

(No. 25.)



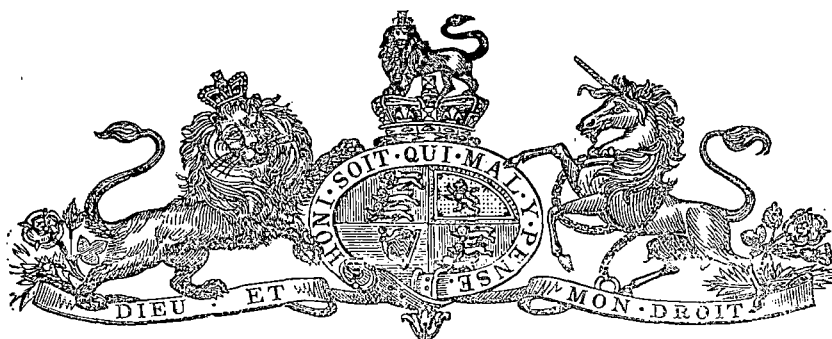
1889.

PARLIAMENT OF TASMANIA.

TASMANIAN MAIN LINE RAILWAY :

TREASURY CORRESPONDENCE.

Presented to both Houses of Parliament by His Excellency's Command.



MAIN LINE RAILWAY.

TREASURY CORRESPONDENCE.

TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED. PARTICULARS OF SPECIAL DEPOSIT OF £14,500.

MEMO.

£14,500 placed to joint account of Tasmanian Main Line Railway and Tasmanian Government, explained thus:—

	£	s.	d.
Deducted at instance of Auditor (see Report on 1883 accounts)	5863	18	9
Ditto (ditto, 1884 ditto)	8190	12	9
Deducted by Government (Trustees' Remuneration for 6 years, appearing in 1884 accounts—3 Trustees, 6 years at £26 5s. per year)	472	10	0
	<u>£14,527</u>	<u>1</u>	<u>6</u>

14. 2. 89.

Treasury, 20th August, 1888.

SIR,

WITH reference to the Special Deposit of £14,500 standing at your Bank in the names of the Government of Tasmania and the Main Line Railway Company, I have the honor to state that, on looking over the last account showing the amount of interest credited to 30th June, 1888, I do not discover that any sum has been allowed on any portion of the accrued interest. Will you be good enough to favour me by explaining why this is so?

I have the honor to be,

Sir,

Your obedient Servant,

J. E. PACKER, *pro Treasurer.*

*The Manager Consolidated Bank, Limited,
52, Threadneedle-street, London.*

Dr. TASMANIAN GOVERNMENT "SPECIAL DEPOSIT" ACCOUNT. Cr.

1888.			
March 7.	Accumulated Interest on	£	s. d.
	£14,500 to 31st December, 1887...	425	9 0
June 30.	Ditto to 30th June, 1888	93	7 0
		<u>£518</u>	<u>16 0</u>

COPY OF INTEREST ACCOUNT.

AGENT-GENERAL OF TASMANIA
AND
TASMANIAN MAIN LINE RAILWAY. } *In account with* THE CONSOLIDATED BANK, LIMITED.

1887.	Days.	Rate.	Interest.
Dec. 31. Balance, £14,500.			£ s. d.
1888.			
Jan. 12.	12	2½	11 18 4
" 19.	7	2	5 11 3
Feb. 16.	28	1½	16 13 8
May 10.	84	1	33 7 4
June 7.	28	1½	16 13 8
" 30.	23	1	9 2 9
	<u>182</u>		<u>93 7 0</u>

TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

NOTICE is hereby given, that the Eighteenth Ordinary General Meeting of the Tasmanian Main Line Railway Company, Limited, will be held on Tuesday, the 3rd July, at Two o'clock in the afternoon, at the Offices of the Company, Gracechurch Buildings, 79½, Gracechurch-street, in the City of London, when a Report of the Directors and Statement of Accounts for the Year 1887 will be submitted, and the general business of the Company transacted.

Holders of Perpetual Debenture Bonds to Bearer, who desire to attend the Meeting, must deposit their Bonds at the Company's Office any time up to 1 P.M. on the 30th June, and they will receive in return a Certificate entitling them to attend and vote.

The Transfer Books of the Company will be closed until after the Meeting.

By order of the Board,

WILLIAM DAVISON, *Secretary.*

79½, Gracechurch-street, E.C.,
London, 16th June, 1888.

DIRECTORS.

LIEUT.-COL. FRANCIS D. GREY, *Chairman.*
MAJOR C. CARPENTER.
CHARLES W. EARLE, Esq.
W. IRVING HARE, Esq.

FREDK. C. IM THURN, Esq.
WM. WYLLYS MACKESON, Esq., Q.C.
GEO. T. RAIT, Esq.
ALBERT RICARDO, Esq.

REPORT of the Directors for the Year 1887.

The Directors submit a Statement of Accounts for the Year ending 31st December last, duly audited.

During the year 343,502 passengers were carried as against 337,972 in the previous year, 58,326 tons of goods as against 41,871, and 35,086 head of live stock as against 48,005.

The Receipts and Expenditure for 1887 compare with 1886 as follows:—

	1887.	1886.
Receipts	£69,039 13 11	£68,948 2 3
Expenditure	68,198 18 11	68,944 0 0

The increase in receipts is mainly due to coal traffic (17,865 tons in excess of previous year.) The revenue derived from this increased business somewhat more than balances the decreased receipts from Passengers and Live Stock.

The falling off in the through passenger traffic is attributable to an outbreak of small-pox in Launceston, which entailed the establishment of quarantine at that Port. The local traffic is steadily increasing in volume.

The diminution in the number of Live Stock carried was due to the drought, from the effects of which the Colony is still suffering.

The coal mining industry of the Colony may be regarded as still in its infancy, and has not made the progress expected, but arrangements are now being made to connect the Company's terminus at Launceston with the wharves at that place. These increased facilities will tend to give an impetus to this important traffic.

The importance of connecting the Main Line Terminus at Hobart with the wharves of that city has always been recognised, and there seems now to be a prospect of this desirable connection being made.

Consequent on the adoption of the gauge of the Main Line Railway for the Government lines, negotiations have been entered into for the sale of the Company's third rail between Evandale and Launceston, and it is expected the matter will be brought before Parliament in the session just commenced.

The Directors regret that no settlement of the differences between the Government and the Company has yet been effected, but they are not without hope that during the present session of Parliament an amicable arrangement may be come to on the basis of the provisional agreement made with the Agent-General for Tasmania on 9th September, 1886. The accounts show the Government to be in debt to the Company on account of Guaranteed Interest and Interest thereon to the amount of £18,574, which includes £14,500 on deposit at the Consolidated Bank.

The Directors take this opportunity of expressing their appreciation of the warm sympathy evinced by all classes in the Colony for Mr. Grant, the Manager, on the occasion of that gentleman meeting with a serious carriage accident, resulting in a broken leg and other injuries. The Shareholders will be glad to learn that Mr. Grant is rapidly progressing towards recovery.

The Reports of the Manager and Locomotive Superintendent on the state and condition of the Permanent Way, Works, Stations, Rolling Stock, &c., are annexed hereto.

The Directors who retire by rotation are Messrs. C. W. Earle and W. Irving Hare, who, being eligible, offer themselves for re-election.

Mr. Frederick Maynard, the Auditor, also retires, and offers himself for re-election.

FRANCIS D. GREY, *Chairman.*

WILLIAM DAVISON, *Secretary.*

79½, Gracechurch-street, E.C.,
London, 16th June, 1888.

TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

STATEMENT of Accounts, Year ending 31st December, 1887.

No. 1.] STATEMENT of Capital authorised and created by the Company.

	CAPITAL AUTHORISED.			CAPITAL CREATED OR SANCTIONED.			BALANCE.	
	Stock and Shares.	Loans.	Total.	Stock and Shares.	Loans.	Total.	Stock and Shares.	Loans.
	£	£	£	£	£	£	£	£
Under the Articles of Association	1,000,000	700,000	1,700,000	1,000,000	700,000	1,700,000	...	...
The Tasmanian Main Line Railway Act, 1877 .....	...	100,000	100,000	...	100,000	100,000	...	...
	1,000,000	800,000	1,800,000	1,000,000	800,000	1,800,000	...	...

No. 2.] STATEMENT of Stock and Share Capital created, showing the proportion received.

DESCRIPTION.	Amount created.			Amount received.			Calls in arrear.	Amount uncalled.	Amount unissued.
	£	s.	d.	£	s.	d.	£	s.	d.
6 per cent. Preference Stock	260,000	0	0	243,350	0	0	...	...	16,650 0 0
Forfeited Shares.....	...	...	...	2912	10	0	...	...	...
Ordinary Shares	740,000	0	0	205,085	0	0	505 0 0	...	534,410 0 0
	1,000,000	0	0	451,347	10	0	505 0 0	...	551,060 0 0

No. 3.]

CAPITAL raised by Loans and Debenture Stock.

	RAISED BY LOANS.						RAISED BY ISSUE OF DEBENTURE STOCK.						Total raised by Loans and by Debenture Stock.					
	At 5 per cent. reduced to 4 per cent.			At 5 per cent.			Total.			At 6 per cent.					Total.			
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Existing 31st Dec., 1886	650,000	0	0	100,000	0	0	750,000	0	0	32,125	10	0	32,125	10	0	782,125	10	0
„ 31st Dec., 1887	650,000	0	0	100,000	0	0	750,000	0	0	32,125	10	0	32,125	10	0	782,125	10	0
Increase.....	...			...			...			...			...			...
Decrease ....	...			...			...			...			...			...
Total amount authorised to be raised by Loans and by Debenture Stock, in respect of Capital created, as per Statement No. 1																800,000	0	0
Total amount raised by Loans and by Debenture Stock, as above.....																782,125	10	0
Balance, being available borrowing powers at 31st December, 1887																17,874	10	0

No. 4.] DR.

