as the Government? It is a fair conclusion, but, as I said, the Company may fail, or a great many things happen.

429. The Crown get *quid pro quo* for the concession of land, do they not? I think the Company should pay a royalty on timber as well as minerals.

430. As to survey,—if the Company undertake to pay for connections, the same as the Government, would not that put them on the same footing? If the Company undertake to pay all the survey fees it would be satisfactory. A prospector making application for mineral lease pays the survey fees. That would be the same in the Company's as in the Government's case. If lines were run round the blocks the prospector would be safe in knowing the position of his land, through the fact of these lines being 5 miles apart one way, and 22 miles the other way. He would know whether he was on Company's land or not.

431. Can a man who is not a surveyor say whether he is within 5 miles of a certain spot, he having travelled 22 miles back from a line? He should know his position approximately, if he is a bushman.

432. Would he know if he were on one side of the line or another? Yes.

433. If the company agree to pay for connections up to the surveys that would cover the difficulty? I think there are the strongest reasons why blocks should be surveyed independently of the prospector. I do not consider blocks should be made over to any party without survey.

434. *By the Chairman.*—Would you give your reason? The question cropped up in regard to whether it was expedient to issue Proclamations without a survey. It is an axiom of the Lands Department that no land should be alienated or reserved from the jurisdiction and control of the State until the boundaries thereof have been correctly defined by survey and permanently marked on the ground. There are obvious reasons why surveys should be made in this case for the guidance of prospectors.

*Mr. Butler.*—Mr. Chrisp spoke to me some days ago as to altering a statement in his evidence—see question No. 81. I wish to explain that the survey of the first four or five miles was taken from the Government survey already made. He says there is one piece down to the 1 in 40 limit. It should be stated that in the first 4 miles, which was surveyed by the Government, there is one grade that is down to the limit of 1 in 40. Mr. Chrisp asked me to have him re-called, in order to rectify that error.

JOHN M. McCORMICK, *examined.*

Mr. McCormick took the Statutory Declaration.

435. *By the Chairman.*—What is your name? John Macneill McCormick.

436. And you are? Engineer of Existing Lines.

437. You have read the Bill before the House to amend the Great Western Railway and Ore-reduction Company Act? Yes.

438. There is a reference in the beginning of the Bill to certain plans, specifications, and sections having being lodged. Does that come within your knowledge? Yes.

439. What have you to say? The plans, &c., for 20 miles have been deposited. That should read "portions" have been deposited.

440. Have such portions been approved? 20 miles of the plans and sections have been approved, as far as they go. There are additional plans required.

441. This Bill asks, in effect, for the right to use the maximum grade and minimum curve as frequently as the promoters like. Is there any objection to granting that? I think so. I do not think the option should be left to the promoters. Take Section 15, after the words "three feet six inches," add "and in the discretion of the promoters." I think that is rather ambiguous. It might be read that they had the right to put curves of less than 5 chains radius.

442. Assuming that that will be put plainly, is there any objection to allowing the promoters to use the grades and curves as frequently as they please? Every objection. They might make the line on what engineers call the "contour." It would be injurious to the maintenance of the line. They might put them so close that Section 16 would not be complied with.

443. Assuming that they had complied with section 16, is there then the same objection? Section 16 is simply a matter of opinion, and is not in itself sufficient. It should be read with section 17.

444. Assuming the promoters put in rails of 60 lbs. instead of 43 lbs., and ballast 1700 yards to the mile instead of 1330 yards, would the line not then be of a sufficiently stable character, notwithstanding that the maximum grade and minimum curve were used as often as they liked? That would not effect it in any way. If you have two 5 chain curves close together you cannot comply with section 16, as to the speed of 15 miles an hour. The matter should be left to the approval of the Government. I will give an instance. Take the Van Diemen's Land Company's Line; they have a similar specification, and at the commencement of their surveys their 5 chain curves were too close together. They admitted so, and re-surveyed that portion. The speed of 15 miles an hour could not have been maintained. I think there is no doubt that the Government Officers will deal fairly with this company, and it should be left to them. If the promoters got the plan and section of the Waratah Company's line it would give them an idea of how we are likely to deal with them.

445. Will you turn to section 3 of the Bill, which deals with section 42 of the original Act. You will notice that after the word "way" the word "plant" is inserted? I see no objection.

446. And as to the latter part—the words expunged. This deals with the purchase of electric plant. It is proposed to strike out that provision? I do not think the electric power would be of any value to the Government in case of purchase.

447. The promoters do not intend to drive the railway by electric power, and suggest that the words be struck out, as not being necessary: Have you any opinion to offer? I have no objection to offer to their being struck out, if it is clearly understood that the promoters do not intend to use electricity.

448. Have you anything to say about the branch lines to be constructed—Section 7? Line 15, extension to any coalfield or mine. That appears to me to be too general; They might go anywhere. The following portions are defined, and I see no objection. I think where there is a general statement of diversion to any coalfield or mine it ought to be submitted to Parliament.

449. Section 4, referring to "description"? I think I have practically replied to that already. Sections 15, 16, and 17 should be read together. However, as I say, there is some ambiguity about 15. If you adopt this insertion you should state minimum curves of 5 chains, and maximum grade of 1 in 40.

450. Would your objection be overcome by inserting "in accordance with Section 16"? No; you could not insert that at all; 17 is for the approval of the Minister. I might mention to the Committee that I notice several dates have been altered. Section 170, miscellaneous; the date should be altered to agree with the other alterations of dates.

451. *By Mr. Woolnough.*—If you were informed that the electric power was going to be used for other purposes than haulage—if it were to be used for lifts, and large plants for other purposes—would you still give the same opinion as to purchase? That makes it a very big question. That would qualify my opinion as to the percentage. If there were a large electric plant, I should then say, purchase on a commercial value.

452. The intention is to use electricity for other purposes than the railway, and connections will be made with that plant for the use of lifts, &c.—it is possible the Government might be let in for the purchase of not merely a partial interest, but for the purchase of the whole plant used for other purposes—it seems desirable to preserve the Government from being let in for this expense? I understood they did not intend to use electricity for rolling stock or anything connected with the railway.

453. *By Mr. Murray.*—Have you been over the proposed route? No.

454. Do you know if the survey has been made for the whole length of the line? I have stated that plans are deposited for 20 miles.

455. That is a working survey? That is the only thing I have to deal with under the Act.

456. Are you aware if a trial survey has been made? I believe a preliminary survey has been made.

457. Are you satisfied that if the curves are used too frequently it will seriously interfere with the safety of the line? Yes. If there is not sufficient interval between them it will interfere with the haulage and maintenance.

458. *By Mr. Bradley.*—From what you know of the route, is it likely there will be an unusual number of these five-chain curves, required or the grades of 1 in 40? That I cannot answer. I do not know anything of the route, except in so far as the plans that have been before me.

459. For that 20 miles? The 20 miles is comparatively easy.

460. *By Mr. Page.*—You object to giving them a free hand in using these curves and grades—you would limit it? By Clause 17. It should be subject to approval of the Minister. That is what was done with the Emu Bay Company. I have had certain alterations to make, and there has been no objection.

461. *By Mr. Butler.*—Can you tell me what is the weight of rail on the Main Line? Various weights.

462. What is the ruling weight? The original weight was 40 lbs. iron rail, then, I think, 40 lbs. steel. When we bought the Main Line they were re-laying with 46 lbs. steel rails. The present Main Line is partly 61 lbs., 46 lbs., and a portion of 72 lbs. The bulk is 46 lbs. steel rails.

463. Are there any curves less than five chains? I believe there is only one curve under five chains.

464. I mean on the Government lines generally, not only the Main Line? Our ruling curve is five chains.

465. What is the ruling grade? One in 40.

466. Are there many one in 40 grades on the Government lines? A good many.

467. What speed was the Main Line run at? I cannot tell you. It was under the Act.

468. I should have said,—What speed was it run at in the Company's time? It was fixed by the Act. I cannot tell you.

469. Was it more than 15 miles an hour? I believe it was. Twenty something, I fancy, but am not at all sure.

470. Is not the speed before you in that Act the average speed? No; it says not less than 15 miles an hour.

471. If we have so many of these curves and grades, would that decrease the speed? Decidedly.

472. If our line is built with so many of these curves and grades, will it be run at 15 miles an hour? Not if they are close together.

473. In order to comply with that Act the Company should build the line with the curves sufficiently far apart? Yes.

474. Is not the wear and tear very much greater with these frequent curves and heavy grades? Decidedly.

475. Would not that be against the promoters' interests? I am not prepared to say that. There is such a thing as building a line for sale. Let us take the Main Line, for instance: in a certain portion of it there are a good many 5-chain curves and steep grades. It would not have cost any more to build with 10-chain curves.

476. How long did the Main Line Company own the line,—all that time they would be running at an excessive rate? Yes.

477. Does not the Company find the money to build this line? I presume they will do so.

478. Is the Government compelled to take the line over? No; I believe not.

479. If they did take it over, I think you said it ought to be taken on the basis of a going commercial concern? No; I did not say that. It was in speaking as to the electric plant. I said there should be some other terms of purchase.

480. Do you think it would be a fair basis to take over on? I think so; but I have not given the matter careful consideration.

481. As to that first 20 miles: do you know that the only place where the grade of 1 in 40 occurs is in a part that was done by the Government? That I am not prepared to say.

482. Section 4 of the amending Bill, last three lines: does not that provide that the railway shall be constructed in a substantial manner? Not necessarily so; because Section 16, read by itself, is a matter of opinion, and should be governed by Section 17.

483. It is proposed that minimum curves and maximum grades may be used as often as deemed necessary by the promoters—if they were allowed to put them in as frequently as possible, subject to the railway being constructed in a substantial manner, do you think there would be any objection? You still propose to leave the power with the promoters.

484. Who is the authority who says whether the railway is constructed in a substantial manner or not? The Governor in Council.

485. It lies in his hands—is that not a safeguard to the Government? I do not think it is sufficient in itself.

486. All you want under that Act is that a substantial and safe line shall be built? Yes.

487. What is the reason of saying "the maximum grades and minimum curves" if you object to them? We do not object. There may be local reasons why they should not be used in certain places.

488. The question of curves and grades is only a difference in the speed? No, there are many reasons. I gave, as one reason, that it would affect the speed, and that it would affect the safety of the line, if the trains had to run at 15 miles an hour.

489. It is only an average speed? It says not less than 15 miles an hour. There will be places where you will have to run easy, and others where you have to run hard, and it may necessitate running fast over 5 chain curves.

490. The contract provides for rails of 60 lbs., steel, and ballast 22 yards instead of 16 yards per chain. Does that provide for a very substantial line? It provides for a heavier rail and a heavier engine.

491. The speed is 15 miles an hour. When we come to look at the Great Western Railway, with heavier rails and more ballast, running at 15 miles an hour, and the Main Line 23 miles an hour with lighter rails, which is the more substantial? The Main Line is run with heavier rails.

492. I want you to draw a comparison between the two lines, as this is proposed to be built, and as the Main Line Railway was run? It does not get over the question of safety. I might be of the opinion that the Main Line was not run safely.

493. Were there any accidents? I believe there were some accidents. I do not know how many. There were a good many accidents and fortunate escapes.

494. Are there any unnecessary number of curves or grades in that 20 miles? I think it complies with the Act.

495. That is all you have received from the Promoters? Yes.

496. You are satisfied? Yes.

497. If this is a sample of their work right through you would have no objection? No.

498. *By the Chairman.*—After plans, specifications, and sections had been submitted to you and approved, could you, in your opinion, afterwards demand an alteration if the speed provided in the Act could not be complied with? I do not think it would be reasonable after the line was constructed.

499. You think that after having approved the plans you have no further right to interfere? If the work had been done I do not think it would be reasonable.

500. Could you, by inspection of the plans and sections, decide whether or not the speed could be safely maintained? I think so, supposing the line were constructed in accordance with the Act.

*Mr. Butler.*—Speaking from memory, I believe the promoters lose their concessions and rights if they do not run up to 15 miles an hour.

Mr. McCormick withdrew.

MR. W. H. PALMER, *recalled.*

501. *By Mr. Page.*—As to the Solicitor-General's opinions: how did you come to understand that this exhibit, which we know to be a reference of the Premier, was an opinion of the Solicitor-General? Copies of Papers laid on the Table of the House were handed to me as correct copies. I never doubted they were correct.

502. How did you get these? I asked one of the Pressmen to get me a copy of the papers laid on the Table of the House.

503. Is this copy put in by you the one given you by the Pressman? I do not know whether it is the actual paper; if not, it is very much like it.

504. Did the Pressman who gave you this give you a series of small slips of copies, or was it in one lot? It was put together with pins, dates following. I believe this is the very copy. I am very sorry that this mistake should have occurred. While I have the opportunity I wish to say that in stating the Members of the Board of Directors when I left England there has been an alteration. By looking up my instructions from England I have found that Mr. Austin has resigned from the Board. He is rather an important man, and no doubt it will become known that he has resigned. I therefore wish to say that it was an unintentional mis-statement on my part at the time.

MONDAY, 6TH NOVEMBER.

FREDERICK BACK, *examined.*

Mr. Back made Statutory Declaration.

505. *By the Chairman.*—Your name is Frederick Back, and you are General Manager of the Tasmanian Railways? Yes.

506. You have perused the Bill to further amend the Great Western Railway and Ore-reduction Company Act? I have. May I ask you to kindly let me make a short personal explanation before you proceed with the examination. It has been said, and said frequently, that I am opposed to the Great Western Railway. I wish before I commence my evidence to state

that such is not the case. I was very much opposed to the Bill before it became law, but Parliament and the Government of Tasmania having decided that the Company should have a Bill, I have been always, and am, quite ready to give the Company every assistance to make that Bill as workable as possible. I have some information here that I think you should possess, and if you will be sufficiently indulgent I will place it before you. At the time the Bill was going through the House, when it was decided by the Government that they should give the Company all reasonable assistance, I was instructed by the late Minister of Lands to arrange for a schedule to be prepared to accompany the Bill, and my instructions were that I was to take into consideration that Mr. Palmer, as representative of the Company here, had undertaken, for certain considerations, to give the colony a line of railway equal to those which have been constructed by the Government. In effect, he said that he was prepared to give the country a line which would cost not less than £10,000 a mile. Mr. McCormick prepared a specification and handed it to me. I had many interviews with Mr. Officer and one or more with Mr. Palmer. The result of these interviews was this correspondence. The Premier was at Leith, and he wired me to arrange with the Promoters that the specifications might be made suitable. The result of an interview with Mr. Officer was the despatch of this telegram to Sir Edward Braddon. (Telegram read.) During the same week I received a letter from Mr. Palmer (dated 5th November, 1896), of which I put in an extract. I wish to say that I have opposed—and strongly opposed—at the initiatory stage, the Emu Bay Railway, the Great Western Railway, and the Midland Railway, because I considered it my duty as a servant of the public; but the policy of the Government having decided that these railways are to be made, I consider it my duty to do all I can to make these Acts as workable as possible; at the same time, protecting the public. I thank you for permitting me to make this explanation.

507. *By the Chairman.*—In the beginning of the Bill it states, “whereas the Promoters have made the deposits mentioned in Section 171,” &c., &c.: can you tell the Committee whether the Company has commenced the construction in a *bonâ fide* manner?—is that a matter which comes within your knowledge? We have had no reports on the subject, as the inspector provided for under the Act has not been appointed. I think a great deal of misapprehension may be prevented in the future, if you were to embody in this, after the word “plans,” “and whereas plans to the extent of 20 miles have been deposited.” As a matter of fact, the whole of the plans provided for have not been deposited, and therefore it would not be wise for Parliament to admit that the whole of the requirements of these specifications have been complied with, as mentioned in this section.

508. Have you anything to say as to construction? You would have, I think, to appoint an inspector, and get his report. The Act provides that an inspector should be appointed to supervise construction; and his report should be before you.

509. Section 15, referred to in Section 4 of the Bill,—after the words “three feet six inches,” in the 4th line, “and in the discretion of the Promoters”: that has been said by the Promoters to mean that the minimum curve and maximum grade should be used as frequently as they desire; have you any objection to the Promoters having full discretion in the use of the minimum curve and maximum grade? I would recommend you, if I may be permitted, to make it quite clear and perfectly defined that whatever power may be given to the Company the minimum curve shall be 5 chain radius, and the maximum grade 1 in 40; if not, I take it they may put in less curves than 5 chains.

510. Assuming that the minimum curve of 5 chains and maximum grade of 1 in 40 is plainly stated in the Bill, do you see any objection to the Promoters using those curves or those grades as frequently as they like? I think this should be a matter for Parliament or the Minister to decide. It is, in my opinion, decidedly wrong. The inspecting officer should be the person to decide. If you allow the Company to use curves as often as they like you may get them imperfectly put in. The tangent points may be too close together. You may get a surface line instead of a line of much more stable character. If we had to construct the Main Line over again, we might ease the curves, and get a very much better line, which would cause less resistance. This is more a matter for the Government to consider than for me. My opinion is that having undertaken to give you a line equal to the Government railways at a cost of £10,000 a mile or thereabouts, some supervision should be necessary on the part of the inspecting officer.

511. The Promoters propose to increase the weight of rail from 43 lbs. to 60 lbs., and the ballast from 1330 to 1700 cub. yards per mile: there is a provision in the original Bill that they shall run at a speed of 15 miles an hour. Provided they supply that rail and ballast, and run at that rate, is there still an objection to the maximum grade and minimum curve being used as frequently as they like? The objection remains precisely the same. The question of the weight of rail governs the weight of their rolling-stock. It would not affect any other conditions. Modern engineers are increasing the weight of rail daily, as they find they can take a heavier engine and draw a bigger load, and work more economically.

512. Section 42, referred to in the Bill under Section 5, as to certain words being expunged. You will find that this is a provision which relieves the Government from purchasing electrical works. It is proposed to strike out that provision. Have you any objection? Decidedly. That provision was put in, I think, at my instigation. In this Act we are dealing with the Great Western Railway, and this 8th Section of the Act deals with the resumption of primary lease and purchase of the railway. Now, I think the Government should be relieved from any liability for the purchase of electrical plant or any other matter outside the working of the railway as a steam railway, because, probably, if it came to a matter of purchase it might be, because the various electrical works were not paying. I think if some relief is wanted by the Promoters, I would keep

in the clause, and insert "except such approved locomotives and other plant as may be required to work a railway by steam power." That is to say, the Government should purchase their railway plant. The mere fact, I take it, of the railway being connected with electrical works might legally bind the Government to buy works that were of no use to the Government, and as the Company has decided to make a railway to be worked by steam, they would be sufficiently protected if we were to insert a clause somewhat to the effect I have mentioned.

513. Section 33, referred to in Section 4 of the Bill. That refers disputes to arbitration, and relates to running powers over the Government lines? I may say that I had a hand in drafting this clause, and in my original memorandum I put in exactly what is now asked for, and I think it was Sir Philip Fysh taking it through the House who thought it was unnecessary to repeat the words after each section. In the original Bill you will find that Section 33 gives the Minister power to grant certain concessions to the Promoters, and Section 34 makes it possible for the Minister to obtain certain powers from the Promoters. Sir Philip Fysh, taking the Bill through, thought there was a redundancy in putting the clause each time. He thought one governed the other.

514. *By Mr. Woollnough.*—If the Company are allowed this discretionary power as to curves and grades, might it mean any hindrance in getting the required speed of 15 miles an hour? They ought to be able to run at a minimum speed of 15 miles an hour. The load would probably be reduced in consequence. The great point about the curves is that if they were allowed to put them in as often as they please they might construct the line in a manner which would be dangerous.

515. If they put them too close together would there be any possible danger? I think so. The Government is in the position of a Board of Trade, and it is their duty to see that the line is constructed so as to satisfy their officers as to safety. When the line is constructed it will be to the advantage of the Company to consult with the Government officers, and those officers will do all in their power to make the Bill workable.

516. Are you distinctly in favour of the Government having the last say in this matter of curves and grades? I think so. Section 17 of the Act makes it quite clear that some supervision is intended. Look at the last clause of Section 17: If you put in this new clause you take away from the Minister the power to say that alterations are necessary, and must be carried out. There are two ways of looking at this—the liberal interpretation, and the exact interpretation, and I think the company should be satisfied with an assurance that all we ask them to do is to take a liberal interpretation of the clause. They can see for themselves how we put in curves and grades to keep down expense.

517. In Section 34 the Governor-in-Council is enabled to force the hands of the Promoters, and oblige them to give running powers to the Government, but in clause 33 the Company have not the same power, apparently. Therefore, there is an inequality. The Governor in Council can do as he likes. I take it, the object of this proposed amendment is to give equal powers. If the Minister refuses running powers the matter shall be referred to arbitration. Do you see any objection to that? I do not think anyone would commit such a suicidal act as to *compel* the Government to give them running powers. That section of the Act gives the Governor in Council power to grant running powers over any railway in Tasmania. Would it be right that this Company should come in and interfere with our traffic in any part of the Colony? It would be unreasonable to do so. We have expended some 4 millions in railways, which we are struggling along with and endeavouring to pay expenses. Why should the Government give a concession against its own interests. Parliament has said we will give you power to construct a railway to the West Coast. As a matter of fact, it is exceedingly unlikely that the Government would require running powers. If so, it would simply mean that the Government might require to run over a piece of their line which might junction with other lines.

518. Have you understood that under the amendment proposed to Section 33 it was intended to cover, not merely the question of payment, but the question of whether, if any dispute arose as to whether the Company should have running powers over certain Government lines, it should no longer be left to the discretion of the Governor-in-Council, but should be submitted to somebody else? I can hardly find words strong enough to oppose such a proposal. It would be simply suicidal.

519. *By Mr. Page.*—What is the danger you apprehend from the too frequent use of these curves and grades? If you place two reverse curves too close together, you might come off the road. There are certain formulæ which have to be adhered to; too much of a bogey is made of this matter altogether. No Government officer would object to such reasonable use of S-chain curves and 1 in 40 grades as would be used in the Government railways, and in laying out a railway we should avoid these curves and grades if we could, but if it came to a question of more expense we would use them. In the same manner the Government officers would assist the Company.

520. Section 83 seems to me to be a matter for the opinion of the Crown Law officers; and then I come to this very important question of branch lines. I should say, that before giving power to construct branch lines, they should make their trunk line, and then submit plans and apply to Parliament. I consider it is equally important that branch lines should be submitted to Parliament, and, as it must take some years before the trunk line is finished, and as we know that discoveries are still being made, and the mining business is growing rapidly, it would be exceedingly unwise to grant power to make branch lines between undefined points or over undefined country. It may be necessary or desirable to allow the Company to make such branch lines by-and-bye. If you give them these powers now, you may have the country gridironed all over, and you do not know that



it will not interfere with the traffic on Government lines. I have always urged that before any Bill is discussed by Parliament a preliminary survey should be made, and I still think that it is a very serious mistake to consider any Bill for the construction of a railway unless a preliminary survey is deposited, and I would urge the Committee to think strongly on this subject. There is really nothing here to shew definitely over what country these lines will go, nor definitely, between what points.

521. *By Mr. Butler.*—Would you have any objection to a branch line being made: for instance, suppose our line were constructed as far as some certain point, branch lines being made from that point? I think so. There is nothing to prevent the same thing being done as in the case of the Emu Bay Railway,—half the line constructed, and a branch to Lyell. It is exactly the same position.

522. Supposing the line were constructed from Glenora to the Humboldt Divide, would you have any objection to a branch between those two points? Undoubtedly, until the line is completed. What would be the use to Tasmania of a line from Hobart to the Humboldt Divide? You are getting concessions in land and other things for a line from Hobart to Zeehan. Therefore, get your line made from Hobart to Zeehan; and then, if you desire to construct a branch, apply to Parliament.

523. But are not railways beneficial to the Colony? Not always.

524. As to the curves and grades, are you not looking at this question as if the Company were contractors? Certainly not. In England the Board of Trade governs these matters absolutely. There is no Board of Trade here; and the Government have to rely on their officers, and they have a duty to perform in seeing that lines are constructed to work with every possible degree of safety.

525. This railway is being constructed for a company. If it is inefficiently constructed they will be the losers? This line is being constructed for a payment by the Tasmanian Government. They pay not in coin but in land and other concessions. Let me refresh your memory as to what took place when you were present at the original Committee. (Page 29, question 732). You will see the position you take up in asking me this question is an untenable one, because the Company is not in the position you represent. They are receiving from the people of Tasmania a payment.

526. The railway still remains their property? When they have complied with the Act.

527. And the cost of maintenance will be very large? I think they must have anticipated that. Mr. Palmer says you will have to face a loss of £50,000 to £60,000 a year for 10 years.

528. Is it not to their advantage to make the line as substantial as possible? It may be to their advantage to make a cheap and inferior line.

529. Do you know that the contract which the Minister has had in his hands, and which the late Minister has now, provides for steel rails of 60 lbs., and ballast 1720 cubic yards to the mile. This contract is signed by Pauling Bros. Does not that provide for a very substantial line? Certainly not. You may have good rails and plenty of ballast, but there are other points quite as material which may be overlooked.

530. Does not that show on the part of the promoters a desire for a substantial railway? Not necessarily. I think they are very wise to adopt a stronger road.

At 5.20 P.M. the Committee adjourned.

WEDNESDAY, 8TH NOVEMBER.

*Examination of FREDERICK BACK, continued.*

531. *By Mr. Butler.*—What has been the average cost of construction of the Government lines per mile? £8189 per mile.

532. What does that include? It includes everything for the railway, and rolling stock.

533. Does it include the purchase of the Main Line Railway? Yes.

534. What is the cost of the Zeehan line? I have not it here, separated from the tram, but you may put it down at £9000 a mile approximately.

535. The average cost of £8100 includes the purchase of the Main Line; and does it include the construction of the Launceston and Western broad-gauge line? Yes. I may explain that the Main Line cost the Government £10,150 per mile.

536. That is the purchase price? Yes. The Western Line, £9093, and the Scottsdale Line £8595. Were I discussing the construction of a line to the West Coast, I should take the Scottsdale Line as a guide.

537. When were the majority of the lines built? During the last 14 years. It may interest you to know that the Sorell Line, with its light rails, cost £9123 per mile.

538. Were not the majority of the lines built in expensive times? I think the wages now are higher than when the lines were constructed.

539. The specification in the Schedule of this Act: was that prepared by your instructions? By direction of the Minister.

540. The Act provides for Government inspection? It does.



541. I think the Act provides for pretty full inspection—Section 16 provides for inspection, Section 19, Sections 26, 27, and 47—under these circumstances, would not the Great Western Railway be built equal to the Government lines? Not necessarily.

542. Why not? The whole matter turns, not on what you have mentioned, but on the last paragraph of Section 17, I take it. The inspecting officer would see that the specifications, plans, and sections approved by the Minister were faithfully carried out.

543. The Minister has the approval of them? At the present moment, unless something in this Bill were to remove it.

544. Is there anything in the amending Bill to remove this approval? Yes, by inserting the amendment in Section 4. If the amendment to Section 4, as proposed, is given effect to, to my mind it will nullify the provision of Section 17.

545. And do away altogether with the powers of inspection of Government officers? No; the inspection of the Government officer is simply this:—That he sees that the work is carried out as provided by such plans, sections, and specifications as may be approved by the Minister.

546. And good work must be put in, I presume? That goes without saying. If he sees that the work is properly carried out, you will get a good line, of course.

547. Is that the same principle on which you would build a Government railway? Yes; if a Government railway is tendered for, and contract let, it is the Government Engineer who sees that the contract is faithfully carried out in terms of the plans, &c.

548. Can you tell me the cost of the Derwent Valley Railway per mile? £9100 per mile.

549. You know it is proposed to continue that through to Zeehan by our line? I understand your company junctions somewhere at Glenora.

550. As far as you know would the price per mile exceed the Government contract, the £9000? I have nothing to form an opinion on.

551. Have you seen the plans? I have seen no plans that could give me an idea. As a matter of fact, plans have only been deposited for 20 miles.

552. Have you any reason to think it would be less? I would not attempt to form an opinion.

553. I have the contract here—it provides for 60-lb. rails and additional ballast—does not that increase the cost of the railway? Slightly, yes.

554. Only slightly? Your promoters will tell you that the cost of the rails and so forth is only a very small proportion of the cost of a railway. It will increase the cost of the railway by the difference in the weight of metal and the difference in number of yards of ballast. That is easily run out.

555. Your evidence, Question 531, given on Monday, in the latter part, you say modern engineers are increasing the weight of rail, &c.? Quite right.

556. Under those circumstances does not that increase the cost of the line by building it for heavier traffic and heavier rolling-stock? If you ask me simply the question you originally did, will it cost more to put down a heavier rail and more ballast, I say yes: the difference in the cost of iron or steel and in the additional ballast.

557. Using heavier rolling-stock, does not that increase the cost? No.

558. The cost of the rolling-stock? No.

559. Not for more powerful engines? No; because you will get heavier locomotives and less of them.

560. Turn to Question 531—what are those other points you refer to? First of all drainage.

561. Is not drainage provided for in the specification? Your question is not a fair one; you ask me a straight-out question, will putting in so much more ballast and heavier rails give you a good line, and I say not necessarily. If your specification is strictly carried out, you will get a good line. Merely adding the weight of rails and putting more ballast does not of itself necessitate a good line.

562. If we have this line constructed in accordance with the specifications prepared by yourself or your officers, and under inspection of Government officers, with this extra weight of rail and additional ballast, does not that insure that that the railway will be a good one? Yes, if that Section 17 is not interfered with.

563. As the Act stands at present, you say that will provide for a substantial line? To put it plainly—if the Minister has power to compel this specification being carried out. If the power remains with the Minister, you can ensure a substantial line being built.

564. The specifications are only proposed to be altered in one place—that is, the curves and grades—with the ballast, sleepers, and all other details put in, does not that provide for a substantial line? Substantial in the way of strength.

565. And safety? No.

566. Why not? Because you at once remove from the control of the Minister the enforcement of those specifications. With the powers of the original Act—referred to in Section 17—remaining, you will have a good line. If you put in a heavier rail and more ballast, you will, of course, have a better line.

567. Have you any reason to think that the line, as proposed, will be inferior? I do not understand the question—inferior to what?

568. You said it may be to their advantage to make an inferior line? So it might be to their advantage.

569. With the Government inspection and the heavier weight of rails, have you any reason to believe this will be an inferior line? I will point out to you that it was to the advantage of the

Main Line Company to put in an inferior line because they ran short of funds. I can only repeat, that if the original Act is kept intact you will have a good line, and if the Company put in more ballast and heavier rails you will get a better one than originally proposed. The whole thing hinges on that Section 17.

570. Can you suggest an amendment to the proposed alteration, that the five-chain curves shall not occur within a certain distance? I must refer you to Mr. M'Cormick, as he will be the responsible officer.

571. Referring to the Main Line—you put it to me that it may be to the advantage of the promoters to put down a cheap line—Section 43 of the original Act provides this:—"The amount of compensation paid to the Promoters, &c."—under these conditions (which I do not think the Main Line Company had) do not we get back all the money we expend on the line if the line is taken over by the Government? There is a clause there you have to put into good order.

572. You put it to us that it might be to the promoters' advantage to build a cheap and inferior line—I want to point out that what we spend on this railway we get back? Twenty-five years hence.

573. At any time we will get our money back? If the Government buys in 25 years' time, the Company will get their money back. It is too remote to have any bearing at present.

574. I wish to show that what money we spend we get back again, and we get 20 per cent. on this? I have given you a case where it was to the advantage of a Company to put in a cheap line.

575. Was that provision inserted in the Main Line Bill? As far as I can remember, the conditions were absolutely different: in one case no provision was made for purchase; and I believe that one of the Premiers in this Colony stated that the Main Line Act was purposely bald and vague; various provisions, such as should be put in, were omitted.

576. Is our Act bald and vague? No; I do not think so. If you stick to your schedule and Act you have a very good one.

577. If the line is not in good working order we have to pay what sum shall be necessary to make it a fair working line? The Act provides that; yes.

578. If we build a shoddy line, is not the cost of maintenance very much greater? It depends on the traffic: a good line is always more economical than a bad one.

579. We have to run 25 years before the Government can take it over? Yes.

580. During that time we have to provide for the cost of maintenance? Yes.

581. Therefore, it is to our advantage to run the line as cheaply as possible? It depends on circumstances: if you have not the capital, you have to finance, and do the best you can.

582. Do you know the contract provides for the full amount to be subscribed? I have not seen the contract.

583. I may say that you should have had this before you, but it only arrived from the West Coast this morning—I should like to put it in, so that you should see it, and make any comments you wish, if you care to do so? If it is the wish of the Committee, I shall be very pleased.

584. Have there been many accidents on the Main Line? None since I have had charge.

585. The Main Line Railway, by their contract, I think, could put in 4-chain curves? I do not think so; 5 chains, I think, is the limit.

586. I have been informed there was a 4-chain curve—I think Mr. M'Cormick said there was a 4-chain curve, or he said he believed so? I think the Act provided for 5-chain curves. I know some of the curves have been altered. 50 miles of the line have been relaid.

587. Are any of the grades on the Main Line steeper than 1 in 40? I do not know of any.

588. You have seen the plans that have been put in for these 20 miles? No; I cannot say I have seen them. They passed through my hands, but I have not examined them.

589. On the Main Line, I think, 23 miles an hour was the average speed? By the Act they had to run a train at 23 miles an hour once a day.

590. The Main Line between Campania and Flat Top is very rough? It is hilly.

591. In the northern part, I believe, it is fair country—from Launceston to Campbell's Town, say? There are some steep gradients there.

592. And sharp curves? Yes. There are some pieces of straight line, and less curves and steep grades than on the other portion; but still they are there.

593. Do they occur frequently? Less frequently than in other places.

594. This railway is to run at 15 miles an hour, including all stoppages and detentions? That is, to include everything? I think I recommended you to put the word "average" in.

595. That is an average speed? Yes.

596. I want to know if the sharp curves and heavy grades were put in very frequently, could that speed be maintained? Yes; you would reduce your load according to the resistance due to friction, always understanding sharp reverse curves are not too close together.

597. Or use more powerful engines? Whatever your engine is you reduce the load.

598. To force the train over sharp curves and heavy grades, it wears the line out quickly, at a big speed? The greater the speed, and the greater the weight of the engine on sharp curves, the less the life of the rail.

599. You know the Main Line fairly well? Yes.

600. The contract is in accordance with the specifications in the Act, and provides for 60-lb. rails, and 22 yards ballast, instead of 16 yards per chain, and the speed is to be 15 miles an hour. Then we have, I believe, ballast on the Main Line 13 yards to the chain, speed 23 miles, and rails 40 lbs. or 46 lbs. I want to put it to you, as the Main Line was built by the contractors, and as

this Great Western Railway has been signed for to be built, which would be the most substantial line? I do not know anything about the Main Line, as it was built. Railway construction then was of a very much lighter character. I went over part of the Midland Railway in England, when they were putting down 80 lbs. rails, and the Chief engineer told me he thought they had reached the maximum weight then, but since that they have been increased up to 100 lbs. and over. The Tasmanian Main Line has been relaid with 61 lb. rails, for more than 50 miles.

601. On the same ballast? On our standard ballast.

602. My question is a fair one—the Main Line, as you saw it when you came here, and the Great Western, as it is signed—or in that contract to be built under Government inspection, with a specification prepared in your office, and heavier rails and more ballast, and 5-chain curves and more ballast.—I want you to make a comparison between the two lines? I have not seen the inside of the contract.

603. But if I tell you the contract is to build a line in accordance with those specifications prepared in your office—under these circumstances can you compare the two lines? Yes. I should say a line built under this original Act and specification will give you an infinitely better line than the country got 25 years ago from the Main Line.

604. Question 510—"You would have to appoint an inspector, and get his report"—Who has to appoint the Inspector? The Governor in Council.

605. Have the promoters anything to do with this appointment? I must refer to the Act. I think the Minister appoints his own inspector.

606. Your statement was that you were not hostile to the Company? Quite right; whilst I have been opposed to the several syndicates I have named, as I believed it to be my duty. Now the Government having decided that the country should have them, it is for me to give them every assistance I can. Having recorded my protest, it now becomes my duty to assist the Company.

607. May I remind you that Section 19 provides that the inspector is to be appointed by the Governor in Council—your answer rather puts it that the promoters were lax in not having this report before the Committee? No.

608. I want that construction removed? The Chairman was about to ask me as to the construction of the line. I said I knew nothing about it—that the inspector was the proper person.

609. It is not through any fault of the promoters that this officer was not appointed? I take it that practical construction has not commenced, therefore no appointment has been made. When the promoters begin actual construction work they will notify the Government, and an officer will be selected.

610. I think, although you may not think it, that you are putting a very stringent construction on some of the provisions: you have not a liberal mind towards the concessionaires? I do not agree with you. At the present time you are trying to cross-examine me, and I only protect myself. I gave you my evidence to the best of my knowledge and belief, and I stick to every word I said; and if you try to shake my evidence I also take care that you shall not. There is nothing hostile in that.

611. In the event of this Company failing to build the line, would the Government build it? I could not say.

612. Would you recommend it? A question of that sort is far too large to answer.

613. You know the feeling in the South that the capital should be connected with the Zeehan silver fields? I believe a majority hold that opinion.

614. Do you not think so yourself? If the line can be made to pay.

615. And if it could be made to pay, you would have no hesitation in recommending the Government to build? If it could be made to pay, I should recommend it, undoubtedly.

616. Do you think it could be made to pay—I am asking you as a railway man, from your own knowledge and opinion? The whole of the Government railway revenue of the West Coast amounts last year to about £40,000. If it could be shown that this railway, or any other railway in the Colony, would pay, I should hold up both hands for it. When you ask me if I think it would pay, I can only deal with facts before me. I can only give you the tonnage carried last year. The total tonnage of minerals carried on the Government lines on the West Coast last year was 53,000 tons, including that carried on the tramway. They are deepening the harbour. At the present moment the sea freights run from 5s. 6d. and 6s. up to 12s. Ore is taken to New South Wales at a freight of 6s. a ton from Strahan. Low-grade ore, valued at less than £6 a ton, is carried at 2d. per ton per mile on the Government lines. Can you divert this trade to the Great Western Railway?

617. Are the principal mines opened up—is not that the smallest part of the field which is served by those railways? I do not think so. I do not know of any mine that is not served.

618. Is any ore being sent from the Mount Lyell Mines or Mount Read? From Mount Read, yes, a considerable quantity.

619. The Hercules? The Hercules have not commenced sending out ore. When it does, it will come by our tramway.

620. The Red Hills Mine? It is only in a prospecting stage.

621. Have you any objection to the running rates being fixed?—Section 33, the Minister may grant running powers. Have you any objection to these rates for the running powers being fixed? I am very glad to have the opportunity of replying to that question. Mr. Palmer, acting probably under some misapprehension, said I declined to give him the rates for carriage of goods over the Government railways. Mr. Palmer has the opportunity of sending his goods at our schedule rates. Mr. Palmer's counsel, Mr. Dobson, pressed me very hard to say what con-

cessions on the present rates would be made. The statements that have been made in evidence—particularly Mr. Palmer's and Mr. Officer's—are so widely divergent that no railway manager would undertake to make up a schedule under existing conditions. We have, under the evidence of Mr. Palmer, that for the next ten years the line cannot pay,—that there will be a loss of £50,000 or £60,000 a year. Then we have, in Mr. Palmer's evidence, that they will have ore-reduction works somewhere, probably on the banks of the river, and the minimum tonnage per day will be 1500 tons, and the maximum 3000 to 3500 tons. See Questions 563 and 588 in the original evidence. If Mr. Palmer's figures are realised, we shall require to duplicate the line from Hobart to Bridgewater, and probably to Glenora, and should require a large amount of rolling-stock. I have prepared a schedule of the rates in operation for the carriage of materials used in the construction of a railway, such as rails and fastenings, cement, bricks, timber, galvanised iron, and contractors' plant and material. The average of these rates is lower slightly, by 1d., in Tasmania than in Victoria, and compare with New South Wales, 91/, as against 115/ in New South Wales. I shall be very pleased to get from Mr. Palmer any definite proposals as to traffic; and, if any reductions are made, they would have to be made on such quantities as would enable us to work at a profit.. At present, on the Derwent Valley line, it costs us £111 to earn £100, and the Main Line returns 0·83 per cent. only: so that there is very little scope for reduction under existing circumstances. I have never had any trouble in making arrangements with other companies; but, with such widely divergent statements as I have had before me, it is impossible to deal with them. Nothing has ever been put in writing about the matter.

622. I asked you if you would fix the rates. You say you will; and I am satisfied with that? Certain verbal statements have been made in connection with rates, but I have never had anything definite before me. Mr. Dobson said he wanted to know what concessions I would make on the traffic of the line. With such different statements before me, I was really not in a position to answer. If a railway manager has a definite proposal before him he knows what he is doing, but in this case there is nothing to go on.

623. These rates you have given us are not higher than charged to the general public? Those rates are open to all.

624. Are they any cheaper? Those are the rates in our rate book.

625. Could you, under the circumstances, make any reduction on these rates? I am afraid not. The Derwent Valley Line is working at a loss. We are practically working between these points at less than cost price.

626. But, many of your railways are not running at a profit? Five of our lines are worked at a loss. The total is a loss of about £3500 a year on the non-paying lines.

627. The other lines have to make up for the non-paying ones? There is no making up for losses.

628. You have referred to Mr. Palmer's evidence, page 29, about the loss on the railway—I want to ask you if that evidence was not given four years ago? You will see the date for yourself. I dare say it was.