RECEIPTS and Expenditure on Capital Account.

CR.

	Amount Expended to 31st Dec., 1886.			Amount expended during Year 1887.	Total to 31st December, 1887.				Amount Received to 31st Dec., 1886.			Amount paid off during Year 1887.	Amount received during Year 1887.	Total to 31st December, 1887.		
	£	s.	d.		£	s.	d.		£	s.	d.	£	£	£	s.	d.
To Expenditure.								By Receipts.								
On Line open for Traffic.	1,188,315	15	8	nil.	1,188,315	15	8	Shares and Stock per Account No. 2	451,347	10	0	...	...	451,347	10	0
Balance					45,157	4	4	Loans, per Account No. 3.....	750,000	0	0	1500	1500	750,000	0	0
								Debenture Stock, as per Account No. 3	32,125	10	0	...	...	32,125	10	0
					1,233,473	0	0		1,233,473	0	0	1500	1500	1,233,473	0	0

No. 5.] DR.

REVENUE Account, 31st December, 1887.

CR.

1886.	EXPENDITURE.	Year ended 31st Dec., 1887.	Per cent. of Receipts.	1886.	REVENUE.	Year ended 31st Dec., 1887.	Per Train Mile.
£		£ s. d.			£ s. d.	£ s. d.	d.
23,077	To Maintenance of Way, Works, &c.	20,013 18 0	29.0	38,922	By Passengers—No. 343,502	35,834 17 4	
20,368	See Abstract A.	21,738 11 9	31.5	3718	Parcels, Horses, Carriages, &c.	3607 18 5	
3410	Locomotive Expenses ...			3000	Mails	3000 0 0	
	Repairs and renewals of Carriages and Wagons	2683 9 6	3.9	45,640	Total Coaching Traffic .....	..	42,442 15 9 27.7
10,031	See Abstract C.	10,527 13 4	15.2		By Merchandise and Minerals, tons 58,326	23,295 12 8	
7096	Traffic Expenses	7066 12 5	10.2	19,676	Live Stock No. 35,086	2346 18 10	
625	See Abstract D.	1968 13 11	2.9	2907	Total Goods Traffic		25,642 11 6 16.7
4337	General Charges				Rents and Miscellaneous Receipts		954 6 8 0.7
	Miscellaneous Expenses. See Abstract F.			725			
	Tolls for running powers over the Launceston and Western Railway	4200 0 0	6.1		Government of Tasmania for Guaranteed Interest	31,659 5 0	
68,944		68,198 18 11	98.8	68,948			
	To Balance carried to Net Revenue Account	32,500 0 0					
		100,698 18 11				100,698 18 11	

No. 6.] DR. NET Revenue Account, 31st December, 1887. CR.

	£	s.	d.		£	s.	d.
To Balance from 31st December, 1886.....	61,518	16	7	By Balance from Revenue Account, No. 5	32,500	0	0
Interest and Sinking Fund on Pre-preference First Mortgage Debentures for £100,000	6500	0	0	Balance carried to General Balance Sheet	63,596	7	1
Interest on 5 per cent. Debentures for £650,000 (reduced to 4 per cent.) ...	26,000	0	0				
Interest on 6 per cent. Debenture Stock	1927	10	6				
Interest on Funded Interest Certificates on Perpetual Debenture Bonds	150	0	0				
	£96,096	7	1		£96,096	7	1

No. 7.] DR. GENERAL Balance Sheet, 31st December, 1887. CR.

	£	s.	d.		£	s.	d.
To Capital Account—Balance at Credit thereof, per No. 4.....	45,157	4	4	By Net Revenue Account—Balance at Debit thereof, per Account No. 6 ...	63,596	7	1
180 Pre-preference First Mortgage Debentures of £100 each, re-issued	18,000	0	0	Stores Account.....	8735	0	3
Outstanding Debenture Interest	27,332	7	7	Sundry Outstanding Accounts	5750	10	6
Pre-preference Debenture Sinking Fund Account	1502	18	2	Government of Tasmania	*25,904	2	0
Sundry Outstanding Accounts	17,589	3	6	Bills Receivable	8500	0	0
Trustees for Funded Interest	8753	19	2	Cash at Bankers and offices	5849	12	11
	£118,335	12	9		£118,335	12	9

(* Of this amount £14,500 has been deposited by the Government at the Consolidated Bank pending a settlement of the Company's claim.)

No. 8.] ABSTRACTS.

A. MAINTENANCE OF WAY, WORKS, &c.				D. TRAFFIC EXPENSES.			
£		£	s. d.	£		£	s. d.
879	Salaries, Office Expenses and General Superintendence	926	3 5	7983	Salaries and Wages	8396	11 8
	Maintenance and Renewal of Permanent Way:— £ s. d.			1093	Fuel, Lighting and General Stores	1267	9 4
	Wages	10,805	0 5	381	Printing, Stationery and Tickets ...	375	0 1
	Materials	3451	15 11	141	Parcels Delivery and Trans-loading Live Stock.....	141	16 7
18,370		14,256	16 4	292	Miscellaneous Expenses	221	17 2
	Repairs of Roads, Bridges & Works	3650	13 6	141	Electric Telegraph	124	18 6
3828	Ditto Station Buildings	1180	4 9	10,031		£10,527	13 4
		4830	18 3				
23,077		£20,018	18 0				
B. LOCOMOTIVE EXPENSES.				E. GENERAL CHARGES.			
£		£	s. d.	£		£	s. d.
1285	Salaries, Office Expenses, and General Superintendence	1315	13 10		London.—		
	Running Expenses:— £ s. d.				Directors and Auditor	2031	10 0
	Wages	5444	10 8		Office Rent, Salaries and Expenses	1034	10 8
	Coal, Coke, and Wood	4024	4 1	3212	Engineering Expenses	270	5 6
	Water	146	2 3			3336	6 2
	Oil, Grease and other Stores ...	704	10 8		Tasmania.—		
10,202		10,319	7 8		Salaries of General Manager, Accountant and Clerks	3165	12 11
	Repairs and Renewals:—				Office Expenses, Stationery and Telegrams	182	3 11
	Wages	4968	12 11		Storekeeper's Department	333	10 3
	Materials	5008	7 8		Insurance	48	19 2
	Lighting Work-shops and Sheds	126	9 8	3884		3730	6 3
8881		10,103	10 3	7096		7066	12 5
20,368		£21,738	11 9				
C. REPAIRS AND RENEWALS OF CARRIAGES AND WAGONS.				F. MISCELLANEOUS EXPENSES.			
£		£	s. d.	£		£	s. d.
	Carriages—Wages	1357	4 9	38	Compensation	26	15 9
	Materials ...	710	12 11	118	Law Charges in Tasmania	381	11 2
2566		2067	17 8	nil.	Law Charges in London.....	190	6 4
	Wagons—Wages	646	13 4	198	Rates and Taxes	212	13 10
844	Materials Cr.	31	1 6	43	Interest and Discount	999	16 3
		615	11 10	79	Trustees' Remuneration	78	15 0
3410		£2683	9 6	149	Sundries	78	15 7
				625		£1968	13 11

No. 9.]

RETURN of Rolling Stock.

	COACHING.						MERCHANDISE AND MINERALS.			
	Engines.	Tenders.	1st Class Carriages.	2nd Class Carriages.	Mail Brakes, Horse Boxes, &c.	Total.	Goods, Wagons, Brakes, &c.	Cattle Wagons.	Ballast Wagons.	Total.
Stock at 1st January, 1887	14	14	23	23	23	69	127	44	45	216
Ditto, 1888	15	14	22	25	23	70	126	39	45	210
Increase during year	1	...	...	2	...	1	...	...	...	...
Decrease during year .....	...	...	1	...	...	...	1	5	...	6

No. 10.]

MILEAGE Statement.

	Year ended 31st Dec., 1887.			
	Miles Authorised.	Miles Constructed.	Miles Constructing or to be Constructed.	Miles Worked by Engines.
Lines owned by Company	122	122	...	122
Running Powers with Third Rail belonging to Company				11
Total				133

No. 11.]

STATEMENT of Train Mileage.

	Year ended 31st Dec., 1887.
Passenger, Goods and Mixed Trains	367,267
Ballasting and shunting	34,220
	401,487

FRANCIS D. GREY, *Chairman.*WILLIAM DAVISON, *Secretary.*

I have examined the above Balance Sheet with the books of the Company at the London Office, and the authenticated returns from the Manager at Hobart, and hereby certify to their correctness.

FRED. MAYNARD, F.C.A., *Auditor.*

London, 29th May, 1888.

CERTIFICATE RESPECTING THE PERMANENT WAY, &c.

I HEREBY certify that the whole of the Company's Permanent Way, Stations, Buildings, and other Works have, during the past year, been maintained in good working condition and repair.

C. H. GRANT, *Engineer and General Manager.*

Hobart, 22nd February, 1888.

CERTIFICATE RESPECTING THE ROLLING STOCK.

I HEREBY certify that the whole of the Company's Plant of Engines, Tenders, Carriages, Wagons, Machinery and Tools, have, during the past twelve months, been maintained in good working order and repair.

WILLIAM CUNDY, *Locomotive Superintendent.*

Hobart, 22nd February, 1888.

OPPOSITION TO LOAN, 1887-8.

Treasury, 16th July, 1888.

SIR,

My attention has been drawn to a telegram from London which was published in the *Mercury* on Saturday last, stating that "the Tasmanian Main Line Railway Company have resolved on opposing the new Tasmanian Loan obtaining an Exchange quotation."

I have the honor to ask whether you are in possession of any advices which will enable you to state that the telegram referred to correctly expresses the intention of the Company, or whether you have any reason to believe the telegram to be reliable?