629. On the 2nd October, 1896? Three years ago.

630. Were the fields anything like as developed then as they are now? No; particularly in the Lyell district.

631. *By Mr. Hall.*—You said in your evidence the total tonnage carried on the West Coast lines was 53,000 tons? That is goods and minerals.

632. I presume that would be over the Government lines? Yes; between all stations on the railway from Strahan to Zeehan, and on the tramway to Deep Lead as well.

633. Would it not be safe to hazard an opinion that there is an equal quantity carried between Lyell and Strahan—that is, goods and minerals? There is a considerable amount. I forget the figures. I do not think it is so much as ours.

634. In the evidence you gave, the 53,000 represented the volume of traffic on the West Coast. I should like to have that removed? I was asked whether I would recommend the construction of the line by the Government, and if we constructed a line there the Mount Lyell traffic would not come to such a railway.

635. Suppose this Colony constructed a line to the West Coast—say to Mount Darwin. Would it not be reasonable to assume that a large passenger traffic would at once spring up between Hobart and the West Coast, in preference to travelling by steamer? I am sorry that I have to give evidence which may appear hostile to the Company. The whole of the passenger traffic between Launceston and Hobart, including that which comes from Australia, would not half pay the cost of working the line.

636. I know you are hostile to all syndicate railways? I am not hostile. I was hostile before the Bill was passed, but Parliament having decided that the Company has the right to construct a line, I will help all in my power. I am prepared to work with them. But when we come to figures, I must express myself clearly in the manner which I believe to be true.

637. I was a member of the Committee which took evidence on the Midland Railway Bill, and in reply to myself you said you were opposed to syndicate railways? Yes, I was, and still am, opposed to any syndicate railways; but this Bill has been passed by the House, and assented to by the people of Tasmania, and as a servant of the public I must give effect to their wishes, and therefore I am prepared to work in partnership, as it were, with the Company.

638. You gave in your evidence the volume of traffic. Counsel did not push the question as to whether that was the actual volume of traffic over the Government lines. I thought, as

Manager, you would have some idea of the goods carried over the Strahan-Lyell Line? I think it is about 50,000 tons.

639. You are aware that that district is increasing year by year? Yes.

640. Within your knowledge, during the last two years it has nearly doubled its output? I think you are right.

641. In your answer to Mr. Butler you pointed out that the Derwent Valley Line was being worked at a loss. You also refer to a return, or some estimate given by Mr. Palmer, in reference to the probable traffic per day. Assuming this line is constructed, would it not increase the traffic on the Derwent Valley Line to a very great extent? It would increase it to the extent of any traffic brought over it. It would increase it to a minimum of 1500 tons a day, if Mr. Palmer's estimate is correct.

642. Mr. Palmer would make an estimate based on the development of the West Coast. I do not know that this is over-estimated. It may be for the present, but look at the fact that the late Premier said some time ago that there would be 30 or 40 thousand people in the West Coast in a few years, which statement was ridiculed at the time. You stated that the Derwent Valley Line was being run at a loss? Quite right.

643. You also stated that the Great Western Line would start from a point on that line? Yes, somewhere near Glenora. There is a difficulty in junctioning at the present station, because it is confined by the banks of the river.

644. Is there any probability of the Great Western Railway carrying on their line from that point to Hobart, or is it their intention to connect with the Government line? Their Act gives them power to connect with the Derwent Valley Line.

645. Assuming they connect, will it not in your opinion, as General Manager of Railways, convert this line from a non-paying line to a remunerative one? If the traffic is sufficient, it will do so very easily.

646. I presume your present rolling stock is capable of carrying sufficient goods and passengers to convert it into a paying line? Very nearly. The capital expenditure was very heavy. We have a very large sum to make up. Not only that, we are not paying our working expenses on the Derwent Valley Line, it cost £221,000, and no interest is earned.

647. It struck me when you made that statement that the line was being worked at a loss, that if the Great Western carry out their intention of making a line from Glenora to the West Coast it, must, as an absolute fact, increase the traffic on the Derwent Valley Line? It will.

648. And therefore it will be the means of converting this line into a remunerative one? Of course, if we have such rates as will pay.

649. Do you know anything of South Australia? A little.

650. Can you give any idea of the daily traffic on the line between Broken Hill and the seaboard? I have the figures in my office, but cannot remember them.

651. Have you any idea? No.

652. Would it be 500 tons a day? More.

653. 1000? Probably.

654. Such being the case, if a population of 30,000 people can provide a traffic of 1000 tons a day, is it not reasonable to assume that Mr. Palmer's figures of 1,500 tons a day are correct? Let us hope so. I must remind you that the line you speak of was made for the Broken Hill mines. They are putting out a very great deal of low grade ore, and under like conditions this Great Western line would pay handsomely.

655. What is the length of the line from Port Pirie to Broken Hill—Is it 285 miles? About that. The traffic you speak of is probably confined to low grade ores.

656. From your knowledge of the West Coast, is it not a fact that you find enormous quantities of low grade ores? As far as I know the whole country is mineralised.

657. Do you know the freight on the South Australian lines? I could not tell you from memory.

658. If I said it was, 9s. a ton for the 285 miles, would that be correct? It might be.

659. From your knowledge of the West Coast, supposing the ore produced there could be landed at a port of shipment like being landed at Adelaide, at 9s. a ton, do you know that there are deposits which it would pay handsomely to work? It has been my experience that when you come to these sharp curves and steep gradients the profit is reduced.

660. Are there any steep grades and sharp curves between these points on the South Australian line? Nothing steeper than one in seventy, I think.

661. Of course you know that the great difficulty in developing the West Coast has been the trouble in getting the low grade ores to some central position, and where they can be smelted at minimum cost? Yes.

662. Do you not think that if the low grade ores could be located in some central position, say at Bridgewater, where vessels of large tonnage could get in and land coke, if landed there at a cost of £1 a ton, would it not mean the opening up of enormous deposits where the line is likely to pass? If they could get such traffic as on the line you refer to in South Australia, and if they pay £1 a ton freight, it would be a payable undertaking. All these matters we refer to are much matters of local conditions. In New South Wales on a grade of 1 in 40 they take 350 tons at a speed of 15 miles an hour. Our very best would be 120 tons, and then at 4 miles an hour. Practically, our load is 100 tons on 1 in 40 grades, as against 350 tons in New South Wales. Our maximum load with a goods train between Hobart and Launceston, is 12 trucks. In Australia and New Zealand

they take 60 to 80 trucks. I have taken a load of 106 trucks in New Zealand. There is a great difference in the cost of working when you can take 50, or 60, or 70 trucks behind a train, and it is nearly the same expense taking 12

663. You stated that in New South Wales on grades of 1 in 40 they take loads of 350 tons at 15 miles an hour. In Tasmania your best is 120 tons. According to this Bill the grades are not to exceed 1 in 40. I cannot quite follow it? I can explain it very easily. The power of a locomotive is governed by its boiler. A big boiler requires a large engine, and a large engine requires a strong road. In New South Wales they have engines that weigh over 100 tons. They have 90 lb. rails and a gauge of 4 ft. 8½ in.—more width for the boiler. They have, consequently, very much greater power, and can haul a bigger load.

664. Are you aware that on some of the New South Wales lines they convey ore 300 miles at £1 a ton—tin ore? Speaking comparatively, that is as dear as we charge.

665. You charge 12s. 6d. for 29 miles? And we carry coal at three farthings per ton per mile.

666. You gave evidence before the Committee when the Railway Bill was before the House three years ago. During the interval has there been any rapid development on the Coast in minerals? Yes. I take it that the principal developments have been the Mount Read district, which was opened by the Government tramway, and the sale of its low-grade ore to the smelters, and at Mount Lyell.

667. Has there not been a wonderful development in the Lyell district? Yes; I suppose the business of the Lyell district has more than doubled.

668. Do you not think it likely the mineral development will again double during the next three years? I think that very much depends on the treatment of zinciferous ores. I think the ores which will form the next large increase will be zinciferous ores. I do not know much about minerals, but I am advised that they are getting closer to the method of treating these refractory ores.

669. During your last visit a fortnight ago did you hear any favourable reports of the Darwin and Jukes districts? I heard the prospects are very good.

670. I think these zinciferous ores are confined to the Western and Read district? Yes, I think so.

671. Going further south the ore deposits take the form of copper more than zinc, that is in the Macintosh, Murchison, and Red Hills districts; then going to Lyell, Darwin, and Jukes? The minerals are of a mixture containing almost everything.

672. I make no secret of the fact that I am a strong advocate for syndicate railways, and I do not know that I should have put any question at all but that I was afraid your evidence may in all probability convey an impression that there was only a certain volume of trade in minerals on the West Coast, and that the future gives no indication of a further development? The figures I gave were to emphasise the position I took up in reply to Mr. Butler's question. The question was, that if the company failed to construct the line would I recommend the Government to make it. I said if shown that the railway would pay I would hold up both hands for it. Counsel dropped his examination at that stage and did not bring out the point. What I meant to say was, that 53,000 tons were carried last year on the Government railways on the West Coast, and it was problematical at present whether the traffic would warrant the line being made.

673. In addition to that, you went on to say that the Macquarie Bar was being deepened, and that sea freight was 6s. a ton? From Strahan to Sydney, 6s. a ton.

674. In some instances it was necessary to convey that ore from a considerable distance, at great cost, to land it at Strahan. But the impression left on my mind would be that these mines were located in the vicinity of Macquarie Harbour or Strahan; consequently they could be converted into a marketable commodity, and landed at Sydney at 6s. a ton. Going east of Mount Lyell, I suppose you are aware that fresh developments are being made? Yes.

675. Suppose the indications continue to be favourable, and assuming that even this syndicate fails to construct a line, and the Government refuses to construct a line on the grounds that there is nothing to warrant it, will it be possible to work these mines at a profit? The question is rather a difficult one to answer; it depends on what other means you could get of conveying the stuff to the seaboard. I do not think that the people will fail to send their ores away, if they are there; they will find a means.

676. Are you aware that before the Government constructed the Strahan-Zeehan Line there was only one company able to pay a dividend, and that was through striking a wonderfully rich bit of ore,—I refer to the Silver Queen? We finished the line at the time you are speaking of.

677. Since the construction of that line, notwithstanding the fact that silver dropped to about half its original value, are you aware that wonderful developments continued? Yes.

678. And are still continuing? Yes.

679. From your knowledge of Zeehan, do you think the prospects of that district are promising for the future? I give my opinion with much diffidence, as I do not know much about minerals. The West Coast of Tasmania contains enormous beds of ore, but the ores are refractory and low in value. It will have to be dealt with by strong companies and large capital. As we have seen in the case of Lyell, science and capital will make them pay. I have no doubt that in the future these ores will pay for treating, and that the West Coast for many miles will be a large mineral field. I believe that where there are now a few thousand people, in a few years the place will be thickly populated.

680. Holding this opinion, do you not think the construction of a line similar to the one we are now discussing would be a marvellous inducement to capitalists to find money and develop these ore beds, well knowing that as soon as they had the ore ready there would be a means to send it to market? I do not think it would. I think most people will agree with me that the mining people will find the cheapest possible method of taking their ore to market, and if water carriage is cheaper than land carriage they will take it that way.

681. Are you not aware that this company intend to connect the West Coast with one of the best ports in the southern hemisphere, or, I might say, in the whole world? That does not affect the question. The cost of carriage is very high in this mountainous country; therefore, if men come here with a large capital they will endeavour to take their output to port by the shortest possible means. Why did not the Lyell people take their ore to Hobart? They take it the shortest route to deep water.

682. You hold in this Colony a very high and responsible position. Any evidence you may give will have a wonderful influence on those who, in all probability, may be induced to find the money for the construction of this line. This is the reason I am putting these questions to you, because I want to have your opinion on various points. You have made certain admissions, and I think they are admissions that will be of very great value to the promoters. You have admitted, although you disclaim any knowledge of minerals, that there are large bodies of ore on the West Coast? Yes.

683. That admission is of great value. You say capitalists will find a means of reaching a market. Have you heard in general conversation with prospectors that there are strong indications of mineral formations between Glenora and the West Coast, or in the country through which this line will pass? Some time ago, when I was in the district, a prospector told me there were traces of minerals, but that not sufficient work had been done to see what minerals were there. But I do not know very much about it.

684. From that information, it must convey to your mind that this line is not to pass through barren country. In all probability it will be the means of developing further deposits practically unknown at present? I should not like to express an opinion on that. I should not be surprised at a discovery of minerals in any part of Tasmania.

685. Many prospectors have informed me that they have found very favourable indications, and I thought in all probability you had heard the same? I have heard what I just said. That bears out what I say, and shows that this line is not starting from a given point over barren country the whole distance. It will open up mineral deposits undeveloped at present, but still the indications are there to warrant the company putting in the line.

686. *By Mr. Butler.*—Taking into consideration the carriage of the ore to Strahan on the Government lines, have you considered the fact that you have to tranship from Strahan for England or for Melbourne, and if brought through to Hobart you can ship direct to England or any part? I said that the freight between two points was 6s. a ton.

687. Have you taken into consideration that with the railway to Strahan there is shipping freight to be paid from Strahan to Hobart, or Melbourne, and if the line is run from Zeehan to Hobart, there will be only one shipping from Hobart? It will save a handling.

688. It will be cheaper? The handling between two points will be saved.

Mr. Back withdrew.

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MR. W. J. McWILLIAMS, *examined.*

Mr. McWilliams made Statutory Declaration.

689. *By the Chairman.*—What is your name? William James McWilliams.

690. You are a Member of the House of Assembly? Yes.

691. *By Mr. Butler.*—Will you read that letter, and state whether it was received by you, and from whom? This is dated 11th August, 1899, and is from the Agent-General. [Letter read (Appendix Y).]

692. Are you Agent for the company here? Yes.

693. Do you know if the Government have approved the selection of the blocks? Yes. We applied on 25th November, last year. Mr. Chrisp and myself went to Mr. Counsel, the Surveyor-General, and Mr. Wallace, Secretary for Mines. We were very anxious there should be no difficulty about it, and we marked off our application for one of the blocks of land, and received an answer from the Minister of Lands that the block which we had selected was the one which Ministers wanted to retain. The Minister informed us that they intended to retain that block, and we would have to take the others.

694. Did the Government approve of the method of selecting these blocks? Yes. We did it on the recommendation of Mr. Wallace. There had been some difficulty, and I was very anxious there should be no trouble about marking them off. We went to the Secretary of Mines, and the Surveyor-General.

695. The blocks have been put in? Yes, and the land pegged off.

696. Have the Government taken any exception to the form of that? No.



697. Did you communicate the fact to London or Adelaide that the blocks had been selected? I sent on the original letter, keeping a copy. Immediately I received the letter from the Minister I wired, and sent on the original letter.

698. You remember about June, 1899, the question of the Agent-General being a Director cropped up? Yes.

699. Do you also remember that Sir Edward Braddon wrote a letter on 5th June in which he stated that the Minister and Solicitor-General stated it was undesirable that Sir Philip Fysh should take a seat on the Board? I have seen it in the correspondence. I did not know that a letter had been sent.

700. Did you and Mr. Fitzgerald interview the Premier on that matter? Yes: at the meeting we had to discuss the matter; it was then stated by Mr. Mulcahy that Sir Philip Fysh had been asked to become a member of the Board and the Government had refused, and after a conversation I went with Mr. Fitzgerald to Sir Edward Braddon, and we asked him to allow Sir Philip Fysh to remain as Director.

701. Did Mr. Fitzgerald go with you as Chairman of the Railway League of Tasmania? Yes.

702. Was his request carrying out the wishes of the League? I believe so.

703. Did the Premier give you a favourable answer? He said that the matter was of such importance that he would have to consider it. After that he sent a letter to Mr. Fitzgerald, or informed him that they had not been able to allow Sir Philip to act.

704. Do you know if he sent a telegram to Sir Philip Fysh, asking him to resign? Only by correspondence that has been tabled, and by information I have received from the Company.

705. As Agent for the Company were you not informed at the time? Some little time afterwards. That would come from London to Adelaide, and then here. I knew indirectly in Tasmania before I got official intimation from the Company.

706. *By the Chairman.*—You say that applications were put in for the blocks. What applications? For marking off the ground; that is, we pegged off the block.

707. That is the first block the Company was entitled to? There were certain blocks, and the selection of the Company had to agree with the approval of the Minister. That is, the Minister could either approve of the red block or the blue, and we took the other one. The blocks were alternate. We put in pegs for the blue block. The Minister said he wanted to reserve the blue block because it would take in the Florentine Valley. We then had to take the red blocks.

Mr. McWilliams withdrew.

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MR. PALMER, *recalled.*

708. *By Mr. Butler.*—I wish to know how often the contractors will use sharp curves and steep grades? As the contractors are purchasing £385,000 worth of shares in the Company they will be extremely careful that the line shall be an effective one; if it is not, they will not be able to get rid of their shares. I may say that we have tied them down pretty tight in every other way, so that there is no chance of the curves and grades being used more often than is necessary to make it a reasonable line. The fact of the Promoters increasing the weight of the rails and amount of ballast, I think should prove that they are anxious to make it a really good line, and able to carry heavy engines and large loads at a cheap rate.

709. Have your instructions to the contractors and solicitors in London been to have a line equal to the Government lines? No, better in every instance. We do not think the Government rolling stock is heavy enough, or that the Government lines are heavy enough in any way, and that is the reason we have increased the weight of rails and rolling stock.

710. Does increasing the weight of rails and amount of ballast mean that you are going to have heavier rolling stock? Yes, of course; we are able to.

711. The contract which has been put in has the name of Norton, Rose, & Norton at the bottom—they are the solicitors for the new Company? Yes.

712. Has that contract been prepared by them? Yes, and the articles of association.

713. Have you anything to say as to the experience of Norton, Rose, & Norton in reference to this matter of contract? They are regarded as the principal railway solicitors in England. They, and one other firm, do most of the railway work. Norton, Rose, and Norton do the bulk.

714. Do you know who were the solicitors who perused the contract on behalf of Paulings? I can't remember their names, although I know them.

715. It was submitted to other solicitors? Yes, to the solicitors to the underwriters, the solicitors for the purchasers of the 120,000 shares, solicitors for the contractors, and solicitors for ourselves; and, also, the contractors and ourselves, with these solicitors, were together for days discussing that contract. The solicitors for the underwriters were solicitors for the Tasmanian Government.

716. You heard me read one of Mr. Back's answers, in which he said it might be to the advantage of the Promoters to build a cheap and inferior line? That would be quite wrong under the circumstance that the Promoters are taking no cash and are taking what they get in ordinary shares, allowing debentures and preference shares to build the line. Therefore, it is important that the line should be built in a substantial manner, because the ordinary shares will not come into value



to-day—it will take time. Therefore, it is of the utmost importance to the Promoters to have a very substantial line that will last until the country has time to develop.

717. Can you tell me what is the feeling of the men who are interested in this contract, or the Directors, as to the purchasing clause? The Chairman of Directors in London is of opinion that the purchasing clause should be a distinct statement that if the line is in running order we should get our money back, and 20 per cent. added.

718. They do not regard the clause as favourable, then? No; they think everything is left too much in the hands of the Government, and the people who are finding the principal part of the money have too little say in the management of the concern. There is a clause in Mr. Tennant's letter in which he puts it very plainly.

719. I want you to say whether there is any intention or idea on the part of the Promoters to build this line for sale to the Government? I think that the very fact of such men as Mr. Tennant, Mr. Craik, and the other Directors and solicitors, speaks for itself. The reputation of the whole of them is proved beyond anything I can say. It is quite certain these men will not lend their names to anything like trickery. (Reading part of Mr. Tennant's letter as to power of purchase.)

720. That was written when Mr. Tennant had in his mind that the Government were hostile? Yes. Prior to that none of these questions arose.

721. Do you know if Mr. Tennant and the other gentlemen in England are still of opinion that the Government is hostile? Yes; they do not know anything about the new Government.

722. When you return to England will one of the first things be to remove that idea of hostility? That is the only possible way to get the thing through.

723. *By the Chairman.*—Why in your draft Bill do you not ask for an amendment of the purchasing clause? I think it has been overlooked; I do not know why it was not put in. The suggestions came from so many quarters that I suppose it was overlooked.

*Mr. Butler.*—The letter I received in answer to my application that this correspondence between the Agent-General and the Premier, placed in the House, shall be open for my inspection, hardly gives me what I wanted. I asked that I should inspect these telegrams, in order to see that all the documents that passed between the Agent-General and the Premier were laid on the table of the House. I cannot really ask for any specific documents, as I do not know what they may be. I wish to know if all the documents that were brought down by Mr. Wise had been laid on the table of the House. As I have a copy, I shall be able to compare, and see. I thought there may have been something left out. My application was really for inspection of the documents with the copy of those that were laid on the table of the House.

*The Chairman.*—The decision arrived at by the Committee on your application was a unanimous one.