I have, &c.

B. STAFFORD BIRD, *Treasurer.*

*The Manager Tasmanian Main Line Railway
Company, Limited, Hobart.*

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 17th July, 1888.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 16th instant, calling my attention to a cablegram from London, appearing in the Press of yesterday, in which it was stated that the Tasmanian Main Line Railway Company had resolved to oppose a Stock Exchange quotation being granted for the new Tasmanian Government Loan, and desiring to know whether I am able to inform you if the telegram correctly expresses the intention of the Company.

In reply I have to state that I have not been informed that my Directors intend to take any action in the matter.

I have, &c.

C. H. GRANT.

Hon. B. S. BIRD, Treasurer.

Treasury, 20th July, 1888.

SIR,

I AM in receipt of your letter of the 17th instant, in which you state that you have no information as to the intention of the Directors of your Company in London to oppose a Stock Exchange quotation being granted for the next Tasmanian Loan. Since the receipt of your letter the following telegram has been received by the Government from the Agent-General for Tasmania:—"Resolution passed by Main Line Railway Company to oppose issue of fresh Loan." I shall therefore feel obliged if you will be good enough to state whether you have received, since the date of your communication of the 17th instant, any official intimation of the Company's intention in confirmation of the report on which the Agent-General's telegram is based.

I have, &c.

B. STAFFORD BIRD, *Treasurer.*

*The Manager Tasmanian Main Line Railway
Company, Limited, Hobart.*

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 23rd July, 1888.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter dated the 20th instant, in which you desire to know whether, since the date of my communication of the 17th, I have received any official information of the Company's intention to oppose the issue of a Tasmanian Loan, should one be placed in the market.

In reply, I have the honor to state that no communication whatever on the matter has since reached me; nor would I expect to be especially informed thereon.

From the wording of the telegram it is apparent that the resolution was passed by the Company at their annual general meeting, usually held at this time, and is probably the voluntary act of the debenture-holders and shareholders themselves—in fact, of the whole Company as

distinguished from the Directors. It is doubtless due to the disappointment felt that their resolutions (adopted at previous meetings especially convened for the purpose of giving the necessary legal sanction to the agreement made between the Agent-General of Tasmania, acting for and on behalf of the Government of Tasmania, and the Company) have been rendered nugatory through such agreement having been repudiated by the late Government. It is only to be expected that any body of shareholders would warmly resent such a very unusual proceeding, under the whole circumstances of the case.

So far as the Board of Directors are concerned, what information I have had led me to believe that, in regard to any opposition to a Tasmanian Loan, they would be entirely guided by my report on the proceedings of the present Government, which, for various reasons that must be palpable to you, has not yet been sent them.

I have, &c.

C. H. GRANT.

Hon. B. S. BIRD, *M.H.A., Treasurer.*

Treasury, 26th July, 1888.

SIR,

I HAVE the honor to acknowledge the receipt of your letters of the 17th and 23rd instant, in which you inform me that you have not received, nor do you expect to receive, special information in regard to the reported intention of the Company to oppose the quotation on the London Stock Exchange of the contemplated new Loan to be issued by the Government of Tasmania.

Whether the resolution said to have been passed at the annual general meeting was, as you suggest, the voluntary act of the debenture-holders and shareholders themselves, or the action of the Directors who were able to carry such a resolution, it is clear that the Company are endeavouring, for ends of their own, to injure the credit of this Colony.

If the debenture-holders and shareholders have been led to believe that there has been on the part of the Government of Tasmania a breach of agreement in the refusal of the Government to accept terms suggested by the late Agent-General in order to bring about a settlement of matters in dispute, the action of the debenture and shareholders, if it be their action, may be accounted for in that way. But as the so-called agreement was distinctly only a suggested agreement, clearly dependent for its acceptance on the will of the Government and Parliament, there has been, in the refusal of the late Government to accept it, no repudiation whatever.

However, the Government now feel that, in view of this threatened action of the Company, they can no longer pursue that conciliatory policy which they have since they assumed office endeavoured to carry out. They have refrained from embarrassing the Company by withholding such portion of the interest payable to the Company as the Government have been entitled to withhold under the contract, and in accordance with Mr. Speight's views in dealing with former disputed items, having been willing hitherto that such sums should stand in abeyance until such time as the Company should take the proper course open to them for the settlement of all points in dispute. But now, in view of the threat of the Company, the Government are constrained to take another course; and consequently, in making the next advance for the quarter ended 30th June last, they will deduct the sum of £2257 11s. 3d., which represents the amount claimed as a set-off under the contract in adjusting the account to the 31st December, 1887.

For your information I enclose the account to 31st December, 1887, made up by this Department.

With regard to the year 1888, the usual deduction of £25 will be made in paying the advance for the quarter ended 30th June last.

I have, &c.

B. STAFFORD BIRD, *Treasurer.*

C. H. GRANT, *Esq., Manager Tasmanian Main Line Railway Company, Limited, Hobart.*

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 27th July, 1888.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter dated the 26th instant, in which you contend that the refusal of the late Government of Tasmania to submit to Parliament the agreement made by their accredited agent and representative (almost especially sent home for the purpose) with the Tasmanian Main Line Railway Company, was no repudiation whatever.

While acknowledging that there is a choice of terms in describing such action, I cannot but repeat that the Proprietary of the Main Line Company have every reason to consider that the act was one of repudiation of such agreement by the Government of Tasmania, and it is not surprising they deeply resent this extremely unusual conduct.

It gives me pleasure to acknowledge the justice of your claim that the present Government have not hitherto endeavoured to strain or violate the contract to the embarrassment of the Company, and therefore I the more regret that you now announce their intention to deduct the sum of £2257 11s. 3d. from the guaranteed interest now due on accounts presented to the 31st December, 1887.

Although I propose, as hitherto, to accept the amount that the Government agree to pay, subject to the usual open receipt being given therefor, I must differ from your expression that the disputed amounts are only held in abeyance until such time as the Company should take the proper course open to them for the settlement of all points in dispute. The Company have continually shown through their chairman, their solicitors, and myself, and the Government have been most strongly urged by their own professional adviser, that the only equitable or reasonable course for a settlement of these disputes is by reference to experts, or by mutual agreement founded on the advice of competent authorities; and that forcing the Company to an action at law in Tasmania will be to compel them to accept a tribunal which is not competent to afford an unbiassed trial. In this course it is hardly possible they will meet with the sympathy of British capitalists.

Your taunt made to the solicitors of the Company, that the very serious injustice to which the Company may be compelled to submit to here can be corrected by an appeal to the Privy Council, must surely be made in forgetfulness that any such appeal cannot provide the elements of justice which a trial before a proper tribunal would furnish.

The Company believe, and are well advised, that the deductions hitherto made from their accounts as presented, and especially those now made, are legally quite indefensible; but they further contend that in regard to the interests of the Colony also such are utterly opposed to all principles of equity or to common sense.

I have, &c.

C. H. GRANT.

Hon. B. S. BIRD, M.H.A., Treasurer.

Via Naples.

*The Consolidated Bank, Limited, 52, Threadneedle-street,
London, 8th February, 1889.*

SIR,

I HAVE the honor to annex hereto a copy of a letter and subjoined extract from Board Minutes, received under date of the 2nd instant, from the Tasmanian Main Line Railway Company.

I have, &c.

JAS. TULLOCH, *Manager.*

*The Honorable the Treasurer of Tasmania,
Hobart.*

[Copy.]

*Tasmanian Main Line Railway Company, Limited,
Gracechurch Buildings, 79½, Gracechurch-street,
London, E.C., 2 February, 1889.*

*To the Manager Consolidated Bank, Limited,
Threadneedle-street, E.C.*

DEAR SIR,

NEW GOVERNMENT LOAN.

I BEG to refer you to the subjoined copy of a Resolution passed by the Board of Directors of this Company, in which their intentions, failing a settlement, are set forth.

I am, &c.

WM. DAVISON, *Secretary.*

EXTRACT from Minutes of Board Meeting of the Tasmanian Main Line Railway Company, Limited.

"IN view of the probable issue of a new Government Loan the Board ordered that Mr. Grant be directed, in the event of a new Loan being authorised, to inform the Government that the Company will be compelled to oppose a quotation; and further, to give public notice of their intention to oppose on the public being invited to subscribe to it."

True extract—

WM. DAVISON, *Secretary*.

19th March, 1889.

*The Manager the Consolidated Bank, Limited,
52, Threadneedle-street, London.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 8th ultimo, and have to thank you for the information contained with regard to the contemplated action of the Main Line Railway Company in respect to the Loan of £1,000,000 which this Government proposes to place on the London Market at an early date.

I have, &c.

B. STAFFORD BIRD, *Treasurer*.

RE PURCHASE OF BONDS, £14,500, T.M.L.R. COMPANY.

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 4th December, 1888.*

SIR,

I HAVE the honor to inform you that I have received advices by cablegram from London, which desire me to request that the Government of Tasmania will agree with the Tasmanian Main Line Railway Company, Limited, in exchanging the deposit of £14,500 in the Consolidated Bank, Limited, of London, in their joint names, into the new 4 per cent. pre-preference Debentures which the Company are now issuing to take the place of the first mortgage of £100,000.

It is scarcely necessary that I should remark upon the perfect security of this new loan, because it not only covers the whole of the Company's property, of every description, but also their right to receive the guaranteed interest of £32,500 per annum; while, as regards interest, the rate of 4 per cent. is certainly better than that which the London Bank pays for loans on deposit.

Should the Government have any doubt as to realising the full amount of £14,500 on the new stock, when they desire to do so, I do not doubt it could be arranged that the Company would take it at par; or, as the stock would probably be worth a good premium in the market, there could be no difficulty as to its sale.

Since the exchange would be made by mutual consent, it could not in any way whatever prejudice the rights or position of either party; and, if thought necessary, this could be guarded against by special agreement.

I therefore trust that the Government will accede to the suggestion made by the Company.

I have, &c.

C. H. GRANT.

Hon. B. S. BIRD, M.H.A., Treasurer.

Treasury, 6th December, 1888.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 4th instant, informing me that you have received advices from London by cable, directing you to invite the Government of this Colony to exchange the special deposit of £14,500, now in the Consolidated Bank, London, for new pre-preference Debentures which the Main Line Railway Company are now issuing.

In reply I have to state that the Government do not feel justified in entertaining the proposal made by you in your letter of the date referred to.

I have, &c.

B. S. BIRD, *Treasurer*.

*The Manager Tasmanian Main Line Railway
Company, Limited, Hobart.*

RE GUARANTEED INTEREST.

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 14th July, 1888.*

SIR,

I HAVE the honor to forward you herewith the usual Quarterly Statement of Receipts and Expenses for the period ending the 30th June last, and regret, while doing so, that I am not able to show a greater elasticity of traffic than these accounts indicate.

This is almost entirely due to the loss of freight from the agricultural districts, owing to the drought of last summer.

I also enclose an account for the quarter's subsidy, amounting to Eight thousand one hundred and twenty-five Pounds, and have brought forward the amount in question between the Government and the Company, of which I much regret that no settlement has been made.

You will much oblige by passing the account for payment under the terms prescribed by the contract.

I have, &c.

Hon. B. S. BIRD, *M.H.A., Treasurer.*

C. H. GRANT.

TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

Accountant's Office, Hobart, July 14, 1888.

AN ABSTRACT showing the Receipts and Expenditure on account of Traffic, &c. conveyed over the Tasmanian Main Line Railway for the Three Months ending June 30, 1888.

Dr.	£	s.	d.	Cr.	£	s.	d.
To Expenditure—				By Receipts—			
Permanent Way	5779	4	8	Passengers, No. 94,423½	9019	17	6
Locomotive Power	4715	7	11	Parcels, No. 12,230	571	15	6
Carriages and Wagons	1523	9	1	Horses, Carriages, Dogs	177	10	5
Traffic Expenses	2452	12	3	Excess Luggage	72	16	5
General Charges, London.....	1000	0	0	Left Luggage.....	4	10	0
Ditto, Tasmania	899	17	4	Telegrams, No. 1335	52	19	6
Miscellaneous Expenses	109	17	9	Mails	825	0	0
Evandale and Launceston Toll...	1125	0	0	Goods, tons, 8604	4011	15	6
	17,605	9	0	Minerals, tons, 8356	1599	4	9
Balance carried forward	2944	15	4	Live Stock.....	470	3	4
				Rents and Sundries.....	123	14	1
					16,929	7	0
				Balance from last quarter.....	3620	17	4
	£20,550	4	4		£20,550	4	4

Train Miles, 94,005.

R. J. ELLIS, *Accountant.*C. H. GRANT, *General Manager.*

TASMANIA.

THE GOVERNMENT OF TASMANIA Dr.

To TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED, HOBART.

1888.	Guaranteed Interest Department.	£	s.	d.
To Dec. 31, 1886.	Balance due on Accounts rendered for the year 1886	1378	12	8
To Dec. 31, 1887.	Balance due on Accounts rendered for the year 1887	265	2	7
To Mar. 31, 1888.	Balance due on Account rendered for the quarter ending Mar. 31, 1888	25	0	0
	Interest on the above overdue amounts at the rate of 5 per cent. per annum, calculated quarterly to June 30, 1888	155	1	11
April 1 to June 30.	To one-fourth proportion of the yearly interest guaranteed by the Government of Tasmania to the Tasmanian Main Line Railway Company, Limited, at the rate of 5 per cent. per annum on the sum of £650,000 expended on the construction of the Railway, and payable according to the terms of the Act of Parliament 48 Victoria, No. 43, Section 5, being one-fourth of £32,500.....	8125	0	0
		£9948	17	2

N.B.—This account does not include the amount of £15,081 19s. 5d. in litigation for overdue accounts to December 31, 1885, and interest since accruing thereon.

For the Tasmanian Main Line Railway Company, Limited,

C. H. GRANT.

R. J. ELLIS, *Accountant.*
July 13, 1888.

THE Governor approves.

B. STAFFORD BIRD, *Treasurer.*
28th July, 1888.

£5842 16s. 1d.

Treasury, Hobart, 28th July, 1888.

RECEIVED from the Hon. the Treasurer the sum of Five thousand eight hundred and forty-two pounds sixteen shillings and one penny, on account of guaranteed interest for the quarter ended 30th June, 1888; but such payment is made and received without prejudice to any further or other claims by or against the Government of Tasmania and the Tasmanian Main Line Railway Company under or arising out of the contract between the Government and the Company.

The Tasmanian Main Line Railway Company, Limited, by their Attorney,

C. H. GRANT.

Witness to payment—W. BENSON.

MAIN LINE RAILWAY COMPANY.

PAYMENT to be made for Quarter ended 30 June, 1888, to adjust Accounts to 31 December, 1887.

	£	s.	d.	£	s.	d.
Advance on account of Guaranteed Interest, after making usual deduction of £25.....	...			8100	0	0
Deduct amount of Expenditure which should have been charged to Capital Account—						
For year 1886 (see Auditor's Report, 22 March, 1887).....	750	0	0			
Ditto 1887 (ditto 10 May, 1888).....	1600	0	0			
Trustees' Remuneration for years 1885 and 1886, included in 1887 Accounts (objected to by the Government).....	157	10	0			
	2507	10	0			
Less deductions already made:						
Usual quarterly deductions—	£	s.	d.			
7 at £25 each	175	0	0			
1 at £25 6s. 1d.	25	6	1			
Deduction on account of disputed Construction Items.....	50	0	0			
	250	6	1			
				2257	3	11
				£5842	16	1

A. REID, *Accountant.*

Treasury, 23rd May, 1888.

J. E. PACKER, *Under Treasurer.*

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 11th October, 1888.*

SIR,

I HAVE the honor to forward you herewith an Abstract of the Traffic Receipts and Expenditure of the Tasmanian Main Line Railway Company, Limited, for the quarter ending the 30th September last.

It will be noticed that although the expenses of operating considerably exceed the gross receipts on the quarter—as is frequently the case at this period—there is still a balance of profit, which promises well for the result of the whole year's working; and unless some altogether unforeseen and untoward circumstances arise, I do not doubt that my estimate of the difference between receipts and expenditure for the present year will be more than verified.

I also enclose an account against the Government for the sum of £12,280 8s. 10d., now due to the Tasmanian Main Line Railway Company, Limited, (irrespective of the amount included in the action now pending), the payment of which, in accordance with the terms of the contract, will much oblige.

In respect to this suit, I must remark that since its initiation the Company's solicitors have been continuously and most earnestly pressed to proceed with it with the utmost expedition, in order that the immediate issues in question may be decided; and although the Company feel that the judgment when obtained—even if approved by both parties—would be of little value, and not affect the other matters since in dispute, and which are likely to be a subject of contention, the delay in appearing before the Courts cannot justly be ascribed to the Company, but is of the usual character in legal proceedings.

I have, &c.

Hon. B. S. BIRD, *M.H.A., Treasurer.*

C. H. GRANT.

TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

Accountant's Office, Hobart, October 11th, 1888.

AN ABSTRACT showing the Receipts and Expenditure on account of Traffic, &c. conveyed over the Tasmanian Main Line Railway for the Three Months ending 30th September, 1888.

DR.	£	s.	d.	Cr.	£	s.	d.
To Expenditure—				By Receipts—			
Permanent Way	5429	2	5	Passengers, No. 86,407	8225	16	9
Locomotive Power	5058	12	11	Parcels, No. 11,720.....	517	14	4
Carriages and Wagons	1405	2	1	Horses, Carriages, Dogs.....	175	7	10
Traffic Expenses	2857	12	4	Excess Luggage	55	0	11
General Charges—London	1626	0	9	Left Luggage	3	17	2
Tasmania ...	885	3	0	Telegrams, No. 1282	48	9	6
Miscellaneous Expenses	58	0	2	Mails.....	825	0	0
Evandale and Launceston Toll..	1125	0	0	Goods, tons 7082.....	3839	15	4
				Minerals, tons 10,578.....	1815	2	8
				Live Stock	434	17	4
				Rents and Sundries.....	236	12	9
Balance carried forward	18,444	13	8				
	677	16	3				
				Balance from last Quarter	16,177	14	7
					2944	15	4
	£19,122	9	11		£19,122	9	11

Train miles—96,838.

R. J. ELLIS, Accountant.

C. H. GRANT, General Manager.

TASMANIA.

THE GOVERNMENT OF TASMANIA, Dr.

To TASMANIAN MAIN LINE RAILWAY, COMPANY, LIMITED, HOBART.

1888.

Guaranteed Interest Department.

		£	s.	d.
To Dec. 31, 1886.	Balance due on Accounts rendered for the Year 1886	1378	12	8
To Dec. 31, 1887.	Balance due on Accounts rendered for the Year 1887	265	2	7
To June 30, 1888.	Balance due on Accounts rendered for the Half-year ending June 30, 1888	2307	3	1
To Sept. 30, 1888.	Interest on the above overdue Amounts at the rate of 5 per cent. per annum, calculated quarterly to Sept. 30, 1888.....	204	9	8
July 1 to Sept. 30.	To one-fourth proportion of the yearly Interest guaranteed by the Government of Tasmania to the Tasmanian Main Line Railway Company, Limited, at the rate of 5 per cent. per annum on the sum of £650,000 expended on the construction of the Railway, and payable according to the terms of the Act of Parliament, 48 Victoria, No. 43, Section 5, being one-fourth of £32,500	8125	0	0
		£12,280	8	10

N.B.—This account does not include the amount of £15,081 19s. 5d. in litigation for overdue accounts to December 31, 1885, and interest since accruing thereon.