*Mr. Butler.*—I do not object to it. I shall be perfectly satisfied if you, as a member of the Committee, assure me that the documents there were those laid on the table of the House. That is all that I really want.

*The Chairman.*—It may be that some of those telegrams were of subsequent date to those laid on the table of the House.

*Mr. Butler.*—I have been instructed to make this request. If the Committee think it desirable, would you, as Chairman, or any person you may name, cable to England (we paying expenses) to either the Agent-General or one of those financiers, asking that if the guarantee stated is given, would the flotation be assured?

*The Chairman.*—I doubt whether that would come within the province of the Committee. I suggest that, if you wish to get that before us, you arrange to get the Government, through the Agent-General, to do it, and call as a witness the person receiving the reply. So far as the Committee is concerned, I doubt whether we could entertain the application, because we are governed by our directions from the House.

*Mr. Butler.*—We wish you to know that, if a guarantee is given, the flotation will be assured. I should like this to be done, and the reply placed before you as soon as we receive it.

NOVEMBER 15, 1899.

STEPHEN TERRY, *called and examined.*

Mr. Terry made the statutory declaration.

724. *By Mr. Butler.*—What is your name? Stephen Terry.

725. And what are you? I am a prospector and miner.

726. How long have you been prospecting and mining? Nine years—a little over nine years.

727. Do you know the country round about the Humboldt? Yes, sir.

728. You know the Great Western Railway-line—the surveyed line? Yes, sir; but not right through.

729. How far do you know it? I know it some few miles beyond the Florentine. The most of my attention, in prospecting, was given to the country between the Florentine and Tyenna.

730. How long ago was that? That was in 1898—September, 1898—September and October.

731. Did you find any indications of minerals? Yes, very good indications,

732. Can you give us a general idea where they were, on the map which is in front of you? Yes, [witness examines map.]

733. Now can you give us an idea where those discoveries were? I first struck it between six and ten miles from Tyenna. That is where I struck the iron formation. I prospected then well in towards the Florentine, and I found there a very large blow of iron. A piece of it I have here now. [Witness shows specimen.]

734. Will you explain any other finds that you found there, Mr. Terry? Yes. South of it, in the vicinity of Mount Anne. I was up in the Huon district some few months after that; I was up there to report on a property which is now working, called the Weld's Reward Claim.

735. Can you indicate where that is? Yes; there is a branch of the Weld River, not marked here on the map. When I returned from there, I charted the branch for the Mines Office. It is on that branch of the river, within (as far as I can make out) six or eight chains of the side-line of the Great Western Railway block. That is as near as I can guess by the chart. That is, I consider, a continuation of the Humboldt belt, which I found again when I went through the southern part of the country. I picked the same distinct belt up right through to the south-west—exactly the same character of stuff.

736. Is that a specimen there? Yes; I got that on the Great Western's southern block.

737. What minerals are there? That contains copper and gold.

738. Anything else? Well, there is a little silver, but I did not bother about it. Why we did not bother about that property was that I came to town and saw Mr. Smith, who had just retired from the Lands Office—the late secretary of the Lands Office. He was interested with me, and when I returned we went to the Mines Office and made inquiries to see if it were possible to take the land up. We found that the Great Western Railway people had the land protected to the 26th November, and we could really do nothing with it; so, of course, we let it stay there. The Government informed me they could do nothing, and I went to Mr. M'Williams, who said that he could do nothing.

739. Have you been to Mount Lyell? Yes; I was there some seven years ago, before it was properly going.

740. Is this blow of yours of the same description as that at Mount Lyell? Different character of iron, but similar in places. This is brown iron; that at Mount Lyell is hematite and brown iron.

741. Is there a large quantity where you found it? Yes, as much as at Mount Lyell in places, only different. Lyell is a mountain; this is on the flat.

742. Do you consider this a promising discovery? Yes; if there is another Mount Lyell to be found in Tasmania I fancy that this is where it will be found.

743. When you were prospecting did you know where you were? Yes; I took my bearings from the trig. on top of Mount Field west. I knew where the one line was—the eastern line. There is a trig. on top of that mountain. I was shown that by a young man—a young man named Reynolds. I took my bearings from that, station due south. I knew well that I was on the inside of the Great Western Railway reserve. At that time these blocks were not marked off.

744. If a corner-peg were put in these blocks, would that help prospectors to find their way about? Some prospectors it would.

745. I mean bushmen? Yes, of course it would, but the country is not difficult country to get about in; it is nothing like the country to the south.

746. Much open country? Yes, a lot; what we call open country; country you can get through.

747. Did you notice any belts of timber about there? No; not in that particular district; nothing to speak of. There are belts of timber there, but not of any value.

748. In your opinion, Mr. Terry, is it necessary to survey each of these blocks in order that prospectors may know where they are? I do not see that it is necessary. My idea is that, with these blocks as they stand, any prospector going in there, or going through from Hobart, would do this: the first thing he would do would be to pass along the line and he would find the boundary-peg of the first block. When he went beyond that he would know that he was on the Great Western Railway block. He would continue on, and as he passed along the line he would know he was on the block. My idea is that if the Great Western Railway people put a large stake in on the boundary, with a notice on it that this is the Great Western Railway block going south, and then at the other corner of the block (the width of the block along the line) put another stake with another notice and a finger-post pointing north, then any prospector could find his way about. There is no difficulty at all. My experience has been, with a lot of these surveys, that the surveyor in some of that country would not go carrying a lot of stakes; so a man would be just as likely to miss the survey stakes and lose himself, as he is at the present time. I have travelled a long distance, at times, to pick up a surveyor's stake.

749. In your opinion, then, a survey would not be of much assistance to a prospector? No, not at all.

750. Did you go on the Tyenna-Gordon track prospecting? Yes; that passes through these blocks.

751. Did you find indications? Yes; I got the continuation of this discovery all through there.

752. I think you said you prospected right to Port Davey? Yes; I was nine months in that district.

753. And you found what you considered a continuation of this show right to the sea-board? Yes, I did. I got it to the south-east of Harry's Bluff, which is situated on the Bathurst Harbour, Port Davey. The country is difficult. It took me  $6\frac{1}{2}$  days to do seven miles. That will give you an idea of what the country is like; you could not do much prospecting.

754. Then, to sum up your experience, and what you know from prospecting there, do you consider that the Great Western Railway will run through mineral country? Yes, I do, as far as I have been. It is in belts, the same as in all other parts of Tasmania. But I should say myself, if I were going prospecting, I would sooner go there than to any part of Tasmania I have been in; and I have been all over it, pretty well.

755. *By Mr. Hall.*—When did you make your first visit to the Lyell district, Mr. Terry? Some seven years ago. I came in by way of Mount Read. I did not go right into Lyell, you know; I went round about the heads of it. I confined myself more to North-East Dundas and all through there.

756. You speak of this discovery in the Humboldt Range—does it present similar features to the mineral features in the vicinity of Mount Read, Dundas, and round there? Yes, something similar. It struck me as something similar to parts of Rosebery—similar to some of the iron in the vicinity of Rosebery. The only difference between this stuff and that at Mount Lyell is that Lyell is more of a hematite.

757. And in prospecting through this country did you find any favourable indications of alluvial gold? No. You get colours of alluvial gold, the same as you will all through the south. Wherever this iron occurs you will always find alluvial gold.

758. And tin—did you find any tin? No, sir. I went through the time the tin was said to be discovered there. It is not tin; it is chromic iron.

759. Well, apart from that and copper, have you discovered indications of any other mineral of commercial value in the country? There are various minerals now, you know, such as iridium, platinum, and asbestos.

760. Did you find any of them? No; you won't get them there. You want to get away to the Serpentine, the other side of the Florentine. You might get asbestos through there; but I did not follow through there; I prospected away on the other side of the Franklin range. These rare minerals I did not bother about.

761. But there is silver? I found silver south of the Great Western Railway.

765. Have you been in Mount Lyell lately? No; I have been away up on the North East Coast.

762. Now, in your opinion as a prospector, and as one having a fairly good knowledge of that country, and having examined the Lyell country in the early days, do you think, apart, that is, from the minerals, that the Great Western Line would be of enormous value to the companies now operating in the district down there—say even in regard to timber? Well, I cannot speak as to timber. By all reports that come in the timber lies further on in the railway, going north west.

763. Perhaps you hardly follow me. As you know, Mount Lyell is very sparingly timbered. A good deal of the ground up around there is open country; and, owing to the extensive operations which have been in progress, the timber of this district has now vanished—vanished, you might say, at an enormous rate. Now, I did not altogether wish you to understand, in putting that last question, that the line would serve for timber supply from the blocks held merely, but from the line right along. Do you think that would give a good supply? Yes, it would, an everlasting supply. I have heard of the timber, and I have seen it further on.

764. Mining timber of all descriptions? Of all descriptions, yes. Coming south, there are splendid forests of timber.

765. And apart, as I say from that, that line would serve the mines to their very great advantage, even as a means of transport for timber supply? Yes. In Tyenna there is some of the finest timber in Tasmania.

766. Do you know anything of the coal deposits on the route of that line? That is further up—up Hamilton way.

767. Do you know anything of those deposits? I have seen them, but I do not care for black stuff at all. I found coal at Port Davey. I have traced that coal a few miles; but whether there is a continuation of it I do not know—I do not think there is. I do not think you will get any coal on this route, to look on the south of the line. Of course the coal mines are nearly up in the Hamilton District—that is further up. I have passed through there, but I cannot say any thing about them.

768. Have you ever visited any of the mining districts of the other colonies, Mr. Terry—have you any knowledge of them? Yes; I have been through a few. I was in New South Wales for some time. The last time I was there I was up on the Wyalong fields and several others—down on Shoalhaven and all through there.

769. Are the districts you refer to connected by railway? Some of them are.

770. But the fact of railway construction has been, I suppose, the means of giving them great assistance? Yes; and I consider that this line is much wanted, because it will open up a vast extent of country by branch lines. There is no doubt about that. That is, of course, if they find a short route. There is a country there by Rocky Cap and all through there which is teeming with minerals; there is no doubt about it. I have passed all through that country and there is any amount of timber; the only trouble is getting the ore away. There is no possible chance of getting it away from the seaboard; but there will be no difficulty in putting branch lines anywhere,

771. Now, from your experience of that country, suppose the Promoters of the Great Western Railway failed to float their company, all that country, I think, must remain dormant? Yes, sir.

772. And in your opinion it is an exceedingly valuable country? It is an exceedingly valuable one.

773. *By the Chairman.*—Are there pegs at the corners of each of these blocks now? Yes.

774. So there is no difficulty? No difficulty at all. If a prospector struck in, he would not go away round the Tyenna-Gordon track and strike in; he would strike the railway-line and go in from it. A man will take the best track, for a certainty, when he is in the bush.

775. *By Mr. Butler.*—When you were prospecting out in that direction, did you notice any indications of chromic iron? Yes, plenty of them—any amount of it. The rivers are full of it all through.

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JAMES HARRISON, *called and examined.*

Mr. Harrison made the statutory declaration.

776. *By Mr. Butler.*—What is your name, sir? James Harrison.

777. And what are you? Inspector of Mines for the Western District.

778. Do you know the country round about Tyndall, from the Zeehan side? Yes.

779. Are there mineral deposits there? Yes.

780. Of what quality? Various qualities. Some are very rich, and some are ridiculously poor.

781. Is there much low-grade ore? Oh, yes; as a rule, all large formations are of the poorer quality.

782. Is there much low-grade ore between Mounts Lyell and Read? Yes, in the vicinity of the Red Hills there are very large deposits.

783. Can these deposits be worked at present? Oh, no.

784. If railway communication was established, could these deposits be profitably worked? Communication established where?

785. Well, with the mines and some port, say Hobart, by the Great Western Railway, or communication with Zeehan by the Great Western Railway? I do not think it would pay to take low-grade ores to Hobart.

786. That would be a question of freight? Yes, freight and distance.

787. If the Company—or companies—could send ore cheaply enough to Hobart, would it pay then? Oh, yes, if they could do it—of course.

788. Suppose, Mr. Harrison, that the ore there could be treated in Hobart, and arrangements could be made to carry the ore cheaply,—in your opinion, would low-grade ore be sent by the railway? I do not think so.

789. Could you concentrate the low-grade ore on the field, and send it through in that way? Possibly.

790. Now, do you know anything about the question of coal on the Zeehan field? Yes; coal is becoming a necessity on the Zeehan field at the present time.

791. Do the companies use coal and timber for their engines? Some of the mines have to use both coal and firewood now.

792. Is the firewood plentiful on the coast? It is not nearly so plentiful as it was: that is, within a reasonable radius.

793. Is it becoming scarcer every day? As a matter of course.

794. And the price increasing? In some cases the price has very much increased.

795. If coal could be delivered on the fields from 18s. to £1 a ton, would that be advantageous to the companies? Yes, you could sell a very large amount, both to the mines and for household purposes, if you could deliver it at that price.

796. Do you know what the price of Newcastle coal is there now? I think from about 28s. to 32s. a ton.

797. Is there any building timber to be got on the West Coast? Yes.

798. Where? Dundas—there is a mill running at Dundas.

799. Is it good quality timber? It is not a first-class article. It is not as good as we get from the Huon.

800. How is most of the building timber got on the field? Most of it comes from Strahan—comes either from the Huon district or the North West Coast.

801. Then there would be a demand for building timber on the coast? There always is a demand for it; not only for building, but for mining purposes, for sinking shafts, and so forth.

802. If the freight on timber was reduced—building timber and mining timber—would that be advantageous to the field? Certainly; it must be.

803. Reverting to these low-grade ores—do they require machinery to work them? It all depends on the system they are treated on. If you concentrate you must have an expensive plant to concentrate with.

804. Are there any deposits which machinery would help to open up? Yes.

805. Are they unworked for the want of machinery? Yes; several of the mines are lying idle in the district we are alluding to.

806. Would the building of this railway enable machinery to be taken to many of these low-grade mines? Certainly.

807. Do you know the surveyed route of the railway? From Lyell—west, not east.

808. Does it go through timbered country? Through timber country and mineral country all the way to Zeehan.

809. In the event of this line being built, would there be any work for it? That would all depend on which way you sent your ore.

810. Well, either way—both to Zeehan and Strahan, or to Hobart—from the mines round about? If you sent your ore Zeehan way, I think there would be a considerable amount of work for the line. But I would like to make it clear that I do not consider that low-grade ore will stand any length of carriage. To work a large formation with low-grade ore, you must study economy to every extent, and every mile of extra carriage is a handicap.

811. Is there also high-grade ore on the Coast that cannot be worked for want of communication? Yes.

812. Are there large bodies of such ore there? I cannot tell. There is not machinery to compete with the water at present.

813. What is your opinion of the field, Mr. Harrison? What—as to the permanency of it?

814. Yes—as to the permanency of it? I don't think we know much about the West Coast at present. Every day seems to be opening up fresh fields. There is no doubt in my mind as to permanency of it.

815. Is there a large tract of mineral country there? Yes.

816. Very big? Yes.

817. Do you think it has been sufficiently prospected? No.

818. Has it been prospected at all? Certainly.

819. All over? No.

820. Do the deposits found prove it to be a very valuable field? Without a doubt, in my opinion. I believe the field is only in its infancy.

821. Do you think it is a wonderful field, this West Coast field? Well, I am a West Coast-man. You might think I was blowing my own trumpet if I answered that question. I can only say that I have every confidence in the permanency of the field.

822. Have you been in other places as a miner? For the past 30 years.

823. In your experience gained elsewhere, how does this field compare with the others? Very favourably.

824. Are there many minerals there? Nearly every mineral you can mention, right within a radius of eight or nine miles from Zeehan.

825. Do you know of any larger mineral field? Well, not in the colonies.

826. *By the Chairman.*—You were saying that the line would be valuable, sir, as it might possibly lead to discoveries—what known mines are there that it would help? On the west side of Lyell we have numerous shows that are all standing idle at present. Then we have the Red Hills. I suppose we have nearly a dozen mines in that direction; only one or two working.

827. They are known to be valuable? They are known to be valuable. On the south side of the Red Hills section we have got an enormous cliff of low-grade ore, some three or four hundred feet high. That would be a concentrating problem. I might mention now, sir, that a concentrating plant is going up on the South Tharsis for treating copper ores, and will be starting in a day or two; and the mining community are watching that very closely, and with great interest. If that prove a success, it will create a very considerable impetus in copper-mining.

828. *By Mr. Hall.*—You stated, Mr. Harrison, that you had been mining for 30 years. Will you name the colonies where you gained your mining experience? Principally in Victoria. I have been in your employ some 17 years, I think.

829. How many years have you held the position of Inspector of Mines on the West Coast? About eight.

830. And during that period you have had every opportunity of visiting the known mineral deposits? Yes, sir; I have been through this country we are alluding to repeatedly.

831. Do you know anything of South Australia? I know something about the copper deposits.

832. Have you ever visited the Broken Hill districts? Never.

833. I suppose you know, from reports, that they are treating low-grade ores? Yes.

834. Do you know the length of the railway from Port Fairy to the Broken Hill mines? No.

835. Have you ever heard the length? No, I think not; I may have heard it.

836. 285 miles is the length. Do you know the charge for the conveyance of ore from the mines to the sea-board? I know it is very low, but I cannot tell you what it is.

837. 12s. 6d. a ton is the rate. Well, you have said, in reply to Mr. Butler, that it would be impossible to convey the low-grade ores for treatment from the West Coast to any spot they choose to name, or even to the port of Hobart by rail? Yes; that is my opinion.

838. Well, can you reconcile that statement with the facts that, in South Australia, they convey low-grade ores by rail: that, as a matter of fact, the Smelting Company of Australia pays 15s. a ton for the ore on the ground, and that it is then conveyed 285 miles by rail to the sea-board, and from there to the smelting works? Yes.

839. Now, speaking of low-grade ores, Mr. Harrison. Of course, you have had eight years' experience on the West Coast, and I know that you possess (from various reports I have heard

and read of you) wide knowledge. You are a keen-sighted man, and one who takes a lot of interest in the mineral deposits of Australia. Well, then, I want you to state what you mean by the term "low-grade ores." Give us the approximate value of what you consider low-grade ore. Would it be worth £2 or £3 a ton? I would consider ore that held minerals to the value of £2 or £3 a ton in its crude state to be low-grade ore, if it had to be concentrated.

840. I will mention one mine to you,—the Mount Black Proprietary. You know that mine very well? I know it.

841. Very well. That ore is worth £5 per ton, as taken out of the mine. That, you would consider a low-grade ore? Well, yes; I think it would be a low-grade ore.

842. Well, then, this proposed line is to have a total length of 110, or say 120 miles. We can take that as the extreme limit. Now, Mr. Harrison, as a man of practical experience, do you not think it just as likely that that ore could be carried a distance of 120 miles, and worked at a profit, as that ore in South Australia can be carried 285 miles, and worked at a profit? You must take into consideration the difference in the country that you have got to negotiate, as compared with South Australia. We have very rough country on the West Coast, with stiff grades on your line that would make it very much harder for carriage than on the line you are referring to in South Australia. Your outlay per mile, you will find, will be very much greater than the outlay was in South Australia for the first cost of construction; and the heavier the cost of construction, the greater, naturally, would be the charges for carriage: you must look for some return for your outlay.

843. Well, you know something of railway construction. I presume you have fair knowledge of the power of an engine to draw a load of trucks. Now the General Manager of Railways, who has been examined, explains this: that in South Australia they are able to carry the ore this long distance at the rate I have named, owing to the grades being much easier than the grades in Tasmania can be; and he also makes the same statement with reference to the lines in New South Wales, and he also refers in the same way to the lines in New Zealand. Do you know New Zealand at all? I know New Zealand; but, when I was down there, there were very few railways.

844. But you know that New Zealand generally is a particularly rough country? Yes.

845. The West Coast and the North Island of New Zealand; I think, Mr. Harrison, that if you have ever visited the North Island, you will agree with me when I say that some of the existing railways there pass over country quite as rough as any that this proposed line will cover? [No answer.]

846. Now, according to your argument, the cost of the construction of this railway will militate against the Company being able to carry the ore at a reasonable rate. Mr. Back's argument is they will not be able to carry the same quantity, owing to the steepness of the grades. What do you say? I think that that was my argument too, not only the first cost of construction, but the heavy grades.

847. But when I explain that it is proposed, according to the evidence submitted to the Committee, that the Company will put down 64 lb. rails—when I tell you that they will ballast with at least 22 yards to the chain—are you still of the same mind; will that be, in your opinion, a substantial line? Well, it ought to be.

848. Well, in view of that fact, will that line be able to carry an engine of sufficient power to draw a load equal to the loads they draw in New Zealand? I cannot say; I don't know what loads they do draw in New Zealand.

849. I will quote from Mr. Back: "In Australia and New Zealand they take from 60 to 80 trucks. I have taken a load of 106 trucks in New Zealand. There is a great difference in the ways of working. When you take 50 or 60 or 70 trucks behind a train, it is nearly as great an expense taking 12." His statement is that in this colony you can only take 12 trucks behind an engine. Is that due to the lightness of the engine and the lightness of the permanent way—or it is due simply to the curves and grades? [No answer.]

850. Now, it is proposed by this Company that the steepest grade shall be 1 in 40, and the curves 4 chains radius. Now, I ask you, as a practical man, Mr. Harrison, if it will be possible for the Company having that substantial permanent way (64 lb. rails, and properly ballasted)—is that line sufficiently substantial to allow of the placing of an engine on it with power to carry 30 or 40 trucks instead of 12? Yes; if all these figures are accurate about the curves and grades. I do not see that there is any difficulty about building an engine to carry that load.

851. I will take you now to a line that you are well acquainted with—the line from Zeehan to Strahan,—what would be the steepest grade on that line? I cannot say; I should say about 1 in 40.

852. Do you know the weight of the rails of it? No.

853. They are not 64-lb. rails? No.

854. I do not think they are more than 45 lb.; do you? Yes, 45-lb., I should think; about that.

855. Do you know the largest number of trucks drawn by an engine there? We draw about 10 trucks and 2 carriages.

856. And suppose that they were to increase the weight of the rails and ballast and get more powerful engines—would that enable them to double their number of trucks? I cannot say it would enable them to double it; it might enable them to draw very much more, according to the weight of the engines they put on. They have very decent engines there now.

857. Well, then, such being the case, I want to lead up to this, Mr. Harrison : in the first place you consider that no ore or no ore body containing a mineral in such proportion as to be worth £3 a ton, which I think you said you considered low-grade? Yes.

858. Well, suppose we double the charge now on that of South Australia—they carry at 12s. 6d. ; suppose we say 25s. a ton—would it not, in your opinion, prove a remunerative undertaking for this Company if it could convey that ore, say, 120 miles at a rate of £1 a ton, with unlimited traffic—do you not think that that would prove remunerative to the Railway Company? It might ; but I do not know how the mining company would come out.

859. Well, 25s. a ton. Of course I do not know about the smelting charges ; I am simply putting this problem to you. As you admitted, in examination by Mr. Butler, there are enormous deposits of ore on the West Coast. You further assert—and I think you are within the mark when you say so—that the West Coast is still in its infancy. And you also admit, I think, that in addition to low-grade, there are large quantities of high-grade ore? Yes.

860. Well, now, putting all these things together, would it in your opinion prove remunerative, both to the shareholders of the companies who hold the various mineral blocks there, and also to the railway company if the railway company charged 25s. a ton? No, sir ; I do not think it would. I say it would land the company in debt.

861. The railway company? No, the mining company. You take £1 off £3. That leaves the metals in your ore worth £2 a ton. Then you have to bear concentration, and quite possibly you may have 20 per cent. or 30 per cent. of loss. After that you have to meet smelting charges ; and you have got to run your stuff over a Government line when you get it to Glenora.

862. But I think you have hardly followed me—I put the question to you in this way : looking at low-grade ore, would you consider any ore worth £3 a ton a low-grade ore? Yes, if it is a complex ore. We have low-grade ores on the coast that the smelters are anxious to get hold of in its crude state, because it acts as a flux as well as an ore. But an ore with a percentage of zinc and other objectionable minerals in it has to be kindly treated in concentration. I do not think it would pay to take that ore to Hobart, even if you had the ore given to you. There would be nothing in it.

863. But following your own statement ; and I think we agreed to put the bulk of the low-grade ore at £3—you admitted to Mr. Butler that in addition to the low-grade ore, there were large quantities of high-grade ore in the same deposits—now if you get, we will say, 50 tons or 100 tons of low-grade ore at £3, and you get then a-third as much high-grade ore, worth £10, you strike an average and the high-grade ore brings your average up to £5 or £6 a ton? No ; you cannot expect a man to mix high and low-grade ore, on purpose to strike an average.

864. You know the Lyell District well? Yes.

865. In operating with that ore, do they separate high and low, or smelt all together? That is a smelting ore ; it is all put together. It is not a complex ore.

866. Well, there may be something in that. But I will put it to you in another way, Mr. Harrison. The Mount Lyell Company, as you are aware, convey their coke first (I think) from New South Wales to Devonport ; then from Devonport to Strahan, from Strahan to Teepookana, and from Teepookana to the mines ; and with a low-grade ore, by smelting it, they are making a profit every month? Yes.

867. And, as I have also pointed out, they are treating the whole of the stuff ; they do not separate the high-grade and the low-grade ; all goes through the smelters together? Yes.

868. Well, suppose smelting works were established on the banks of the Derwent—is it not possible that coke would be landed at the smelting works at the minimum cost? Oh, yes ; but you would also have to suppose that you were sending to these smelting works, the same quality of ore as that being treated at Mount Lyell. But it is not the same. Mount Lyell ore is not only an ore, but a fuel.

869. Will the same argument apply to the Zeehan Smelting Works? No.

870. They are treating that class of ore, are they not? Yes ; but it gets various treatment before it gets there.

871. And the expense of landing ore from Mount Read is very great? Yes. I do not understand ; but I am told that there is an understanding between Mr. Black and the Smelting Company.

872. Your argument is that it would land the Company in a loss if this low-grade ore was conveyed to the sea-board ; and yet it is a well-known fact that they convey the ore from Broken Hill to Lake Illawarra, and also to works down at Port Fairy, although the ore is worth less than £2 a ton—still the companies mine, and put it in the trucks at 15s. per ton—now, I will put this question to you : Do you know any deposits on the West Coast (and you know every one of them) that would pay to mine if the companies could get 10s. per ton clear? Yes.

873. And yet you think it would not leave that margin of profit if they had it right alongside a splendid harbour where coal and all fuel could be landed on the spot? No, sir ; that is my opinion. I think myself that the ores from the district we are speaking about should go to the nearest seaport.

874. That would be Strahan? That would be Strahan in that case, yes.

875. And I suppose you are aware, Mr. Harrison, than when the ores are conveyed from any of the mines to Strahan they are handled two or three times, in view of the fact that they have to be reshipped to their destination, wherever that may be? No ; your ore would only have to be handled once ; that would be into the trucks at your mines and at the Strahan wharf.

876. But you hardly follow me—what I mean is that from Strahan the freight would be 6s. per ton to Dapto or any of these smelting companies. Then there would be a further charge of 6s. to 8s. per ton to the markets of the world. Whereas, after ore could be conveyed to a site near Hobart, where the ocean-going steamers are trading all the year round, you would only have the one great charge and the one handling. Now, there is another question I would like to put to you—The timber round about Lyell is becoming exhausted, is it not? Yes.

877. And also about Zeehan? Yes; it is going to become a very serious question where some of the Lyell mines are going to get their timber from, especially mining timber.

878. Then the construction of this line, a large portion of which passes through heavily-timbered country, should, I suppose, help the mines. Do you believe the railway company would thus have a source of profit? I think that the lines now constructing from Kelly's Basin would have the advantage over yours.

879. Yes, that may be so, for a time, but if this line were constructed, the conveyance of timber would still be a source of profit, I suppose? If you could get it in, yes.

880. What is the approximate population of the West Coast, Mr. Harrison? Over 20,000, I should think.

881. Still increasing? Increasing every day.

882. And this increase, I presume, is not merely due to the development of the known mines, but also to the great discoveries being made? Yes; but, I think principally to the development of the known mines.

883. The construction of that Strahan-Zeehan line; has that, in your opinion, been the cause of developing the Zeehan field to a very great extent? Certainly. The cost of getting ore away previously was very heavy; in fact, it was so heavy that ore was only really sent out as samples.

884. You spoke, Mr. Harrison, of the difficulty of treating complex ores; am I right in saying that these ores are confined to that belt of country between Mount Black and Mount Read, and that the ores further south are less complex, containing a larger percentage of copper? No, they are less complex in this way: they contain, in many instances, a very considerably less proportion of copper; but in the Mount Lyell ores there is an almost total absence of zinc, and the sulphur and pyrites make a natural field.

885. Now, you spoke incidentally of the fact that there are deposits there of such a nature that the matrix of the deposit serves to a very great extent as a flux—well, are other discoveries being made of a similar character—for instance, round about Mount Farrell? The prospecting has, up to present, been of a very limited character. The reports from these new fields are always made just a little higher than they are absolutely justified in doing; but I firmly believe that the field in the vicinity of the Tyndal Range and Read and Dundas justifies the construction of a line.

886. Then, you agree, Mr. Harrison—? I beg your pardon. I did not say to justify you in bounding into expenditure on a line through a lot of hilly country; but it should be opened up, anyhow.

887. That is from the Derwent Valley to the West Coast? From the district I am speaking of, Zeehan would be the port, I think. That is the easiest way out, and the easiest way is always the best way for all low-grade ore. That is my opinion.

888. Now, to sum up—will this line, in your opinion, be (or will it not be) a benefit to the West Coast, if constructed? I believe that if it is constructed it must be a benefit.

889. That it will open up a lot of dormant mines? Yes.

890. Do you think the construction of the line will furnish any inducement to capitalists to find the necessary capital to develop the large deposits you speak of? Yes; I am sure of it.

891. *By Mr. Woolnough.*—Have you a knowledge of geological disturbance in relation to mining? More, in a practical light, than in the other.

892. Within your own experience, is there more or less geological disturbance, and interruption to mining from that cause, in Tasmania than on the Mainland? Yes, Sir; much more. The West Coast is a very broken and disturbed country.

893. Then, in your opinion, mining is more uncertain in Tasmania than is the case over the water? Yes; that applies to all mining—coal and everything else.

894. There are, I believe, no scientific means of ascertaining at present—that is, beforehand—to what extent such greater disturbances here may affect this or that mine or district;—it is entirely a chance? No; there has not been sufficient work done on these mines to allow us to form any opinion.

895. You work here in more uncertainty than over the water? With very much more uncertainty.

896. *By Mr. Hall.*—You say you had a large experience in Victoria? Yes.

897. And you are aware that, in the early days of your mining experience, it was a general thing for geologists to predict that certain reefs and formations over there would shortly be exhausted? Yes.

898. Then, you know, in various parts of Victoria, the country is considerably disturbed? Yes.

899. Yet the reefs cut in those places have lived down? Yes.

900. Do you know the Mathinna district at all? Yes.

901. Has the New Golden Gate now attained a depth of over 1200 feet? Yes.

902. Are you aware that at that depth the reef shows every sign permanency? Oh, yes; I was down it about 18 months ago.



903. Well then, Mr. Harrison, such bring the case, why should it be assumed that there is a certain doubt that mines in this colony will become exhausted more rapidly than on the mainland?

904. Well, is that shown in the Tasmanian mine at Beaconsfield? No; I expect that to go to any reasonable depth.

905. Is there any indications of the leads exhausting themselves at the Western and the Montana? They have not improved.

906. Now have they depreciated—is that so? In the Western they have depreciated—yes. I may say that I would not like this conversation to be printed if I could possibly help it.

907. Well, you see, Mr. Woollnough put a very awkward question to you, and one which was of a nature likely to damage the colony. Of course I, as a Tasmanian, and one who takes a great interest in our mineral resources, must do all I possibly can to prevent erroneous impressions going about. That is the reason why I put these questions. I mention the particular mines, and, as you say, the Western does not show any signs of improvement; still I suppose that you are aware that from the opinions given by geologists it will be necessary to go through a second stratum before they can come to rich ore again? Yes; I think that several of our mines in Zeehan are at present passing through a poor zone, which they will probably get below.

908. And I believe I am correct in saying that the Western and the Montana, although they intend to go to a certain depth, have not yet got through that barren zone? They have never been in a barren zone; but the Western, unfortunately, is in much poorer country than was looked for, although by no means barren.

909. Have you ever visited Charters Towers? No.

910. Have you ever read any reports from there? Yes.

911. Are you aware that in the early days of that field the gold ran out at what they called water-level? Yes; in some cases I know it did.

912. In nearly every case; and then they passed through about 100 feet of poor country, and struck the gold richer than at the top? Yes.

913. Well, such being the case, and as you must have a good knowledge of mineral formations, do you not think, with regard to the West Coast, that a similar state may occur there? Oh, yes; it is quite possible in some case. But what I understood from Mr. Woollnough's question was that he was asking information as to the general appearance of the country—as to meeting with faults and slides, and so on. We meet them oftener on the coast than in any other field I have been in.

914. More broken than the Gippsland district? More broken—I spent two years in the Gippsland district.

915. Do you know what was formerly known as Stockyard Creek? Yes.

916. You know that there they struck exceedingly rich gold on the surface? Yes.

917. And it disappeared at a certain depth? Yes.

918. Are you aware that the reefs there are showing marvellous signs of permanency? [No reply.]

919. You know, of course, that the Gippsland presents similar features to the West Coast—mountainous and very much broken and disturbed? My experience is that the hills of Gippsland are very much more uniform than those of the West Coast; it is an easier country to get about; and it is not so much broken as the West Coast of Tasmania. The West Coast of Tasmania is the roughest country—I was ever in.

920. I am not defending its roughness; the only thing is, I wanted to follow up the question Mr. Woollnough put. The question seemed to me to be a question of a perplexing nature. In your reply, you said that so far mining enterprise has not carried a shaft to a sufficient depth to warrant any man in saying that the deposits run out when you reach 520 or 1000 or 2000 feet. Is that not so? I think he would be a very bold man and a very foolish man who made any such assertion.

921. You cannot name any mine in Tasmania where they have gone down like they have in other parts of the world, to prove a mine at a depth. Of course you know that in Germany old fields once abandoned, have afterwards turned out remarkably profitable by going down a considerable depth. I think I may make the same assertion with reference to America. Has it not been the same there—but at a certain depth these deposits were exhausted only to reappear at lower levels? Yes; quite right.

922. So that you consider the statement that you made to Mr. Woollnough would be an erroneous one—the statement that owing to the disturbance on the West Coast there is a probability of the deposits becoming exhausted at a lesser depth than in the other parts of the colonies? I could not take it in that light. I did not say that there was a greater probability of the minerals going out. They may be more difficult to trace, owing to the rough and disturbed state, but I don't see why they should go out.

923. *By Mr. Butler.*—In reference to the carriage of ores, if the ores are conveyed from Zeehan to Hobart, and so on to the ship, at 10s. per ton, would not that be advantageous to the field, and would not the mines use the railway? Will you repeat that question.

924. If the ores are conveyed from Zeehan to Hobart, and on to the ship, at 10s. per ton, would not that be very advantageous to the field, and would not the mines of Zeehan avail themselves of the opportunity to use the line? Yes; that would be at the rate of less than one-half what it takes to Strahan. I understand that the freight from Zeehan to Strahan is 5d. per ton per mile for high-grade ore. I have not heard of that rate being altered; but it may.

ROBERT TRIVESS MOORE, *called and examined*

Mr. Moore took the statutory declaration.

925. *By Mr. Butler.*—What is your name? Robert Trivess Moore.

926. And what are you? Chiefly connected with mines.

927. Where? In Melbourne, Tasmania, and London.

928. Have you recently been in London? I have just returned.

929. During what time were you in London? For the last two years. To be exact, I arrived there on the 16th November, 1897.

930. And you have only just returned? Well, back about a week or ten days.

931. What was your business in London? I went home in reference to the flotation of a big thing at Lyell.

932. Were you successful? I was—ultimately.

933. What was the capital of this Company that you formed? £300,000 nominal.

934. How long did it take you to get that matter off? I left as soon as I got it finished. I was there two years.

935. Did the rumour of the Fashoda affair interfere with the flotation of your scheme? I met with many difficulties; that was one of them.

936. While in London, did you come across Mr. Harcourt Palmer? I did.

937. Did you come across any of the people connected with the Great Western Railway? Many.

938. When Mr. Palmer states, in his evidence to this Committee, that the Fashoda affair blocked his flotation, do you think that would be correct? I should say that it was.

939. Do you know whether this Great Western Railway Company was actually floated at any time? Well, only by being in company with some of the people connected with it.

940. Who were they? Mr. Brunlees, Mr. Sloper, and the solicitor of the Company.

941. And from that date you understood that the Company had been floated—the money subscribed? I heard that the matter had been taken up—yes.

942. Do you know what stopped it—do you know why it went off? Well, I heard from the financiers that it was on account of some trouble at this end.

943. Did you know what the trouble was? Well, some misunderstanding in the Cabinet when Sir Philip Fysh had to withdraw from a seat on the Board. In fact, it all appeared in the British papers.

944. What did Sir Philip have to do with it? Well, it was put to me that Sir Philip Fysh had a seat on the Board, and had to withdraw.

945. Was anything said as to the reason—as to whether he withdrew on his own free will? It was conveyed to me that he had to resign.

946. Was it in *The Times* newspaper? Yes, I saw it in *The Times* myself; but I had heard of it previously from Mr. Brunlees, Mr. Sloper, and the solicitor.

947. And what was their opinion of that matter. Was there an opinion prevalent that there was a risk attached to it? Well, certainly the trouble did not assist flotation. The least breath of difference in any matter—whether mining, or railway, or anything else—and the British public are off before you can say, “Knife!” I can say that it certainly did not do the thing any good, anyway.

948. Did you hear Mr. Sloper or Mr. Brunlees say that it was on account of the Premier’s telegrams that this thing failed—that the flotation of this Company was stopped? [No reply].

949. Did Mr. Brunlees say to you that the action of the Premier had balked the whole thing? I would not like to say that he said that the thing had absolutely balked it. From the general discussion I could see it had; but you must remember that I was not so interested in the affair as to ask him whether it had the effect of absolutely stopping it. Had I known that I was going to be cross-questioned on it I should have made myself more conversant with it. From conversation I should say that that was the feeling.

950. Do you know that a strong board of directors was formed on this Company? I do.

951. Were they men of repute in the financial world of London—in the railway world? They were all men of high standing, those that I heard of. I tell you candidly, that I did not go very deeply into this matter. I had nothing at stake in it.

952. I did not expect that you did; but from your coming and going about London, in the conduct of your own business and the flotation of your own mine, what would you say? They were all men of undoubted standing, of course; that I can say unhesitatingly.

953. Do you know Barclay and Co.? I do.

954. And do you know Pauling & Co. by repute? I do.

955. Are they good? Unquestionably good.

956. Large contractors? Yes; amongst the best men in England.

957. Do you know Sir Wheatman Pearson? I do; not personally.

958. But do you know his position in the financial world? I know that he is spoken of and quoted as enormously strong and influential.

959. Do you know that the contract for the construction of the railway was signed? I heard of it; I did not see it.

960. Did Sir Philip Fysh render any assistance to the flotation of this Company? That is a matter I do not know that I can speak about.

961. Was he referred to by the directors in any way? I should imagine that he was.
962. Did Sir Philip Fysh write a letter in reference to the coal deposits? Yes, I know all about this; it is a matter that concerns me.
963. Will you glance at that and tell us if that is the letter [Appendix EE.]? Yes, that is the one. I used this letter myself.
964. You used it in the flotation of your company? Yes.
965. It is a letter from Sir Philip Fysh to Mr. Harcourt Palmer? Yes; I had the original from Mr. Palmer, and I used it in the forming of my prospectus. I may say that this is an exact copy of the letter that I had; I left the original among my documents with my own solicitors in London. It is in reference to the question of fuel, and it very seriously affected my matter.
966. Do you know Messrs. Coates & Co.? I do.
967. What sort of people are they? Well, when once they give you their name on a prospectus you need not bother any more about it, that is, when you have got them; it is an open sesame.
968. Are they connected with the Great Western Railway? I understood that they were in connection with it.
969. Do you know Mr. Sloper? Yes, intimately.
970. What is he? An ex-bank manager, and a man occupying a very good position in London.
971. You know Mr. Brunlees? Yes.
972. Who is he? The head of a large engineering firm, connected with railway contracts.
973. Is he connected with the flotation of this matter? I believe he is.
974. Do you think he is one of the principal men in this matter? He took a very deep interest in it. I cannot tell you what his exact interest is.
975. Do you know Warner and Co.? I do.
976. What are they? They are the solicitors who got the underwriting done for the great Cotton "Combine."
977. What was that? Well, I happened to be in their office frequently, but I am not precise was the matter. But I know it was an immense flotation—about £3,000,000 capital.
978. And did they get it off? Yes.
979. Did you see the prospectus of that? I did.
980. Do you know Mr. Buckley, the barrister, in London, the recognised authority with reference to opinions and company law? Yes, I know of him; I had an opinion from him, through my solicitors, during my stay in London.
981. Is he one of the leading men on company law in London? Well, my solicitor said so, and recommended me to get counsel's opinion from him. I take it that he is one of the shining lights. Of course I was only in London two years; I did not know the ramifications of the whole world; but I should say that he is one of the most prominent men in England.
982. Did you know the reason of Mr. Palmer's coming out to Tasmania? I had an idea.
983. Did he come out to get guarantees from the Government? I understood that he came out to get the thing fixed up again somehow.
984. Did you understand from Mr. Brunlees that if the guarantee was given the Company would be formed? I understood that.
985. Did you hear the matter of a guarantee mentioned? I did.
986. Did you hear that if that could be obtained flotation would be assured? From what I could gather from them it would be certain.
987. Now would you mind, Mr. Moore—you have a letter from Mr. Sloper, I think? Yes.
988. Would you mind reading an extract from it relating to this? This letter is dated 29th September, 1899. Part of it runs "I had a letter from Palmer. He still writes in a very hopeful strain, and I trust that by the time that you reach Tasmania he may have succeeded in effecting his purpose in Hobart." That was sent to me inasmuch as I was in touch, so much as an outsider could be, with Mr. Palmer's business. I was in the Lyell scheme, and he was connected with a scheme to build up the Lyell field by constructing the Great Western Railway.
989. Do you hold any shares in the Great Western Railway? I have not a penny in the Great Western Railway.
990. You went to England to float the Great Mount Lyell Copper Company? Yes.
991. Are you the Manager of that? I am.
992. Can you give me any particulars of that; what is the extent of the mine? A square mile.
993. What is the capital? £300,000 nominal.
994. You have been at Lyell? I have.
995. You know the place? I do.
996. Are you aware that the question of fuel there is a serious one? It was on that very matter that I got the use of Sir Philip Fysh's letter to assist me in floating my company. It was rumoured that there was difficulty in getting fuel at Lyell. I had to appease the solicitor then, because I had made free use of a statement that fuel was easily procurable, understanding from the financiers of the Great Western Railway that the line would be constructed. In order to supply evidence I had to get reliable information, and so I got Sir Philip Fysh's letter, which Mr. Palmer permitted me to use in my prospectus.
997. Will your company require coal and coke for smelting? Undoubtedly they will require it.