For the Tasmanian Main Line Railway Company, Limited,

C. H. GRANT.

R. J. ELLIS, Accountant.
Oct. 11th, 1888.

THE Governor approves.

B. STAFFORD BIRD, Treasurer.
20th Oct., 1888.

£8100

Treasury, Hobart, 26th October, 1888.

RECEIVED from the Honorable the Treasurer the sum of Eight thousand one hundred pounds on account of guaranteed interest for the quarter ended 30th September, 1888; but such payment is made and received without prejudice to any further or other claims by or against the Government of Tasmania and the Tasmanian Main Line Railway Company under or arising out of the contract between the Government and the Company.

The Tasmanian Main Line Railway Company, Limited, by their Attorney.

Witness to payment—W. BENSON.

C. H. GRANT,
per E. F. LOVETT.

Treasury, 16th January, 1889.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 14th instant, forwarding an Abstract of the Traffic Receipts and Expenditure of the Tasmanian Main Line Railway Company, Limited, so far as it can be made up in this Colony, for the quarter ending 31st December last.

I have, &c.

J. E. PACKER, *pro Treasurer.*

*The Manager Tasmanian Main Line Railway
Company, Limited, Hobart.*

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 14th January, 1889.*

SIR,

I HAVE the honor to forward you herewith an Abstract of the Traffic Receipts and Expenditure of the Tasmanian Main Line Railway Company, Limited, so far as it can be made up in this Colony, for the quarter ending the 31st December last.

It is a matter of great satisfaction to me that I am able to present such favourable accounts, and show that the comparatively large sum of £4128 4s. 10d. remains as profit on the operations of the year 1888, and which forms a credit on the quarter's interest due from the Government.

The amount, therefore, that I have to claim of you for the last quarter of the year 1888 is £3996 15s. 2d.; but there are also the arrears of previous years, amounting to £4230 2s. 10d. The payment of these sums, under the conditions prescribed by the contract, will greatly oblige.

In some respects the expenses of the year have been light, in that some of the rolling stock still remains short, and has to be supplied at the expense of revenue. There is also the usual annual deterioration in all the rolling stock to be accounted for. It is not probable that the present annual expenses can be much decreased.

I have, &c.

C. H. GRANT.

Hon. B. S. BIRD, M.H.A., Treasurer.

T A S M A N I A.

THE GOVERNMENT OF TASMANIA *Dr.*

To TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED, HOBART.

1888.	Guaranteed Interest Department.	£	s.	d.
To Dec. 31, 1886.	Balance due on Accounts rendered for the year 1886	1378	12	8
To Dec. 31, 1887.	Balance due on Accounts rendered for the year 1887	265	2	7
To Sept. 30, 1888.	Balance due on Accounts rendered for the nine months ending September 30, 1888	2332	3	11
To Dec. 31, 1888.	Interest on the above overdue amounts at the rate of 5 per cent. per annum, calculated quarterly to December 31, 1888	254	3	8
Oct. 1 to Dec. 31.	To one-fourth proportion of the yearly interest guaranteed by the Government of Tasmania to the Tasmanian Main Line Railway Company, Limited, at the rate of 5 per cent. per annum on the sum of £650,000 expended on the construction of the Railway, and payable according to the terms of the Act of Parliament 48 Victoria, No. 43, Section 5, being one-fourth of £32,500 = £8125 0 0 Less balance of Revenue Account at December 31, 1888, as shown on Abstract herewith	4128	4	10
		3996	15	2
		£8226	18	0

N.B.—This account does not include the amount of £15,081 19s. 5d. in litigation for overdue accounts to December 31, 1885, and interest since accruing thereon.

C. H. GRANT, *per R.J.E.*

R J. ELLIS, *Accountant.*
Jan. 14, 1889.

TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

Accountant's Office, Hobart, January 14, 1889.

AN ABSTRACT showing the Receipts and Expenditure on account of Traffic, &c., conveyed over the Tasmanian Main Line Railway for the Three Months ending December 31, 1888.

DR.	£	s.	d.	CR.	£	s.	d.
To Expenditure—				By Receipts—			
Permanent Way	7222	8	0	Passengers, No. 95,651½	12,890	0	3
Locomotive Power	4667	0	1	Parcels, No. 13,259	593	9	2
Carriages and Wagons	946	18	9	Horses, Carriages, and Dogs ...	336	17	2
Traffic Expenses	2658	16	3	Excess Luggage	45	14	8
General Charges, London.....	1000	0	0	Left Luggage.....	6	9	2
Ditto, Tasmania	954	16	8	Telegrams, No. 1644	63	16	6
Miscellaneous Expenses	100	11	10	Mails	825	0	0
Evandale and Launceston Toll...	1125	0	0	Goods, tons, 9338	4880	7	4
	18,675	11	7	Minerals, tons, 12,986	2102	18	1
Balance	4128	4	10	Live Stock.....	481	13	1
				Rent and Sundries..... Dr.	100	5	3
					22,126	0	2
				Balance from last quarter.....	677	16	3
	£22,803	16	5		£22,803	16	5

Train Miles, 99,897.

C. H. GRANT, General Manager, per R.J.E.

R. J. ELLIS, Accountant.

Treasury, 29th January, 1889.

SIR,

REFERRING to your letter of the 14th instant, enclosing Abstract of Revenue and Expenditure of the Tasmanian Main Line Railway Company for the quarter ended 31st December, 1888, it is satisfactory to learn that the sum of £4128 4s. 10d. remains as profit on the operations of the Company for the year 1888. I do not, however, propose to make any reduction from the subsidy for the last quarter beyond the usual £25, as I think that it will be more convenient to follow the same course on this occasion as was taken with respect to the year 1887, and defer a complete adjustment of account until the Report of the Auditor-General on the Company's accounts for the year 1888 is in the hands of the Government. As this document is not likely to be received for some time to come, it cannot therefore be acted on until settling the March quarter of the current year. I propose therefore to advance the Company the sum of £8100 for the December quarter on your giving the usual form of receipt.

I have, &c.

B. STAFFORD BIRD, Treasurer.

The Manager Tasmanian Main Line Railway
Company, Limited, Hobart.

£8100.

Treasury, Hobart, 1889.

RECEIVED from the Hon. the Treasurer the sum of Eight thousand one hundred pounds on account of guaranteed Interest for the Quarter ended 31st December, 1888, but such payment is made and received without prejudice to any further or other claims by or against the Government of Tasmania and the Tasmanian Main Line Railway Company under or arising out of the Contract between the Government and the Company.

The Tasmanian Main Line Railway Company, Limited, by their Attorney,

C. H. GRANT.

The Governor approves.

B. STAFFORD BIRD, Treasurer.
29th January, 1889.

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 31st Jan., 1889.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter dated the 29th instant, in which you inform me that on the occasion of paying the guaranteed interest due by the Government of Tasmania to the Tasmanian Main Line Railway Company, you do not propose to bring to account the balance of £4128 4s. 10d., which I had shown as available on the year 1888, but would pay the usual quarterly sum of £8100, deducting merely £25 as an indication that the accounts had not been accepted. You add that you will await the Report of the Auditor-General on the year's operations, and deal therewith in settling the account for the March quarter of the current year.

This course I could have no reasonable objection to, and was glad to receive the £8100 paid me on the 29th instant.

I was the more satisfied to receive this amount, since it represents practically the whole sum now due by the Government to the Company not involved in the pending lawsuit, and I hope may be taken as an indication that the present Government at last coincide with the opinions of the Company's many professional advisers, who have throughout held that the preceding Government had no warrant whatever, either in law or as a matter of justice, for their refusal to pay the guaranteed interest on the accounts submitted by the Company, and audited by the proper Officer of Government.

I have, &c.

C. H. GRANT.

Hon. B. S. BIRD, M.H.A., Treasurer.

Treasury, 2nd February, 1889.

SIR,

I AM obliged to you for your letter of the 31st ultimo, acknowledging mine of the 29th.

Referring to the last paragraph of your letter, I have to state that the action taken in deferring a settlement of accounts for the year 1888 until the March quarter, by which time the Auditor-General's Report for the year 1888 will be in the hands of the Government, cannot be regarded as indicative of an altered line of action on the part of the Government, as it is simply thought more convenient to defer a settlement until after the receipt of the Auditor-General's Report.

I have, &c.

B. STAFFORD BIRD, *Treasurer.*

*The Manager Tasmanian Main Line Railway
Company, Hobart.*

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 13th April, 1889.*

SIR,

I HAVE the honor to forward you herewith an Abstract of the Traffic Receipts and of the Expenditure, so far as they can be made up in this Colony, of the Tasmanian Main Line Railway Company, Limited, for the quarter ending the 31st March last.

You will doubtless notice the improvement in the revenue which has occurred in all the branches thereof; but the satisfactory harvest is the main cause of the increase.

The accounts as presented show a net sum of Eight thousand two hundred and fifty-one pounds eighteen shillings as being due to the Company, the payment of which, under the contract conditions, will greatly oblige.

I have, &c.

C. H. GRANT.

Hon. B. S. BIRD, M.H.A., Treasurer.

TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

Accountant's Office, Hobart, 13th April, 1889.

AN ABSTRACT showing the Receipts and Expenditure on account of Traffic, &c., conveyed over the Tasmanian Main Line Railway for the Three Months ending 31st March, 1889.

DR.	£	s.	d.	CR.	£	s.	d.
To Expenditure—				By Receipts—			
Permanent Way	2896	19	4	Passengers, No. 103,488	12,826	10	11
Locomotive Power.....	4719	18	0	Parcels, No. 12,150	558	4	0
Carriages and Wagons	1395	11	9	Horses, Carriages, Dogs	366	9	8
Traffic Expenses	3049	18	3	Excess Luggage.....	43	3	11
General Charges, London.....	1000	0	0	Left Luggage.....	6	14	4
Ditto, Tasmania.....	948	0	6	Telegrams, No. 2040.....	78	8	7
Miscellaneous Expenses	119	12	3	Mails	825	0	0
Evandale and Launceston Toll...	1200	0	0	Goods, tons, 12,727	5597	14	3
				Minerals, tons, 7532	1095	12	8
	15,330	0	1	Live Stock.....	524	15	4
Balance carried forward	7333	0	9	Rent and Sundries.....	740	7	2
	<u>£22,663</u>	<u>0</u>	<u>10</u>		<u>£22,663</u>	<u>0</u>	<u>10</u>

Train Miles, 95,167.

R. J. ELLIS, Accountant.

C. H. GRANT, General Manager,
per R. J. E.

T A S M A N I A.

THE GOVERNMENT OF TASMANIA Br.

To TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED, HOBART.

1888.	<i>Guaranteed Interest Department.</i>	£	s.	d.
To Dec. 31, 1886.	Balance due on Accounts rendered for the year 1886.....	1378	12	8
To Dec. 31, 1887.	Balance due on Accounts rendered for the year 1887.....	265	2	7
To Sept. 30, 1888.	Balance due on Accounts rendered for the nine months ending September 30, 1888.....	2332	3	11
To Dec. 31, 1888.	Interest on the above overdue amounts at the rate of 5 per cent. per annum, calculated quarterly, to December 31, 1888	254	3	8
Ditto.	Account rendered for the quarter ending December 31, 1888.....	3996	15	2
		8226	18	0
1889.	Cr.—By cheque, January 29, 1889	8100	0	0
	Balance	126	18	0
Jan. 1 to March 31.	To one-fourth proportion of the yearly interest guaranteed by the Government of Tasmania to the Tasmanian Main Line Railway Company, Limited, at the rate of 5 per cent. per annum on the sum of £650,000 expended on the construction of the Railway, and pay- able according to the terms of the Act of Parliament, 48 Victoria, No. 43, Sect. 5, being one-fourth of £32,500.....	8125	0	0
		<u>£8251</u>	<u>18</u>	<u>0</u>

N.B.—This Account does not include the amount of £15,081 19s. 5d. in litigation for overdue accounts to December 31, 1885, and interest since accruing thereon.

For the Tasmanian Main Line Railway Company, Limited,

C. H. GRANT, per R. J. E.

R. J. ELLIS, Accountant.
13th April, 1889.

RETURNED, by request, to Main Line Railway Company's Office.

B. S. BIRD.
15. 4. 89.

THE Auditor-General.

B. S. BIRD.
15. 4. 89.

I AM not yet in a position to make any remark respecting the Tasmanian Main Line Railway accounts for the year 1888, certain information sought from the General Manager of that Company required to enable me to complete my report thereon not having been furnished.

The Hon. the Treasurer.

W. LOVETT.
15th April, 1889.

Treasury, 16th April, 1889.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 13th instant, forwarding an Abstract of Traffic Receipts and Expenditure of the Tasmanian Main Line Railway Company, Limited, for the quarter ended 31st March last, and also a claim against the Government for the sum of Eight thousand two hundred and fifty-one pounds eighteen shillings.

I observe with much pleasure the very satisfactory increase in the receipts of the Company.

I regret to state that I am not yet in a position to make a final adjustment to the end of 1888, the report of the Auditor-General (delayed through non-receipt of certain information required by that officer) on the accounts of that year not having yet been completed.

I propose, however, to make an advance to the Company on account of the first quarter of the current year of the sum of Eight thousand one hundred pounds, less Four thousand one hundred and twenty-eight pounds four shillings and ten pence, the profit, as shown by your accounts, on the operations of the Company for the year 1888, leaving a final settlement to be made later on.

I have, &c.

B. STAFFORD BIRD, *Treasurer.*

C. H. GRANT, *Esq., Manager Tasmanian Main Line Railway Company, Limited.*

The Governor approves.

B. STAFFORD BIRD, *Treasurer.*
29. 4. 89.

Treasury, Hobart, 29th April, 1889.

RECEIVED from the Honorable the Treasurer the sum of Three thousand nine hundred and seventy-one pounds fifteen shillings and twopence, which is arrived at in the following manner :—

	£	s.	d.	£	s.	d.
Advance on account of guaranteed interest for quarter ended 31 March, 1889				8125	0	0
Less usual stoppage	25	0	0			
Profit for year 1888, as shown in Manager's letter of 14 January, 1889	4128	4	10			
				4153	4	10
				£3971	15	2

But such payment is made and received without prejudice to any further or other claims by or against the Government of Tasmania and the Tasmanian Main Line Railway Company under or arising out of the Contract between the Government and the Company.

The Tasmanian Main Line Railway Company, Limited, by their Attorney,

C. H. GRANT.

Witness to the payment—W. BENSON.

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 15th July, 1889.*

SIR,

I HAVE the honor to forward you, for submission to His Excellency the Governor, an Account of the Revenue and Expenditure in respect of the maintenance and working of the Tasmanian Main Line Railway, so far as it can be made up in this Colony, for the quarter ending the 30th June last.

I have to request that such account may be checked, if thought necessary, and that the sum of Eight thousand one hundred and twenty-five Pounds (£8125), of which I enclose a statement on the official form, may be paid to the Company, as provided by the contract between His Excellency the Governor and the Company.

I have, &c.

C. H. GRANT, *General Manager.*

Hon. B. S. BIRD, *M.H.A., Treasurer.*

TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

Accountant's Office, Hobart, 13th July, 1889.

AN ABSTRACT showing the Receipts and Expenditure on account of Traffic, &c. conveyed over the Tasmanian Main Line Railway for the Three Months ending 30th June, 1889.

DR.	£	s.	d.	CR.	£	s.	d.
To Expenditure—				By Receipts—			
Permanent Way.....	5594	17	8	Passengers, No: 91,603½.....	9752	8	6
Locomotive Power.....	3906	2	2	Parcels, No. 12,407.....	503	0	7
Carriages and Wagons.....	1412	15	0	Horses, Carriages, Dogs.....	274	5	3
Traffic Expenses.....	2842	10	9	Excess Luggage.....	54	9	2
General Charges, London.....	2000	0	0	Left Luggage.....	4	11	5
Ditto, Tasmania.....	851	17	10	Telegrams, No. 1556.....	59	9	11
Miscellaneous Expenses.....	547	17	3	Mails.....	825	0	0
Evandale and Launceston Toll...	1200	0	0	Goods, tons, 12,849.....	5626	4	7
	18,356	0	8	Minerals, tons, 9705.....	1442	19	9
Balance carried forward.....	8450	1	3	Live Stock.....	675	19	9
				Rents and Sundries.....	254	12	3
					19,473	1	2
				Balance from March quarter...	7333	0	9
	£23,806	1	11		£26,806	1	11

Train Miles, 93,012.

R. J. ELLIS, *Accountant.*

C. H. GRANT, *General Manager.*

T A S M A N I A.

THE GOVERNMENT OF TASMANIA *Dr.*

To TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED, HOBART.

1889.

Guaranteed Interest Department.

£ s. d.

April 1 to June 30. To one-fourth proportion of the yearly interest guaranteed by the Government of Tasmania to the Tasmanian Main Line Railway Company, Limited, at the rate of 5 per cent. per annum on the sum of £650,000 expended on the construction of the Railway, and payable according to the terms of the Act of Parliament, 46 Victoria, No. 43, Sect. 5, being one-fourth of £32,500..... 8125 0 0

MEMO.—This account has no reference whatever to accounts previously rendered, and not yet settled, or to any correction made or to be made thereon; and is presented without prejudice to either party in the matter.

For the Tasmanian Main Line Railway Company, Limited,

C. H. GRANT.

R. J. ELLIS, *Accountant.*

13th July, 1889.

£8100.

Treasury, Hobart, 30th July, 1889.

RECEIVED from the Hon. the Treasurer the sum of Eight thousand one hundred Pounds on account of guaranteed interest for the quarter ended 30th June, 1889, but such payment is made and received without prejudice to any further or other claims by or against the Government of Tasmania and the Tasmanian Main Line Railway Company under or arising out of the contract between the Government and the Company.

The Tasmanian Main Line Railway Company, Limited, by their Attorney,

C. H. GRANT.

The Governor approves.

B. STAFFORD BIRD, *Treasurer.*

30th July, 1889.

Witness to the payment—W. BENSON.

MAIN LINE RAILWAY RECEIPTS.

(Compiled at the Treasury from Manager's certified Accounts.)