998. Would you be glad to get that from the Great Western Railway? Glad to get it anywhere; it all depends on where we can get it the cheapest.

999. If you can get it cheaper than at present? Well, I hope I am not going to commit my company to any contract. Of course we would be pleased to get it, all things being equal. We would take it from anywhere we could get it cheapest.

1000. If the coal was delivered to you at 16s. per ton, would that meet your views? I should think that that is pretty cheap.

1001. Do you know if there is any building timber round about Lyell? I have just had some buildings erected on the claim, and we have imported all the timber from other parts of Tasmania. There was none on the field.

1002. Do you know Mr. Digby Coleman? I do. He went home on pretty much the same mission as myself. We met in London, exchanged confidences—commiserated with each other over the flotation troubles we had had in England.

1003. Did you hear from him that there were belts of timber on the Great Western Railway? Yes; he seems to know a good deal about it; he says there are belts of timber.

1004. Are there large bodies of low-grade ore at Lyell? Undoubtedly.

1005. Can it be worked profitably without railway communication, under present conditions? Well, the greater the facilities afforded, of course the more economically you can work it.

1006. Can it be worked at all until you get railway communication? I would not like to say that it cannot. I know, of course, that it will be very much better when you do get the railway through, as without the railway, unless the ore is moderately rich, it cannot be profitably worked.

1007. What price do you call low-grade ore? Well, we have a formation on our claim which we call low-grade ore—from 2 to 4 per cent.

1008. What price per ton would you call that? I am not prepared to say what it is worth.

1009. Would you call ore at £3 a ton low-grade—do you mean after paying the cost of getting the stuff out and paying the cost of treatment? I do not want to do the district any injury. If we could get £3 to £5 on the claim, I should consider that handsome.

1010. I think, Mr. Moore, that you have scarcely caught my meaning—you see, it has been given us, in evidence, that low-grade ore values run from £5 to £3 and down from that—I wanted to know what you consider a low-grade ore in its crude state, approximately, of course? Ah, that is a very different matter; in that sense I would call an ore worth £3 a ton in the crude state low-grade.

1011. Did Warner and Company have anything to do with the flotation of a copper company for Mr. Digby Coleman? Yes.

1012. Did they get it through? I do not know, but the Company was floated.

1013. Do you happen to know this about the Directors of this Great Western Railway Company—are there any ornamental directors on the Board, to your knowledge, any “guinea pigs”? To my knowledge, no; but I do not suppose they are going to work for nothing.

1014. Are they business men? Undoubtedly they are business men.

1015. Was Mr. Palmer the person who floated the Great Western Railway Scheme in London? Yes.

1016. You know that Bakewell and Horne had it in hand first? Yes; I gathered that from Mr. Palmer himself.

1017. And Bakewell and Horne? I did not speak to Horne at all, but learnt it from Mr. Bakewell.

1018. Then you understood that Mr. Palmer was the person who floated this scheme in London? Yes.

1019. *By the Chairman.*—You said that in your opinion the action of the Premier frustrated, to a great extent, the floating of this Company—Will you tell us what action you allude to, especially? Yes; the very fact of an announcement appearing in such an organ as *The Times*, an announcement such as that referring to Sir Phillip Fysh, and made in such circumstances, would, I think, if I were an investor, give me cause for suspicion, and lead me to believe that something was wrong in the matter. The thing would frighten any investor. The fact of the Agent-General, who is really in London to expedite matters concerning the commerce and industries of the Colony, having to resign from the directorship of a large company operating in the Colony under directions from the Premier would cause suspicion.

1020. Then it was the order from the Premier to the Agent-General to withdraw from the Board that frustrated this scheme? Yes, I think so; obviously.

1021. *By Mr. Hall.*—Mr. Moore, have you had any experience of the South Australian mines—the Broken Hill mines, for instance? Only as a shareholder.

1022. You have visited that district? Oh, of course I have been in Broken Hill.

1023. Can you give us any idea of what they consider low-grade ore in Broken Hill? I would much prefer not to say anything about the value of ore. The facilities that they get at Broken Hill are such that it is likely to be long before we can take advantage of the same expeditious and economical system. They have been working for years and years under special conditions, some of which are remarkably advantageous.

1024. But taking the distance from Broken Hill to Port Pirie, and on the other hand, the distance from Mount Lyell to Hobart and Zeehan, do you not consider it possible that the same advantages will obtain in Tasmania as soon as this line is through? Yes.

1025. You think that this line will be of enormous benefit to the mining industry, and will also be a means of bringing in further capital? Yes; you have a sample of the same thing in Broken Hill itself, but I may say that it is a very moot point, what is low grade ore. It is altogether very largely, a matter of convenience and facility.

1026. But admitting that, it is unquestionable, I presume, that through the low rate of freight obtaining on the South Australian Railways, they are now able to work at a profit deposits that were practically worthless a few years ago? Yes.

1027. *By Mr. Butler.*—Following a question of Mr. Hall's, can low-grade ore be concentrated to high-grade? Undoubtedly, if you get the facilities for taking all the necessary machinery and appliances up there.

1028. Can you concentrate ore that would not pay for carriage in its crude state, so as to make it payable? Undoubtedly again, that is the object of concentration.

1029. In answer to the Chairman just now, you said that one of the reasons that stopped the flotation was the action of the Premier in causing the Agent-General to resign from the Board of Directors of the Great Western Railway. Now, was there not also another reason, viz., the forfeiture of the blocks? Yes, but that did not appear in *The Times*. It did appear in one of the other London dailies, the *Daily Chronicle* or the *Daily Telegraph*. I think the *Chronicle*.

Mr. Moore withdrew.

*Mr. Butler.*—Mr. Chairman, I wish to put in an extract [Appendix D<sub>D</sub>] from the Journals of the House of Assembly (1871; Papers No. 29, p. 20), which contains the schedule to the contract of the Main Line Railway. I merely desire on that to point out that the Company had the power to put in curves of not less than four chains radius. In answer to one of my questions in examination, Mr. Back stated that he thought curves on the Main Line Railway were 5-chain curves only; but, on the other hand, Mr. M'Cormick stated that he knew of one curve on the Main Line which was under a 5-chain curve. The extract I put in shows that the Main Line could use 4-chain curves on occasion. I wish to point out now that it is against the interests of this Company to put in sharp curves; on the Main Line the authorities only put in one, and that only when they were driven to it. Mr. Back stated in his evidence that Mr. Palmer undertook to give the country a railway equal to the Government railways, costing £10,000 per mile. A reference to Mr. Palmer's evidence given in 1896, question 518, shows that he stated it was difficult to form an opinion of the cost. What I wish to point out and make clear is that if the promoters have the power to put in 5-chain curves as frequently as they may find necessary, they will look to it, if only in their own interests, that they put them in as rarely as possible.

The Committee adjourned.

## APPENDICES.

*To the Honourable the Speaker and Members of the House of Assembly of Tasmania,  
in Parliament assembled.*

The humble Petition of the Tasmanian Great Western Railway and Electric Power Company, Limited,

SHOWETH :

That by an Act of the Parliament of Tasmania, intituled "The Great Western Railway and Electric Ore-Reduction Company Act," certain rights, powers, authorities, and privileges were vested in certain persons in the said Act, called "the Promoters," for the construction, maintenance, and working of a line of Railway from a point on the Derwent Valley Railway to be approved by the Minister to some point within the Western Mining Division to be approved by the Minister, and for the construction of certain works, and for other purposes in the said Act mentioned. And by the said Act the Governor was authorised, subject to the provisions of the said Act, to issue to the Promoters leases of certain blocks of land in the said Act mentioned.

That by virtue of certain deeds and assurances the whole of the rights, powers, authorities, privileges, and concessions granted to the Promoters became vested in and are now possessed by your Petitioners.

That your Petitioners desire to introduce a Bill into your Honourable House to amend the said Act; but the Agents for your Petitioners in Tasmania were not instructed as to the proposed amendments in sufficient time to enable your Petitioners to comply with the Standing Orders of your Honourable House with reference to the introduction of Private Bills, and it would be most detrimental to the interests of your Petitioners if the reception of the said Bill should be postponed until the next Session of Parliament.

That notice of the intention of your Petitioners to apply for leave to introduce such Private Bill has been published in the *Hobart Gazette*, in the *Mercury*, and in the *Tasmanian News*, being two public newspapers published in Hobart, and in the *Mount Lyell Standard* and the *Zeehan Herald*, being two public newspapers published at Queenstown and Zeehan respectively, being two of the places in or nearest to the district affected by the said Bill; and the publication of such notice will be continued until it has been published four times in the said *Gazette* and in each of the said newspapers.

That the general objects of the said Bill are :—

1. To amend Part II., Section 4, of the said Act, by striking out, in line 4, the words "date of this Act," and inserting in place thereof the words "1st day of January, 1900."
2. To amend Section 5, Sub-section 4, of the said Act, by striking out the words "for a further term not exceeding 21 years," in the first and second lines, and inserting in place thereof the following words :—"for further successive terms of 21 years each."
3. To amend Section 5, Sub-section 5, by striking out the whole of Clause (b.), and inserting the following in lieu thereof :—  
 "(b.) If the construction of the railway is not commenced in a *bonâ fide* manner on or before the 1st day of August, 1900, and such construction continued to the satisfaction of the Governor in Council."
4. To amend Part V., Section 15, by inserting in line 4, after the words "three feet six inches," the words "and in the discretion of the Promoters."
5. To amend Part VI., Section 33, by inserting at the end of the Section a proviso providing that the terms and conditions therein mentioned shall be agreed upon by the Minister and the Promoters; and in the event of any difference arising, such difference shall be referred to arbitration.
6. To amend Part VIII., Section 42, by striking out the words "date of this Act," in line 3, and inserting in place thereof the words "the 1st day of January, 1900."
7. To amend Part VIII., Section 42, by inserting in line 6, after the words "permanent way," the word "plant."
8. To amend Part VIII., Section 42, by striking out the whole of paragraph 2, commencing with the words "Provided that," and ending with the words "the said railway."
9. To amend Part XIII., Section 83, by striking out the words "in manner hereinafter prescribed," in line 4, and inserting in place thereof the words "on a plan or plans that have been deposited or may be deposited from time to time with the Minister."
10. To add the following words under the heading of "Description," at the end of the 2nd Clause of Schedule 1 of the said Act :—"but the minimum curves and maximum grades may be used as often as is deemed necessary by the engineer of the said Promoters, subject to the said railway being constructed in accordance with Section 16 of the said Act."
11. To authorise the said Promoters to cut, use, sell, or otherwise dispose of any timber growing on the seven blocks of land mentioned in Section 83 of the said Act, or any of them.

12. To provide that persons prospecting on any of the seven blocks of land to be leased to the said Promoters under agreements with them shall, in the event of the forfeiture of the said seven blocks of land by the said Promoters, be entitled to a lease in priority to other applicants for such land prospected by them, as they may, within 30 days of the forfeiture being proclaimed, mark off under the provisions of the Mining Act, 1893.
13. To authorise the said Promoters to construct, maintain, and work in terms of the said Act any branch line or lines, extensions or deviations from the said railway to the coal-fields near Hamilton and at or near Lake St. Clair, and to a point at or near Gormanston and Queens-town, and for that purpose to acquire leases of any Crown lands.
14. To amend the said Act in such manner and form as Parliament may enact for the purposes of carrying out the above objects or any of them, or any of the purposes of the said Act. The said Bill will also contain all Clauses usual in Bills of a like nature, and necessary for enabling the Promoters to carry out the general objects of the said Act.

Your Petitioners therefore pray for leave to introduce the said Bill.

And your Petitioners will ever pray.

Dated this nineteenth day of September, 1899.

THE TASMANIAN GREAT WESTERN RAILWAY AND  
ELECTRIC POWER COMPANY, LIMITED,  
*By their authorised Agents and Solicitors—DOBSON, MITCHELL, & ALLPORT.*

(A.)

*Cavendish Chambers, Grenfell-street,  
Adelaide 8th August, 1899.*

DEAR SIR,

I AM authorised by the Board of Directors to state that Messrs. Horn & Bakewell have both written to say that you have been of the greatest assistance to them in London, and have been mainly instrumental in obtaining underwriters for the shares and debentures. They have also stated that the success of the flotation was actually assured, and would have been completed in a few days had not Sir Edward Braddon shown his determined hostility by sending telegrams containing, *inter alia*, two assertions—the one, “That the rights of promoters had lapsed,” which leading Counsel in England have declared to be unfounded in law, the other, “That the Ministry could oblige the contractors to put in such curves and grades as they thought fit,” which is manifestly unjust.

Of course no contractor would undertake to make any railway which is subject to Government supervision if there is even a well-founded suspicion of antagonism on the part of the Government, and as the contract between Messrs. Pauling & Co. and the English Company contained a clause authorising them so to do, and, as they were finding the greater portion of the money, they then hesitated and declined to proceed.

Yours faithfully,

W. HARCOURT PALMER, *Esq.*,  
*Hadley's Hotel, Hobart.*

W. E. DALTON, *Secretary.*

(B.)

*London, 20th April, 1899.*

SIR,

I HAVE every reason to continue to write hopefully of the ultimate success of this venture, and as I have so far not been waited upon by the contracting firm of Sir Wheatman Pearson for further information, as I was informed would be the case, but on the contrary am addressed by Messrs. Pauling and Co., the firm which first undertook to find the Preferent Debenture Capital, it is confirmatory of the fact that the latter firm has waived its objection to provide the 60lb. rails specified for by the engineers of the concessionnaires.

I hope their local expenditure is continued to your satisfaction, thus keeping alive their rights under the Act, and that you have given to the cabled enquiry advised to-day under separate despatch such a satisfactory reply as to have convinced the contractors that the Government will rely strictly upon a liberal interpretation of Clause 15, and not seek to impose any greater obligations as to grades and curves.

I have considered it to be my duty in interviews to state that the clause needed no interpretation, that the Government could not embarrass contractors ultra-vires stipulations, but, on the contrary, there is evidence in the sub-paragraph of Clause 15 to show that the purpose of Parliament is always expressed to “modify” in the matter of grades and minor details, if necessary.

The clause in my opinion, and I have expressed it to those concerned, cannot possibly bear the construction that the Government may interfere to prevent any 5-chain curve or 1 in 40 grade which the engineers of the concessionnaires and of the constructing contractors may agree upon.

At the moment of my writing I find it desirable to accelerate your reply to my cable of the 19th instant, and have this day asked by the same medium for prompt reply, because the construction contract would be at once signed, as I am informed, if a liberal interpretation of Clause 15 be cabled.

P. O. FYSH, *Agent-General.*

*To the Hon. Premier, Hobart, Tasmania.*

## iii

(C.)

Copy of cablegram from Agent-General, London, dated 19th April, to Tasmania, Hobart.

Contractor Great Western Railway asking whether Interpretation Clause Fifteen allows limit grades and curves to be used as often as may be required by contractor in order to enable earthworks and masonry be taken as light nature may be possible compatible with efficient working railway in accordance with Act of Parliament Telegraph at once

(D.)

HON. ATTORNEY-GENERAL'S remarks in reply to despatch from Agent-General, dated 20th April, 1899.

There is no doubt the modification in Section 15 was meant for the benefit of the Promoters, where and when it might happen that the hard and fast lines laid down as to "grades and of minor details" would not altogether be practicable, but the Government should be extremely careful to impress upon the Promoters that each case of required modification must rest upon its merits, and that no general promise can be given to comply with all or any requisition that may be made for alteration of the conditions set forth under the said Section.

D. C. URQUHART.  
26. 5. 99.

(E.)

Minute by Premier to HON. ALFRED DOBSON, 20th April, 1899.

For opinion Clause 15, as I understand it permits of the use of 5-chain curves and 1 in 40 grades as frequently as they may be required. The only restriction imposed is that radius of curves shall not be less than 5 chains, or grades steeper than 1 in 40.

[NOTE.—Appendix E. was produced to the Committee as the opinion of the Hon. Alfred Dobson, by Mr. Palmer; for the Promoters' explanation, see their Counsel's statement preceding Question 392, p. 19, and Mr. Palmer's evidence, see Questions 501, &c.]

(F.)

From Agent-General.

London, 21/4/99.

Signature of contract awaiting reply to telegram 19th April

Received Hobart, 22/4/99.

(G.)

To "TASMAN," London.

From Premier to Agent-General.

Hobart, 22/4/99.

Sections 15, 16, 17 should be read together Limits, grades, and curves not to be used as often as may be required by Contractors matter partly at discretion of Ministers who desire and will endeavour to afford every assistance to Company compatible with Act of Parliament but it is against law for them make binding engagement as to any particular questions until same arise and after full consideration of Government officials

(H.)

From Agent-General to Premier.

Translation of telegram forwarded Premier, 24th April, 1899.

Contracting parties refuse to sign unless Government promise will not interfere to limit number maximum grades and curves provided under Clause No. 15 if comply with other conditions imposed. My opinion is modified means less, not more onerous conditions.

(I.)

From Premier to Agent-General.

Reply.

Referring to my telegram of 22nd April, Act of Parliament shows cannot alter my reply.

(J.)

London, May 5th, 1899.

SIR,

GREAT WESTERN RAILWAY.

I HAVE the honour to state for your information that further developments regarding the above matter appear, so far as I can trace them, to be very satisfactory, and point to an early migration of staff for construction purposes.

Your latest cable message, dated the 2nd May, pledging Ministers to introduce a Bill extending the time for taking up the concession has, I hope, been satisfactory, yet when a million sterling is involved you will not be surprised to learn that the opinion of Sir Edward Clarke, Q.C., M.P., has been taken. It is unreservedly favourable to the concessionaires' claim that they have fulfilled all the conditions. Your Bill



will, however, remove all doubts, and should be passed. It may help to remove a burning fear in some quarters that the Tasmanian Government does not lend any encouragement to the promoters.

Your instructions to me to withdraw from the Directorate came at a critical moment, and I sincerely hope that my prompt action in withdrawing has not in any way marred the project, although it is argued that such a step is a condemnation of the work by the Government, and consequently may prejudice underwriters. I had accepted the same after some consideration, the Government and Colony has such mutual interest in the success of this project that the most complete cordiality and co-operation should exist, and therefore it seemed to me that while interests could not clash I might be of service on the Board both to the Government and Company, especially as not less than three quarters of a million sterling must find its way to Tasmania, and might by my co-operation on the Directorate be through channels advantageous alike to Government and the Colony.

Fortunately the prospectus was not published and the withdrawal of my name was therefore known only to a few. I have not asked you to reconsider that decision although those chiefly concerned very much desired me to do so.

P. O. FYSH, *Agent-General*.

*To Hon. Premier, Hobart.*

(K.)

*London, 19th May, 1899.*

SIR,

#### GREAT WESTERN RAILWAY.

I HAVE the honour to inform you that the Whitsuntide holidays will delay any definite message regarding this matter until the early part of June, but my latest interviews with Mr. Hansen, of Messrs. Coates and Hansen, warrant this interim report, that he is "sympathetic."

That firm contemplates raising the £600,000 Debenture money, and I found much satisfaction in learning that it was conversant with all the points which may make or mar the investment.

The contents of the prospectus had no allurements; the firm was well posted up with the natural difficulties, probable competition with Enu Bay, Government, and Mt. Lyell Company's Railways, sparsity of population, present non-connection with the Chiltern coal deposits, possible cheapening of flux by opening of Macquarie Harbour Bar, and present want of value of the Land Concessions, and speculative character of the mineral output; upon all of which subjects I was pleased, in comparing notes, to find that their clients will not be able at any time to say they were ill-informed.

Because of the very limited nature of the responsibility I should have borne in accepting a seat on the Great Western Railway Board, the Government, by my actions, could not have been reflected upon at any time by failure of the promoters to realise their published anticipations. I have regretted that it has been in the mouths of concessionaires that the Government showed a hostile front at all points, but my actions here have been simple disproof.

Your message by cable offering support to necessary amendment of the Act in favour of the concessionaires, and the assistance which I have rendered here, and which has many times been acknowledged to have been important, have gone far as antidotes to the mischievous message cabled from Melbourne to the *Times*, on the 16th instant, that the Tasmanian Government had declined to sanction my joining the Board. That I had been asked to do so was not publicly known, and that I had withdrawn my consent 17 days previously made that cablegram as unnecessary as it might have been mischievous.

The prospectus for the contents of which, as a Director, I might have been responsible, is not being published for the purpose of obtaining subscriptions for share capital. Before I was asked to join, all the share capital, preferent and ordinary had been underwritten; as to which, therefore, I have absolutely no responsibility. Therefore, as Mr. Hansen agreed with me that responsibility was to be measured by the trust imposed by investors in the £600,000 Debenture Capital.

As to that, it is as a mortgage over the construction, a first charge upon it and upon its earnings, and assuming that the line will cost one million sterling and realise a nett annual earning of only £30,000, the interest of 5 per cent is covered.

These facts cannot have been known to you and you must have presumed that your officer in my person was fathering a prospectus put forth to raise share capital of £1,400,000 on very speculative data.

Under such a statement of the case I venture to suggest that the practice adopted by myself when your and my present positions were exactly reversed would have been beneficial, viz., to repose some confidence in the judgment of your Agent-General, and at least wait for his justification of his act before repudiating it.

I may not be able to enclose with this the prospectus, as the draft has yet to undergo at my suggestion certain modification. This gives me the opportunity to say I have found all concerned to be sternly critical of all statements, claiming documentary support before accepting them and that the names of all the firms associated in the prospectus are exceptionally reliable.

Messrs Bircham & Co., Solicitors to the Trustees of Debenture holders, is the same firm which had charge of the Government case *v.* The Tasmanian Main Line Railway Company, and with them, and everyone associated, I have had the fullest intercourse, and from them been able to gather all the details of the negotiations.

Of the contract, also, I hope to cover a copy. The price of the contract is £1,057,000, but the original company is to find wharfage accommodation and purchase all land, for which an allowance is made between that sum and the £1,019,500, which is to be paid for by original shares, £100,000; cash, £557,500; preference shares, £362,000—Total, £1,019,500.

The capital found by preference shares and debentures is a first charge on net earnings, and any further profit as a dividend on the original share capital.

All risk, therefore, lies with the holders of share capital, who, if the venture be a success get paid, if a failure, nothing.

P. O. FYSH, *Agent-General*.

*To Hon. Premier, Hobart.*

## V

(L.)

"For opinion whether in regard to the Surveyor-General's minute sections 83 and 17 of the Great Western Railway Company's Act can be read together, so as to give the Promoters an extension of time beyond two years for selection of their blocks along the line."

The following is the opinion of the Solicitor-General, Mr. A. Dobson :—

Great Western Railway Company.—Marking off land (Sect. 80, 60 Vict.)

Having regard to the construction of the Great Western Railway Company's Act, I think it plainly appears that no extension of time can be given beyond two years from the passing of the Act (26th November, 1896), for the purpose of marking off lands under Section 83 of the Act.

Section 17 provides that before the Promoters shall commence to construct the railway they shall deposit with the Minister a copy of the working plans and sections of such railway, showing the *route* and the private and Crown lands and mineral leases to be traversed by the railway, or which shall be contiguous thereto; provision is also made by this section that the Promoters may submit the plans and sections above referred to from time to time for portions of the line instead of the whole line, and before commencing construction of such portion.

Section 83 provides that upon the deposit of the plans and specifications and sections as thereinbefore provided, *and within two years* after the passing of the Act, the Promoters shall acquire the right to mark off any unoccupied Crown Lands, not exceeding seven blocks, as in the said section mentioned.

It no doubt appears that, under section 17, plans and sections may be submitted of portions of the line from time to time, but that provision is for the convenience of construction of such portions.

As regards the right to mark off, section 83 implies that *all* the plans, &c., must be deposited, and this evidently is a necessary provision to enable the lands to be properly marked off, but in any event section 83 provides that the lands must be marked off within two years after the passing of the Act.

The question is further determined by a reference to section 170, which provides that the Minister may withdraw from selection under "The Crown Lands Act, 1890," and from the operation of "The Mining Act, 1893," for a period of *two years* from the passing of this Act, so much land as to the Minister may seem fit.

This power of reservation by the Minister is evidently given in order that lands may be reserved for the purpose of being marked off by the Promoters under section 83, and I therefore regard the provisions of section 170 as a further indication of the intention of the Legislature that the Promoters must mark off within two years after the passing of the Act.

ALFRED DOBSON, *Solicitor-General's Chambers.*

10th December, 1898.

(M.)

*Survey Department, December 30th, 1898.*

SIR,

*Re Selection of blocks on the route of the Great Western Railway.*

I HAVE the honour to inform you that, under the Great Western Railway and Electric Ore Reduction Company Act, I, as Minister of Lands, have elected to retain the most eastern block north of the proposed Great Western Railway, and westerly alternate blocks coloured blue on the plan attached to the Company's application deposited in the office of the Surveyor-General, leaving the alternate blocks coloured red on the said plan available to be acquired by the Great Western Railway Company in pursuance of any Act authorising such acquisition.

I have the honour to be,

Sir,

Your obedient Servant,

W. MOORE, *for Minister of Lands.*

W. J. McWILLIAMS, *Esq., M.H.A., Agent Great Western Railway Company.*

(N.)

12, *Victoria-street, Westminster, S.W.,*  
8th June, 1899.

MY DEAR PALMER,

GREAT WESTERN RAILWAY OF TASMANIA.

THE action of the Tasmanian Government in telegraphing to the Agent-General here on the eve of the flotation of this Company that the powers to mark out land under Clauses 83 and 170 of this Act had elapsed, and following this by another telegram declining to allow the Agent-General to take a seat on our Board, has done an incalculable amount of harm as regards the financial arrangements of this Company.

I have in my possession a prospectus of the Great Northern Railway (Emu Bay) of Tasmania, upon which the Premier of Tasmania, Sir Edward Braddon, appears as a Director at a time he was Premier. I am at a loss to understand why the Premier of the Colony should be allowed to take a seat on one Railway Board and not allow the Agent-General to take a seat on another, and particularly in this case, where all well-wishers for the prosperity of the Colony must see the enormous importance in aiding the rapid development of Tasmania by getting the Great Western Railway completed at the earliest possible date. The telegrams sent have in any case delayed the construction of the railway for 6 months, and, unless the Government are prepared to come forward and assist the Company to repair the damage which has been done, it will be still longer delayed.

The best and cheapest way to do this would be for the Government to offer a guarantee on the debentures, which, in my opinion, would be merely nominal, as I believe there is such a big future before the Great Western Railway that even from the beginning the Government would not be called upon under their guarantee.

I very much sympathise with you in the awkward position the Government has placed you, and cannot help thinking that the Government has some information of which you are not cognisant of, or such action on their part would never have been taken as if the powers under Clauses 83 and 170 have lapsed, which I cannot admit; they lapsed in November last, and it was then for the Government to have pointed it out to us.

Wishing you a very pleasant and successful voyage,

Believe me,

Yours very truly,

JOHN BRUNLEES.

(O.)

EXTRACT from the PROSPECTUS of the GREAT NORTHERN RAILWAY OF  
TASMANIA, LIMITED.

[Private and Confidential.]

*The List of Applications will be closed on or before the      day of      , 1897, for both  
Town and Country.*

THE GREAT NORTHERN RAILWAY OF TASMANIA, LIMITED.

*Incorporated under the Companies' Acts, 1862 to 1893.*

ISSUE OF

£450,000 5 per cent. FIRST MORTGAGE DEBENTURE STOCK,

AT PAR.

Secured by Trust Deed, and constituting a first charge upon the undertaking and assets of the Company, and Interest will be paid half-yearly on 1st day of July, and 1st day of January—the first amount being payable on 1st January, 1898.

Payable as follows:—10 per cent. on application; 15 per cent. on allotment; 25 per cent. ;  
50 per cent.

Subscribers may pay up in full in advance, and interest will be paid from the date of payment.

If no allotment is made the application money will be returned in full, and if partial allotment is made any surplus will be applied towards the payment to be made on allotment.

Failure to pay any of the instalments on the due dates will render the instalments previously paid liable to forfeiture.

The Company has power to redeem the whole or part of the Debenture Stock at any time after the 1st January, 1910, at £110 per cent., on giving six month's notice of its intention to do so.

The Trust Deed will provide that not less than 20 per cent. of the net profits of the Company (after providing for Debenture Interest) in each year shall be set aside by the Company and applied in forming a Reserve Fund for the redemption or purchase of the Debenture Stock.

*Trustees for the Debenture Holders.*

The EARL OF KINTORE, G.C.M.G., late Governor South Australia.

The Hon. HENRY LLOYD GIBBS (Messrs. Antony Gibbs & Co.)

*Directors.*

Lord CLAUD J. HAMILTON (Chairman of the Great Eastern Railway Company), *Chairman.*

J. H. SMITH, Esq., late Chairman of the Railway Commissioners of South Australia.

Major-General C. S. HUTCHINSON, C.B., late Government Inspector of Railways to the Board of Trade.

Sir EDWARD BRADDON, K.C.M.G., Premier of Tasmania.

C. GIBSON MILLAR, Esq., Director, Silverton Tramway Company, Limited, New } *Local Board.*  
South Wales.

JAMES SMITH REID, Esq., Director, Sulphide Corporation, Limited, Melbourne. }

*Bankers.*

THE CITY BANK, LIMITED, Threadneedle street, E.C.

THE BANK OF AUSTRALASIA, Tasmania.

*Brokers.*

*Solicitors (for the Company.)*

England: INGLE, HOLMES & SONS, Threadneedle street, E.C.

Australia: BLAKE & RIGGALL, Melbourne.

*Auditors.*

*Consulting Engineer.*

H. C. MAIS, M.I.C.E., Melbourne, late Engineer in Chief, South Australia.

*Secretary and Officers (pro tem.)*

J. W. CLARK, 15 and 16, George street, Mansion House, E.C.

*Norton, Rose, Norton & Co.,  
57½, Old Broad-street, E.C., June 5th, 1899.*

DEAR SIR,

GREAT WESTERN RAILWAY OF TASMANIA.

THE circumstances that have happened with regard to the above undertaking have been most unfortunate, and have resulted in preventing the funds necessary for the completion of the line being raised in London at the present moment, a result which, but for the action of the Government of Tasmania, would, in our opinion, long ere this, have been attained.

You will appreciate that the confidence of the public in undertakings supported by the Australian Governments is very much shaken by the events that have happened, both with regard to the Midland Railway in Western Australia, and the Midland Railway in New Zealand.

Whatever the rights or wrongs of those questions may be, they have brought the English public to the frame of mind of thinking that the colonial governments are inclined to take advantage of any technical hitch that may arise, and in no sense ready to overlook technical omissions, and that, instead of acting liberally and generously towards the public in connection with their guarantees as a mercantile house anxious to support its credit would do, even if it went a little or considerably beyond the strict letter of its obligations, the colonial governments are inclined to take advantage of any little technical point to create difficulties. This feeling has been very much added to by the course that has been adopted by the Government of Tasmania in reference to the Great Western Railway.

Taking the principal points that occur to us in order, it must be borne in mind that when a doubt was raised by the proposed contractors as to the real construction of Section 15 of the Act, the Government insisted upon the construction least liberal to the company, and claimed that the maximum grade and minimum curves specially authorised by the Act should not be used as a matter of right, but must be in each case at the discretion of the Government engineer. If this construction were to be maintained as a general principle in such contracts, it would render calculations by contractors impossible, because, instead of being able to make their own calculations upon the basis of the limits authorised, they would have to make allowance for the possible or probable peculiar opinions of the Government engineers—in other words, they would be entirely in the hands of the Government engineers; and, as the natural result, in accordance with the practice of contractors, who are naturally obliged to protect themselves against all dangers of the kind, they assume a more than reasonable stringency on the part of the Government engineers, and add a very large margin to the contract price. This actually arose in the present case. The contractors required terms which necessitated providing for the creation of another £200,000 of debentures, and indemnifying the contractors against any special demands by the Government engineers in respect of curves and grades.

Then, although the Agent-General for Tasmania was perfectly willing to join the Board and to give his name to the undertaking, that was refused, and it was also suddenly suggested that the Law Officers of the Crown considered the right to the land concession had lapsed.

Now, whether that opinion is right or wrong is wholly immaterial, but if the Tasmanian Government wish to obtain credit with the English public they must act in a very different spirit to this. If there were any idea that the right to the land concession had lapsed, it should have been notified to the company long before, instead of at the last moment, on the eve of flotation.

The course adopted by the Tasmanian Government has created the inevitable feeling that but for the telegrams as to the Agent-General joining the Board, the Government would have been perfectly willing to keep quiet, let the money be raised from the public, then, when it was raised and part of the money spent upon construction, turn round and say that the land was forfeited.

This has created a very great feeling of distrust, which can only be removed if an entire change of method is adopted by the Government in future, and makes it the more essential that a guarantee upon very clear and definite terms should be given by the Government, and that the right of the company to the land should also be put in language which is beyond all question.

Now, as to the latter of these, a clause has been settled by counsel in England which is satisfactory to them, and, we believe, will be satisfactory to the public; but if any form is adopted which, upon critical examination here shows the slightest loophole by which the Government can escape from its obligation to give the land, it can be taken as a matter of certainty that it will be impossible to raise the required funds here.

Again, with regard to the guarantee, that must be a guarantee in the plainest possible language, and such guarantee must be endorsed upon each of the bonds, signed by a duly authorised agent of the Government, to the effect that the Government undertakes as an absolute and unalterable obligation, entirely independent of all questions that have arisen or that may arise between it and the company that it will make a certain annual payment, such annuity to be applied, so far as required, in paying interest upon the bonds for the time being outstanding, and the surplus in redeeming bonds; and that it must be expressly provided that the Government is not to have any claim on the company for repayment of moneys which it may disburse in this respect, except out of the surplus profits of the company after providing for the preferential dividend on the preference shares.

Yours faithfully,

NORTON, ROSE, & CO.

J. W. BAKWELL, ESQ., *Junior Carlton Club, Pall Mall, S.W.*

(Q.)

*Dashwood House, 9, New Broad-street,  
London, E.C., 9th June, 1899.*

DEAR SIR,

TASMANIAN GREAT WESTERN RAILWAY.

IN view of the clear opinion given by Sir Edward Clarke, that the Adelaide Company had performed all that was required of them in the Act to entitle them to the benefits of that Act, and in view also of the Government of Tasmania having cabled that one of the benefits, viz., the Land Concession had lapsed, I regret to say that I cannot see my way to advising my friends to sign for the underwriting which they had agreed to do. I am glad to learn that the Tasmanian Government have now passed a further Act which will give the Company the benefit of the Land Concession, provided that certain work is done within a certain period, but I regret to say that doubts arise whether further difficulties might not be placed in the way of the Company, as was done in the case of the New Zealand Midland Railway by the New Zealand Government, where both Debenture and Shareholders lost the whole of their investments. This action has caused great feeling in the London market against Colonial concessions, and as I have stated the action of the Tasmanian Government with reference to the Land Concession attached to the railway does not tend to allay that fear.

In the Act there are a number of clauses which could be, it appears to me, very readily strained to mean various things, and require a further Act to set things straight in the same way as the Land Concession. Furthermore the publication in the *Times* of the fact that the Tasmanian Government would not allow Sir Philip Fysh to act as a Director on the railway, has created the impression that the Government is in some way opposed to the Company.

I see no prospect of getting the Company through unless some guarantee is given by the Government that the Company will never find itself in such a position as the New Zealand Midland does at the present time.

I consider that the railway rates chargeable by the Government should be fixed at once, or else the Government should give the Company the option of purchasing or renting the line already existing from Hobart to Glenora.

Yours truly,

EDWIN SLOPER.

W. HARCOURT PALMER, Esq., 12, *Gerald Road, Eaton Square, S.W.*

(R.)

*2, Shorters Court, Throgmorton-street, London, E.C.,  
16th June, 1899.*

DEAR SIR,

WE cannot advise our friends to put money into the Great Western of Tasmania until matters in dispute between the Government and your syndicate have been cleared up.

There must be no ambiguity as to the meaning of the Acts of Parliament.

Yours sincerely,

WALFORD BROTHERS & CO.

W. J. BAKEWELL, Esq., *Junior Carlton Club.*

(S.)

*2, Royal Exchange Buildings,  
London, 23rd March, 1899.*

H. PALMER, Esq.

DEAR SIR,

GREAT WESTERN TASMANIA RAILWAY.

Provided the final prospectus is approved of by Barclay and Co. they are willing to take the account and to be responsible for the underwriting of £150,000 of the 5 per cent. debentures on the terms mentioned by you. As to the remaining £50,000, we will let you have a final answer to-morrow or Saturday.

It is understood, however, in any case, that Barclay and Co. will not appear on the prospectus as "*inviting applications*," although of course subscriptions will go to them. We shall be glad to have final prospectus as soon as possible, also underwriting letters for signature.

We are,

Yours faithfully,

ELLIS & Co.

It is clearly understood by Barclay and Co. that the whole of the debenture issue is underwritten.

(T.)

*110, Cannon-street, London, E.C., 19th June, 1899.*

DEAR SIR,

GREAT WESTERN RAILWAY OF TASMANIA.

WITH regard to the present position of the affairs of this railway, I understand from you that on several occasions when flotation was about to be effected, difficulties have been raised by the Government of Tasmania: firstly, in regard to the grades and curves authorised by the Act, and secondly, in regard to an alleged loss of the land concession.

## ix

It is most unfortunate that these difficulties have arisen at a critical moment, and I am most disappointed at the postponement of flotation on these grounds, and especially as my financial friends are likely to be uneasy as to the future, should they advance the money required.

Considering the uncertain state of affairs, and the apparent hostile attitude of the Tasmanian Government, I am of course unable to advise them to put their money in this investment until all difficulties are settled, and it becomes evident that the Government is disposed to facilitate the object of the Act.

The uneasiness of the financiers is, rightly or wrongly, accentuated by the action of the New Zealand Government to the debenture-holders who advanced money for the construction of the Midland Railway of New Zealand. In this particular instance the New Zealand Government were at first friendly, and it was only after the railway was constructed, that what practically amounted to a forfeiture of the railway, took place. In this instance the Tasmanian Government are showing signs of hostility before even the work is commenced.

I am,

Yours faithfully,

J. W. BAKEWELL, *Esq.*,  
*Junior Carlton Club, 30 to 35, Pall Mall, S.W.*

J. W. STUBBINS.

(U.)

10, *Finsbury Circus, London, 7th June, 1899.*

DEAR SIR,

GREAT WESTERN RAILWAY OF TASMANIA.

WE have your letter of the 5th instant with reference to the position of this matter, and note that you have come to the conclusion that the land grants were not in order, a matter which we have already heard of from other sources and which we had mentioned to Mr. Palmer, and we do not for one moment suppose that you can do anything with regard to issuing the Company until the Act formally ratifying the grants and making the title good reaches this country.

We do not understand your reference to our attitude, because we had always told you exactly what we thought could be done, and we introduced Mr. Palmer to Messrs. Lumsden and Myers, who were prepared to do a considerable amount of the underwriting.

We would remind you that the reason why the matter could not be proceeded with was because of the difficulty with the contractors. We pointed out that nobody would underwrite until there was a firm arrangement with a responsible contractor to do the work on lines which could be covered by the issue, and it was only comparatively recently that you or Mr. Palmer were able to make that arrangement with Messrs. Pauling, and we would remind you that the business stood over for a long time to enable this arrangement to be completed. When arrangements were completed time had gone on to such an extent that Mr. Myers was about to leave England, and we told Mr. Palmer that while Mr. Myers was away the underwriting could not make much progress, as Mr. Myers is the member of the firm of Messrs. Lumsden and Myers, who personally attends to the underwriting matters.

Mr. Myers is due to return to this country the first week in July, and we do not suppose you will be in a position to make any progress at all before that date at the least because we do not anticipate that you will have the papers and documents showing that the land grants are now in order in this country before that time.