HEAD.	Quarter ending 31 March.	Quarter ending 30 June.	Quarter ending 30 September.	Quarter ending 31 December.	Total for the Year.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1876. Traffic Receipts .....	...	7020 5 11	4637 2 11	6878 13 4	£18,536 2 2
1877. Passengers, No. 69,621 ...	8081 6 10	5069 13 9	4460 0 8	6164 7 2	
Parcels, &c.	402 6 2	512 7 10	541 19 3	542 9 1	
Telegraphs	21 17 5	24 1 11	23 15 4	25 16 3	
Goods } 15,154 tons {	2649 16 7	2230 9 10	2100 0 2	2268 12 10	
Minerals } .....	...	...	61 9 11	113 7 4	
Live Stock	241 16 1	632 17 9	709 17 2	308 6 4	
Rents	56 10 0	33 8 4	58 12 0	64 15 0	
Mails .....	...	335 16 8	503 15 0	503 15 0	
	11,453 13 1	8838 16 1	8459 9 6	9991 9 0	£38,743 7 8
1878. Passengers, No. 89,102 ...	8847 9 8	5943 0 8	4833 13 6	6572 7 0	
Parcels, &c.	721 9 0	633 13 10	518 12 9	579 4 10	
Telegraphs	54 7 10	35 11 11	29 18 7	31 18 10	
Goods, 17,234 tons } 20,575 {	3371 15 10	2574 7 5	1784 0 0	2984 15 9	
Minerals, 3341 do. } tons {	165 4 3	314 17 2	420 9 3	290 2 10	
Live Stock	576 7 8	747 14 4	731 2 4	481 10 11	
Rents	79 11 0	68 16 0	49 0 0	65 16 0	
Mails	503 15 0	505 1 8	718 5 0	718 5 0	
	14,320 0 3	10,823 3 0	9226 14 9	11,724 1 2	£46,093 19 2
1879. Passengers, No. 157,470 ..	9780 3 10	6590 10 5	4988 4 8	7070 10 9	
Parcels, &c.	722 12 4	602 16 5	521 18 10	621 13 11	
Telegraphs	42 12 9	28 1 7	24 12 11	31 2 1	
Mails	718 5 0	718 5 0	718 5 0	718 5 0	
Goods, 18,367 tons } 22,426 {	3391 11 1	3152 10 9	2337 10 0	2745 17 1	
Minerals, 4059 do. } tons {	273 11 4	347 5 2	480 18 0	380 1 7	
Live Stock	557 7 8	769 0 6	728 2 3	406 14 9	
Rents	25 0 0	50 10 0	45 2 0	138 6 6	
	15,511 4 0	12,258 19 10	9844 13 8	12,112 11 8	£49,727 9 2
1880. Passengers, No. 163,454 ..	9427 18 6	5952 4 0	4944 15 10	7867 17 1	
Parcels	430 3 7	425 16 4	410 17 11	419 0 7	
Horses, Carriages, & Dogs	247 1 6	135 18 3	114 19 0	158 10 5	
Excess of Luggage	76 4 4	59 10 9	67 18 11	58 18 6	
Left Luggage	11 14 6	6 13 8	5 7 6	6 10 7	
Telegrams	46 10 6	35 1 6	29 16 4	37 13 7	
Mails	718 5 0	718 5 0	718 5 0	718 5 0	
Goods, 21,729 tons } 25,350 {	3598 11 8	3311 15 8	2402 0 0	3221 7 3	
Minerals, 3621 do. } tons {	276 0 0	339 19 6	427 1 6	274 6 4	
Live Stock	558 5 8	525 4 6	522 14 4	513 2 2	
Rents and Sundries	125 13 0	71 14 7	59 2 6	102 15 10	
	15,516 8 3	11,582 3 9	9702 18 10	13,378 7 4	£50,179 18 2
1881. Passengers, No. 179,106 ..	10,554 2 7	6873 11 5	6047 3 9	9027 19 3	
Parcels	464 5 5	515 12 8	447 3 8	483 0 7	
Horses, Carriages, & Dogs	293 16 8	173 3 4	108 15 10	235 17 10	
Excess Luggage	92 0 2	66 13 9	47 5 1	82 19 6	
Left Luggage	7 1 4	7 2 5	4 14 11	7 14 9	
Telegrams	51 14 2	45 18 3	42 3 10	56 17 10	
Mails	868 5 0	748 5 0	718 5 0	748 5 0	
Goods, 20,262 tons } 23,558 {	3827 15 5	3236 18 4	2200 13 8	3269 4 2	
Minerals, 3296 do. } tons {	226 5 5	359 12 5	282 16 6	287 1 6	
Live Stock	323 19 9	562 18 4	531 17 10	420 11 4	
Rents and Sundries	134 0 10	116 7 2	103 11 11	89 12 10	
	16,843 6 9	12,706 3 1	10,534 12 0	14,709 4 7	£54,793 6 5

HEAD.	Quarter ending 31 March.	Quarter ending 30 June.	Quarter ending 30 September.	Quarter ending 31 December.	Total for the Year.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1882.					
Passengers, No. 218,130...	10,636 5 1	8039 9 1	7362 15 1	9828 3 2	
Parcels	499 8 6	516 17 3	500 18 1	534 11 6	
Horses, Carriages, & Dogs	312 16 6	182 18 11	199 3 2	210 18 10	
Excess Luggage	97 18 1	78 5 10	83 10 6	31 14 8	
Left Luggage	10 3 6	6 0 3	4 16 1	6 17 4	
Telegrams.....	69 11 0	53 13 3	61 3 1	62 19 7	
Mails	718 5 0	718 5 0	718 5 0	718 5 0	
Goods, 25,290 tons } 29,256	3661 11 3	3553 6 4	2740 0 10	3605 10 1	
Minerals, 3966 do. } tons	178 4 3	277 6 0	422 3 8	370 9 1	
Live Stock	564 8 10	761 15 8	857 12 5	474 7 10	
Rents and Sundries.....	192 8 10	129 1 9	99 0 4	127 2 8	
	16,941 0 10	14,316 19 4	13,049 16 4	16,020 19 9	60,328 8 2
1883.					
Passengers, No. 261,974...	14,557 6 6	8609 4 0	7607 12 0	10,200 13 10	
Parcels	587 19 11	561 8 4	488 19 9	550 16 3	
Horses, Carriages, & Dogs	321 8 0	219 11 9	216 9 10	269 10 1	
Excess Luggage	116 9 8	86 6 6	102 1 8	127 15 6	
Left Luggage	9 9 10	3 14 2	3 6 4	3 4 9	
Telegrams.....	91 14 6	69 16 7	57 1 10	69 5 1	
Mails	718 5 0	718 5 0	778 5 0	748 5 0	
Goods, 31,816 tons } 35,889	4270 10 8	4993 6 4	3383 4 0	4093 14 0	
Minerals, 4073 do. } tons	284 10 10	398 13 6	420 3 0	289 19 11	
Live Stock	453 11 4	659 6 6	655 2 5	516 4 2	
Rents and Sundries.....	212 15 6	135 3 9	127 5 5	117 5 11	
	21,624 1 9	16,454 16 5	13,839 11 3	17,091 14 6	69,010 3 11
1884.					
Passengers, No. 293,146...	12,280 5 5	8349 1 3	7213 17 1	10,196 7 5	
Parcels	537 17 1	523 6 6	520 1 7	568 14 2	
Horses, Carriages, & Dogs	314 12 5	242 3 7	212 5 6	298 1 4	
Excess Luggage	115 16 2	114 13 5	122 13 7	95 18 8	
Left Luggage	8 2 6	5 1 2	16 2 9	12 14 9	
Telegrams.....	77 11 2	60 7 0	54 11 5	76 16 4	
Mails	745 15 0	865 15 0	1028 10 0	810 0 0	
Goods, 36,224 tons } 41,238	4637 1 7	4775 0 9	4270 14 7	5001 0 3	
Minerals, 5014 do. } tons	324 2 1	432 9 2	468 11 8	326 5 5	
Live Stock	577 17 5	884 12 0	879 16 4	596 3 5	
Rents and Sundries.....	182 17 1	159 5 11	158 16 2	175 4 1	
	19,801 17 11	16,421 15 9	14,946 0 8	18,157 5 10	69,327 0 2
1885.					
Passengers, No. 322,787...	12,691 10 0	9212 15 9	7964 6 3	10,418 10 3	
Parcels	606 6 11	608 0 3	583 17 4	595 5 9	
Horses, Carriages, & Dogs	331 2 0	248 15 5	200 0 6	273 9 7	
Excess Luggage	118 15 8	108 9 1	94 16 6	101 10 6	
Left Luggage	14 17 0	10 5 9	8 1 4	8 16 11	
Telegrams.....	102 13 1	66 17 1	59 16 9	68 19 5	
Mails	850 0 0	750 0 0	750 0 0	750 0 0	
Goods, 40,316 tons } 46,523	5731 12 0	6066 0 1	4354 9 11	4716 4 5	
Minerals, 6207 do. } tons	307 8 9	345 7 10	473 13 11	333 3 10	
Live Stock	678 11 10	661 13 2	771 6 2	755 12 11	
Rents and Sundries.....	250 14 9	204 17 6	182 16 1	270 3 10	
	21,683 12 0	18,283 1 11	15,443 4 9	18,296 17 5	73,706 16 1
1886.					
Passengers, No. 337,971½	12,043 1 11	9155 5 4	7338 1 10	10,385 14 3	
Parcels	554 16 9	551 5 11	473 15 4	566 19 2	
Horses, Carriages, & Dogs	306 5 11	205 8 1	109 7 4	276 13 1	
Excess Luggage	114 11 3	93 16 6	75 11 0	88 2 2	
Left Luggage	11 2 3	8 0 8	7 1 10	9 0 4	
Telegrams.....	79 5 11	61 0 8	60 8 11	65 13 0	
Mails.....	750 0 0	750 0 0	750 0 0	750 0 0	
Goods, 34,465 tons } 41,872	5140 9 9	4664 5 6	3823 3 11	4294 12 1	
Minerals, 7407 do. } tons	278 0 2	293 2 11	305 1 3	876 8 2	
Live Stock	733 8 11	756 3 6	859 3 6	558 4 8	
Rents and Sundries.....	229 6 10	197 15 10	193 12 9	103 13 1	
	20,240 9 8	16,736 4 11	13,996 7 8	17,975 0 0	68,948 2 3