If at the date of Mr. Myers' return the business is really in order, both as to the contractors and as to the title, then we have little doubt that Mr. Myers could and would underwrite a very large portion of the capital, but we are quite sure, from what we have heard in the City, that it would be impossible to underwrite the capital until we have actual evidence in this country as to the title being in order.

We sent you the bundle of papers which we had, but we will look and see if we have any more.

Yours truly,

H. E. WARNER & Co.

W. G. BAKEWELL, *Esq.*, *Junior Carlton Club, Pall Mall.*

(V.)

*Holgate Hill House, York,*  
*June 22nd, 1899.*

MY DEAR SIR,

I AM glad to hear that you have returned to Tasmania, respecting the proposed Great Western Railway. It is the wisest course, seeing that so much requires to be done. You were good enough to propose that I should be Chairman of the Company, and although I told you more than once that I was too old to take up the scheme with the hope of seeing it fairly through, I have nevertheless taken some interest in it, and have looked at some of the papers. I have, however, never had an opportunity of examining fully

the Act of the Tasmanian Parliament, passed in 1896. There are some points in it which require amendment, and some new provisions are needed. The Tasmanian Government must, I think, give some guarantee—that is, if they want the undertaking carried out. What I mean is, that the debenture capital which it will be necessary to create (say to the extent of £650,000 or £700,000), should have a guarantee of interest by the Government, and such guarantee should not be hampered by restrictive conditions or stipulations. In Clause 4 the 30 years mentioned should run from the present time, or rather from the passing of the amending Act. Clause 7 makes no provision giving perpetuity to the lease; it must do so. Investors must be made perfectly secure in the possession of their property until it is purchased. As regards Clause 5, the conditions and stipulations with their consequences are far too stringent, and must be reduced to a condition of harmony with the views just expressed—viz., that the parties who find the money shall not be placed in any danger of losing it. Clauses 33 and 34, if in at all, should provide for *mutual* running powers; at present they are *one-sided*.

I now come to a very important, nay a crucial point in the whole business, viz., the power of purchase given in part 8 of the Act. No sensible capitalist would think of investing his money in any undertaking which might be dealt with in such fashion. If the Government wish to have power to take the railway, it must be provided that they shall take it on the basis of construction and equipment, plus a certain addition. No man with common sense would agree to sell his property without knowing what he was to get for it as is provided he should do in the Act as it now stands. The idea that the Government should be authorised to take the railway, leaving the promoters with the rolling-stock and machinery for working the railway on their hands, is quite inadmissible. The only admissible stipulation would be one providing against *wilful negligence* in repairs and maintenance as the period of purchase approaches. The 20 per cent. mentioned in the clause is a delusion, and no directors could honestly issue a prospectus which held out to shareholders that they would get their capital back in case of purchase plus 20 per cent.

Part 13 of the Act is a little complicated. Under it one finds a difficulty in settling in one's own mind what the railway is going to get. One thing strikes me forcibly: at the end of Clause 83 the Minister has power to fix the "most eastern of such blocks;" consequently, the Minister may really settle what land the Company shall have. This is not right. The Company must have the power to choose the land.

As regards Part 17 of the Act, you have used this as a reason why people should join the scheme, because of the probable profit the Company would derive from the supply of electric power. Now, here again, the provisos put it in the power of the authorities in Tasmania to destroy the advantages. No one can tell from the Act where the water may be taken from nor what the Company will have to pay for it; such uncertainties appear nearly fatal.

I cannot go any further into the provisions of the Act at present. It needs great attention. My general feeling about it is that it has been drawn up as if the Government were dealing with speculators and not *bonâ fide* investors, and that they, the Government, should have most of the power over the undertaking. If the Government want the railway made by English capital they must bring the Act into harmony with English ideas.

You have a great task before you. If you want Englishmen to take the matter up in earnest you must obtain security and see that uncertainty is removed, and that the control of the undertaking shall be placed in the hands of those who find the money, and don't forget that in the case of a colonial scheme all the points I have named or hinted at, besides others, are all the more necessary to be provided for, on account of the want of confidence which to a certain extent prevails in relation to colonial matters.

I am yours very truly,

H. TENNANT.

W. H. PALMER, *Esquire*.

(W.)

EXTRACT from letter of Agent-General to Premier, dated 17th March, 1899:—

6. I yet feel it to be advisable to add, such important projects so often fail at the last moment by some insuperable and possibly unforeseen difficulty arising, that were there any occasion for action on your part, such action would be wisely deferred until subsequent advice by me.

(X.)

64, Cannon Street, London, E.C., 27th May, 1899.

DEAR SIR,

GREAT WESTERN RAILWAY OF TASMANIA.

Referring to our interview with you and Mr. Brunlees on this matter on Thursday last, we beg to inform you, that we have seen our clients, the Clydesdale Bank, and also Messrs. Coates and Son. We may say at once that the Clydesdale Bank would not entertain the Debentures under any circumstances, except under the advice of Messrs. Coates and Son, and the latter inform us that they have stated positively that they cannot entertain the matter until the promoters have obtained a guarantee from the Tasmanian Government.

Until, therefore, this guarantee is obtained, we can do nothing further in the matter.

Yours faithfully,

JACKSON & PRINCE, P.C.J.S.

W. HARCOURT PALMER, *Esq.*, Dashwood House, New Broad Street, E.C.

xi

(Y.)

*Office of the Agent-General for Tasmania. Westminster Chambers,  
5, Victoria-street, London, S.W., August 11, 1899.*

DEAR MCWILLIAMS,

COPIES of amending Act duly received, but as Mr. Bakewell had gone to India ere they arrived, I have handed them to contractors and engineers of the projected Company.

Palmer ere this will have told you of all the difficulties which beset him. I have suggested that there is a way for Government to help which would bring the sure flotation off here.

Let the people or Government take a part of the risk, if only £150,000 or £200,000, and the thing can be done. Is the construction worth £6000 a year to the Colony?—That is 3 per cent. on £200,000. Such a subscription to the debenture capital, for which a first mortgage can be obtained over all the works, would ensure success here.

Yours &c.,

P. O. FYSH.

(Z.)

COPY OF TELEGRAM FROM FITZGERALD, HOBART, TO AGENT-GENERAL.

"Any chance of floating Great Western how much capital wanted in terms of prospectus."

Reply.

"Eleven hundred thousand underwritten on terms which appear likely of acceptance few days must decide."

(AA.)

*London, 14th April, 1899.*

SIR,

1. IN continuation of my despatch dated the 17th ultimo, having reference to the Great Western Railway of Tasmania, I have the honour to inform you that I am not less hopeful now than then of success attending this concession.

2. The contractors, Messrs. Pauling & Co., Limited, which I have good reason to believe are well capable of carrying on the work, and are amply guaranteed, did for a time hesitate with a view to having substituted the weight of iron rail provided by the Act, viz. 43 lb. for 60 lb. rails, for which the promoters stipulate.

3. That firm has, I know now, proffered to construct upon 60 lb. rail and specification, and, in the interim of the negotiations, another firm, Sir Wheatman Pearson & Co., have expressed their willingness to undertake the work.

4. I believe the capital will be formed by £600,000 underwritten as a cash guarantee to contractors, and that the contractors paid £500,000 in debentures to rank as, present capital. Bankers, too, have been named as guarantors of contractors, to whom no exception can be taken.

5. Yet, as stated in my former communication, too much reliance should not be placed upon the completion until I am able to report that the contracts have been signed, which should be in a few days.

(Signed) P. O. FYSH, *Agent-General.*

*To Hon. Premier, Hobart, Tasmania.*

(BB.)

1899.

# THE GREAT WESTERN RAILWAY COMPANY (TASMANIA) ACT, 1896.

OPINION of SIR EDWARD CLARKE, Q.C., M.P., (late Solicitor-General).

I UNDERSTAND that the character of the land is such that while the general plan of the line showing the route and the contour line has been lodged before the commencement of work, the detailed plans and sections showing the private and Crown lands and mineral leases to be traversed by the railway would naturally be lodged in portions, as permitted by Section 17, and that before the expiration of the two years detailed plans were deposited for 10 miles, starting from Glenora, and that since the expiration of the two years further plans and sections have been lodged and approved. It appears that on the 31st December, 1898, two proclamations of the Governor, under the Mining Act and the Crown Lands Act, described and reserved the blocks specified in such proclamations. I am of opinion that there has been no forfeiture of the lease, nor any breach of the requirement of the Act. It is nowhere said that all the detailed plans and sections must be lodged within two years (indeed, the contrary is clearly implied by the terms of Section 17), nor is it provided that the whole line must be laid out in detailed plans and sections before the blocks are delimited. I am of opinion that the proclamation was a valid exercise of power on the part of the Governor, who thereby made the election referred to in Section 83, and that such election and approval give the Company a clear title to receive leases of these blocks as and when provided by the Act.

EDWARD CLARKE.

1st May, 1899.



## THE GREAT WESTERN RAILWAY OF TASMANIA.

## INSTRUCTIONS TO COUNSEL.

There are sent herewith :

- a Act of the Tasmanian Legislative authorising the construction of the Western Tasmanian Railways.
- b Cases and Memorandum submitted to Counsel, with his draft suggested alterations, altering Section 83 of the Act.
- c Prospectus.
- d Memorandum as to proposed guarantee.

Having regard to telegrams received from the Government as to the land, as also to other matters, it has been found impossible to float this Company under the arrangements as at present existing, and it is considered highly desirable that a Government guarantee should be applied for, and it is understood that the Government will see its way to giving a guarantee.

Counsel is requested to read through Act of Parliament, and to consider same, and to settle the the guarantee clause.

Counsel is also requested to adjust Act of Parliament in any particular Section or Sections he may desire to do so.

The matter is urgent, as one of the Promoters is leaving for Australia in a day or two, and he is anxious to take out a settled draft with him. In addition, it is desirable that the Promoters should have a meeting and consider Counsel's alterations prior to same going to Australia. Counsel therefore will greatly oblige by giving the same his best attention.

## OPINION.

With regard to the accompanying Memorandum dealing with the proposed guarantee, I have no amendments to suggest. In carrying the matter out, it will be desirable that both bond and coupon should in some form bear a certificate of the guarantee.

I have gone through the special Act with the view of ascertaining upon what points amendments would be desirable, having regard to the questions lately raised.

Section 5 of the Act.—An attempt should be made to extend the time for completion, by say, 3 years. I understand that the railway has been commenced, so that the date for commencement need not be extended.

The time allowed by Sub-section (g), of Section 5, for the expenditure of £500 upon each block of land seems also to require extension.

The lease of the line is to be for 30 years from 1896. It seems reasonable if the time for completion is extended that the term of the lease should be extended in the same manner.

The same may apply to the term of 25 years under Section 42. There is proviso to that Section which it seems would enable the Government to reject even fixed electrical plant of every kind: this might work great hardship, and I suggest that a modification of the proviso might be asked for, so that the proviso should only apply to movable plant and to plant erected for the purpose of supplying electricity otherwise than for the railway and its telegraph system.

With regard to Section 83, upon which the recent difficulty arose, I suggest that the new amending Act should contain in the Preamble a statement to the effect that the plans and specifications, mentioned in Section 83 of the principal Act, have been lodged, and that the Government has approved the selection of the most eastern of the blocks mentioned in the 83rd Section, and that it has been determined to extend the period of two years there mentioned; and then the operative part of the Act should enact that; that the said 83rd Section be amended by substituting the word "eight" for the word "two," and by substituting the words "on a plan or plans to be deposited from time to time with the Minister" for the words "in manner hereinafter prescribed."

Having regard to the contentions of the Government of New Zealand as to the effect of a clause somewhat similar to Section 92 of the special Act, it would be very desirable if any new Act which may be obtained could modify that Section, by saving the rights of holders of debentures issued under the later provisions—at any rate, within some limit as to amount—and further that the forfeiture should not extend to blocks of land on either side of the railway, so far as completed at the time of forfeiture, it seems to me almost impossible, after the publicity which has been given to the contention of the New Zealand Government, to issue any prospectus for debentures without calling attention to that Section.

A. R. KIRBY,

10, Old Square, 2nd June, 1899.

(Dd.)

EXTRACT from Schedule attached to the Contract given in the correspondence relating to the Main Line Railway (Paper No. 29, 1871, Page 21.)

No curve on the said Railway shall have a less radius than four chains, and no gradient shall be steeper than 1 in 40.

Office of Agent-General for Tasmania,  
Westminster Chambers, 5, Victoria-street, London, S.W.,  
13th April, 1899.

To W. HARCOURT PALMER, Esq.,  
12, Victoria-street, S.W.

DEAR SIR,

*Re* Great Western Railway of Tasmania.

Referring to our conversation especially respecting the fuel supply for mines of the Western Mining Division of Tasmania, I am from personal observation able to supply the following information:—

The timber supply of the district accessible for fuel purposes is utterly inadequate, and although timber reserves have been proclaimed by the Government, the smelting operations are carried on with imported coke and coal by thousands of tons. The agitation for deepening the Strahan Bar is consequent upon the great demand for coal and coke, for which provision should be made for cargo boats of not less than 3000 tons each.

The Great Western Railway can by branch of 16 miles, which has already been surveyed by the Government, tap a valuable bed of coal, highly bituminous, of first-class quality and easily hewn. I have visited the locality and tested the character of the coal, and know it to be of ready and almost surface access to the projected line of Railway, and that if carried at a penny per ton per mile it can be placed in the Western mineral fields at about one half of the present cost there. A penny per mile in Tasmania is a paying rate for coal.

Yours faithfully,

P. O. FYSH, *Agent-General*.

(FF.)

#### COMPARATIVE TABLE OF RATES FOR 38 MILES.

Distance—Hobart to Glenora.

	Tasmania.	Victoria.	N.S. Wales.	Queensland.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Rails and fastenings, per ton.....	14 6	11 7	14 7	16 8
Sleepers, per truck (6 tons) .....	19 0	20 6	23 0	36 0
Cement, per ton.....	6 4	9 2	6 10	10 0
Bricks, in truck loads, per ton .....	3 2	3 5	3 10	3 7
Timber, per truck of 6 tons .....	19 0	20 6	38 5	36 0
Galvanised iron (packed), per ton .....	14 6	17 8	14 7	16 8
Contractors' plant and material, in truck load, per ton...	14 6	8 3	14 7	10 0
	91 0	91 1	115 10	128 11

Loading or unloading by Railway Department or owners, as may be arranged for.  
Packages weighing more than two tons, fourth-class rates.

**As amended by the Select Committee.**

A

**B I L L**

TO

A.D. 1899.

Further amend "The Great Western Railway and Electric Ore-reduction Company Act."

PREAMBLE.

WHEREAS it is expedient to further amend "The Great Western Railway and Electric Ore-reduction Company Act" in the manner hereinafter appearing :

And whereas (portions of the) plans, specifications, and sections, as mentioned in Sections Seventeen and Eighty-three of the said "Great Western Railway and Electric Ore-reduction Company Act," have been lodged with the Minister, who has approved of the selection by the Promoters of the most eastern of the blocks mentioned in the said Section Eighty-three :

And whereas the Promoters have made the deposits mentioned in Section One hundred and seventy-one of the said Act, and have commenced the construction of the Railway in a *bonâ fide* manner, [and have continued such construction to the satisfaction of the Governor in Council,] as provided in Section Five, Sub-section v., Clause (b) :

Be it therefore enacted by His Excellency the Governor of *Tasmania*, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows :—

Short title.

1 This Act may be cited as "The Great Western Railway and Electric Ore-reduction Company Act, No. 3."

Interpretation.

2 In this Act—

The expression "the said Act" shall mean "The Great Western Railway and Electric Ore-reduction Company Act" :

[*Private.*]

\* \* The words proposed to be struck out are enclosed in brackets [ ] ; those to be inserted, in parentheses ( ).

The expression "the said Company" shall mean "The Tas- A.D. 1899.  
 manian Great Western Railway and Electric Power  
 Company, Limited":

5 The expression "the said railway" shall mean the railway  
 which the Promoters are authorised by the said Act to  
 construct and maintain:

The expression "the primary lease" shall mean the primary  
 lease which the Minister is by Section Four of the said  
 Act authorised to grant to the Promoters.

10 **3** The following amendments are hereby made in the several  
 Sections of "The Great Western Railway and Electric Ore Reduction  
 Company Act" in this Section referred to:—

Section **4**—In place of the words "date of this Act" in the fourth  
 line, the words "First day of *January*, One thousand nine hundred"  
 15 are hereby substituted.

Section **5**, Sub-section iv.—In place of the words "for a further  
 term not exceeding" in the first and second lines, the words "for  
 further successive terms of" are hereby substituted, [and the whole of]

(Section **5**, Sub-section v.—The whole of) Clause (b) is hereby  
 20 expunged, and the words "If the construction of the railway is not  
 commenced in a *bond fide* manner on or before the First day of  
*August*, One thousand nine hundred, and such construction continued  
 to the satisfaction of the Governor in Council" are hereby substituted.

[Section **15**—After the words "Three feet Six inches" in the fourth  
 25 line, the words "and in the discretion of the Promoters" are hereby  
 inserted.]

Section **33**—The following Clause is hereby inserted at the end  
 of the Section, viz:—

"In the event of any difference arising between the Minister and  
 30 the Promoters under this Section such dispute shall be referred to  
 arbitration in the manner described in Part VIII. of this Act."


Section **42**—In place of the words "date of this Act" in the third  
 line, the words "the First day of *January*, One thousand nine  
 hundred" are hereby substituted, and after the word "way" in the  
 35 sixth line, the word "plant" is hereby inserted, [and the whole of the  
 last Clause, beginning with the words "Provided that" and ending  
 with the words "the said railway," are hereby expunged.]


Section **33**—In place of the words "in manner hereinafter  
 prescribed" in the fourth line, the words "on a plan or plans that  
 40 have been deposited or may be deposited from time to time with the  
 Minister" are hereby substituted, (and after the word "west" in the  
 fourteenth line of the said Section, the words "and the boundaries of  
 such blocks shall be marked along the railway line by the erection of  
 such posts with notices thereon as may be approved by the Minister"  
 45 are hereby inserted.)


[**4** The following amendment is hereby made in the Schedule to the  
 said Act:—

Under the heading "Description" at the end of the second Clause,  
 the words "but the minimum curves and maximum grades may be  
 50 used as often as is deemed necessary by the Engineer of the said  
 Promoters subject to the said railway being constructed in accordance  
 with Section Sixteen of this Act" are hereby inserted.]

A.D. 1899.

 5 (Subject to such Regulations and restrictions as are and may be from time to time made by the Minister in respect of timber-growing upon Crown lands,) it shall be lawful for the Promoters, and they are hereby empowered, to cut, use, sell, or otherwise dispose of any timber growing or being on the Seven blocks of land mentioned in Section 5 Eighty-three of the said Act or any of them.

 6 All persons [who shall at any time under agreement with the said Promoters be engaged in prospecting or searching for minerals or metals on any of the Seven blocks of land mentioned in Section Eighty-three of the said Act] (shall at any time have the right to 10 prospect or search for minerals or metals on any of the Seven blocks of land mentioned in Section Eighty-three of the said Act, and acquire lands from the Promoters on the same terms as mineral lands are from time to time acquired from the Crown, but subject always to the additional payment to the Promoters of the royalty provided in the 15 said Act, and) shall, in the event of the land on which they are prospecting being forfeited as in Section Eighty-eight of the said Act mentioned, be entitled to a lease in priority to other applications for such land prospected by them as they may mark off under the provisions of "The Mining Act, 1893," within Thirty days of the 20 forfeiture being proclaimed by the Minister.

 [7—(1.) It shall be lawful for the Minister, with the consent of the Governor in Council, notwithstanding anything contained in "The Mining Act, 1893," or any other Act, to grant to the Promoters, for the unexpired residue of the term of the primary lease, a lease of any piece 25 of Crown Land, not exceeding One chain in width, for the construction thereon of such branch lines of railway, extensions or deviations from the said railway to any coalfield or mine, or any other mine near *Hamilton* and near *Lake St. Clair*, and to a point at or near *Gormanston* and *Queenstown* as may be determined upon by the 30 Promoters and approved by the Governor in Council; and also such area of Crown land for all stations, sidings, crossings, side-cuttings, cuttings, embankments, and conveniences in connection with the said branch lines of railway, extensions, and deviations as may be necessary or proper, and for all other purposes in connection with the said Act. 35

(2.) Any such lease as last aforesaid shall be subject to all the provisions of the said Act, so far as the same may be applicable, and shall contain such of the provisions and stipulations required to be contained in the primary lease as the Governor in Council may think necessary or applicable to such branch line, extension, or deviation or 40 otherwise, and shall be renewable in like manner with the primary lease.]

8 This Act and "The Great Western Railway and Electric Ore-reduction Act" and "The Great Western Railway and Electric Ore-reduction Company Act Extension Act," shall be read and construed 45 together as one and the same Act.