HEAD.	Quarter ending 31 March.	Quarter ending 30 June.	Quarter ending 30 September.	Quarter ending 31 December.	Total for the Year.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1887.					
Passengers, No. 343,502	10,553 18 11	9226 4 7	7106 2 0	8948 11 10	35,834 17 4
Parcels	521 10 7	516 4 9	549 18 6	561 13 11	2149 7 9
Horses, Carriages, & Dogs	277 15 8	193 12 1	134 1 7	308 8 5	913 17 9
Excess Luggage	71 12 0	90 14 10	68 15 10	46 3 6	277 6 2
Left Luggage	9 3 6	6 19 11	5 18 3	5 17 3	27 18 11
Telegrams	68 15 11	59 19 1	48 11 6	62 1 4	239 7 10
Mails	750 0 0	750 0 0	750 0 0	750 0 0	3000 0 0
Goods, 33,056 tons \ 58,326	4270 19 11	4917 4 6	4161 6 11	4842 10 5	18,192 1 9
Minerals, 25,270 do. / tons	958 3 7	1472 13 3	1494 0 11	1178 13 2	5103 10 11
Live Stock	410 3 6	774 18 6	773 9 6	388 7 4	2346 18 10
Rents and Sundries	145 5 2	507 0 6	1 13 3	300 7 9	954 6 8
	18,037 8 9	18,515 12 0	15,093 18 3	17,392 14 11	69,039 13 11
1888.					
Passengers, No. 379,774	12,313 6 11	9019 17 6	8225 16 9	12,890 0 3	42,449 1 5
Parcels, No. 49,134	559 10 7	571 15 6	517 14 4	593 9 2	2242 9 7
Horses, Carriages, & Dogs	325 15 8	177 10 5	175 7 10	336 17 2	1015 11 1
Excess Luggage	59 17 7	72 16 5	55 0 11	45 14 8	233 9 7
Left Luggage	6 17 4	4 10 0	3 17 2	6 9 2	21 13 8
Telegrams	67 15 7	52 19 6	48 9 6	63 16 6	233 1 1
Mails	825 0 0	825 0 0	825 0 0	825 0 0	3300 0 0
Goods, 34,425 tons \ 72,528	4860 3 10	4011 15 6	3839 15 4	4880 7 4	17,592 7 0
Minerals, 38,103 do. / tons	1183 15 11	1599 4 9	1815 2 8	2102 18 1	6701 1 5
Live Stock	458 0 6	470 3 4	434 17 4	481 13 1	1844 14 3
Rents and Sundries	200 17 7	123 14 1	236 12 9	Dr. 100 5 3	460 19 2
	20,861 6 6	16,929 7 0	16,177 14 7	22,126 0 2	76,094 8 3

AUDITOR'S REPORT.

Audit Department, Hobart, 11th July, 1889.

MEMORANDUM.

THE Auditor-General has the honor to forward herewith, for the information of the Hon. the Treasurer, a copy of his Report on the examination of the Accounts of the Tasmanian Main Line Railway Company, Limited, for the year ending 31st December, 1888, as furnished to the Hon. the Chief Secretary.

W. LOVETT.

*The Hon. the Treasurer.**Audit Department, Hobart, 9th July, 1889.*

SIR,

I HAVE the honor to inform you that the Accounts of the Tasmanian Main Line Railway Company, Limited, for the year ending 31st December, 1888, have been examined, and to submit my Report thereon for the information of the Government.

The total Receipts credited to Revenue Account were £76,094 8s. 3d., showing an increase over the previous year of £7054 14s. 4d.; the average per train mile being 3s. 10·8d. as compared with 3s. 9·1d. for the year 1887, the train miles for 1888 having been 390,226, and for 1887 367,267.

The Expenditure debited to Revenue Account in the Company's books amounted to £71,966 3s. 5d., an increase of £3851 3s. 5d. over the previous year, leaving a profit, according to the Company's books, of £4128 4s. 10d. available for reduction of guaranteed interest. This profit, however, would be increased by the disallowance of expenditure on new works chargeable to capital, according to the practice hitherto adopted by the Government, should the circumstances hereafter explained warrant the continuation of such practice. The increased expenditure is thus accounted for:—

		£	s.	d.
Increased cost of	Permanent Way Charges.....	4291	3	2
"	" Carriages and Waggon ditto	1878	0	2
"	" Traffic ditto	272	11	4
"	" General Charges, London.....	83	18	11
"	" Launceston and Evandale Toll.....	300	0	0
		6825	13	7
Decreased cost in	Locomotive Charges.....	£2574	0	8
"	" General Charges, Tasmania.....	97	1	2
"	" Miscellaneous	303	8	4
		2974	10	2
		£3851	3	5

It is noticed that a considerable portion of the increase in the Permanent Way Charges has been caused by a smaller amount having been realised and credited to that item for sales of material, and by the issue of new rails and sleepers for renewals having been somewhat larger than for 1887. The increase in Carriage and Waggon Charges is due to increase to rolling stock. The decrease in Locomotive Charges is mainly caused by the 1887 account being larger than usual in consequence of the addition of a new locomotive, none having been added in 1888.

The average cost per train mile returned by the Company was 3s. 8·2d. against 3s. 8·5d. for 1887, and on the reduced cost, after deducting capital and other expenditure noted hereafter, 3s. 7·8d. against 3s. 7·4d. for 1887.

The London Charges for the year 1887 were adjusted and added to the account of the year 1888, the estimated amount debited to 1887 having been exceeded by £626 0s. 9d.

The details of this expenditure are as follows :—

General Charges—

	£	s.	d.	£	s.	d.
Directors' Fees.....	1937	9	9			
Income Tax.....	62	10	3			
Auditor.....	31	10	0			
	<hr/>			2031	10	0
Office Rent, Salaries, and Expenses.....	...			1034	10	8
Engineering Expenses.....	...			270	5	6
	<hr/>			3336	6	2

Miscellaneous Expenses—

Law Charges, London.....	190	6	4			
Trustees' Remuneration.....	78	15	0			
Interest and Discount.....	999	16	3			
Sundries.....	20	17	0			
	<hr/>			1289	14	7
	<hr/>			£4626	0	9

The item for Trustees' remuneration would not be a proper charge to Revenue as formerly decided.

In a letter dated 4th July instant I informed you that the General Manager of the Company had, contrary to the usual practice, refused to furnish an account of the cost of new works (Correspondence in Appendix A), and as the details were not obtainable on the vouchers submitted by the Company for examination, I am not yet in a position to furnish the precise cost of such works; but taking the estimate furnished by the Engineer-in-Chief, the cost has amounted to £570 (see Appendix B.)

It will be noticed that the item for addition to Dwelling, Conara Station, £50, in the Return of new works furnished by the Engineer-in-Chief, has been excluded, Mr. Grant having explained that this work was commenced in 1889.

The profits on the Revenue Account for the year, if the amounts referred to be considered available, as usual, will amount to £4776 19s. 10d.; viz. :—

	£	s.	d.	£	s.	d.	£	s.	d.
Receipts .....	...			...			76,094	8	3
Expenditure .....	...			71,966	3	5			
Less Trustees' Remuneration	78	15	0						
Capital Charges.....	570	0	0						
	<hr/>			648	15	0			
	<hr/>						71,317	8	5
	<hr/>						£4776	19	10

The amount received for sale of material (see Appendix C) has been credited to Revenue Account, as follows :—

	£	s.	d.
Permanent Way Charges.....	1511	2	8
Locomotive Charges.....	739	14	2
Traffic Charges.....	59	6	4
Carriage and Waggon Charges.....	294	0	11
General Charges.....	7	19	3
London Office Charges.....	1	0	0
Miscellaneous Charges.....	0	8	4
Stores Charges.....	225	19	0
	<hr/>		
	<hr/>		
	£2839	10	8

With the exceptions noted, proper vouchers have been produced for both Receipts and Expenditure.

I have the honor to be,
Sir,

Your obedient Servant,

The Hon. the Chief Secretary.

W. LOVETT, *Auditor-General.*

APPENDIX A.

Audit Department, Hobart, 7th February, 1889.

SIR,

I HAVE the honor to request that you will do me the favour to furnish a return of the cost of new rolling-stock and other works constructed during the year 1888 and which did not exist in 1887, to enable me to furnish a complete Report to the Government on the Audit examination of the accounts of your Company for the year 1888.

I have, &c.

W. LOVETT, *Auditor-General.*

C. H. GRANT, *Esq., C.E., General Manager*
Tasmanian Main Line Railway Company, Limited.

Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 15th February, 1889.

SIR,

I HAVE the honor to acknowledge the receipt of your letter dated the 7th instant, and in reply have to state, after due enquiry, that no works which can reasonably be classed as "construction" have been undertaken during the year 1888; and that the rolling-stock made has been only in replacement of stock which, as you are aware, we were short of in previous years, and which we still have, to some extent, to make up. I am therefore unable to state that any new work has been undertaken in the course of the past year.

I have, &c.

W. LOVETT, *Esq., Auditor-General.*

C. H. GRANT.

INSPECTION OF MAIN LINE RAILWAY WORKS BY ENGINEER-IN-CHIEF, MARCH, 1889.

MEMO. of New Works not chargeable to Maintenance or Renewals.

	Probable Value at least.
	£
Epping Forest Station, New Office	30
Conara Station, Addition to Dwelling (2 rooms).....	50
Rhyndaston Station, Loop Siding, 292 yards	130
Tea Tree Station, Cottage (4 rooms).....	100
Crooked Billet Station, ditto	100
Rosetta Crossing, ditto.....	100
Hobart, Addition to Store (lost Luggage)	80
Signals	30

J. FINCHAM, *Engineer-in-Chief.*
 6. 3. 89.

*The Auditor-General.**Audit. Department, Hobart, 7th March, 1889.*

SIR,

I HAVE this day received a Report from the Engineer-in-Chief, in which he states that the following new works had been constructed on the Tasmanian Main Line Railway during the year 1888; viz.—

New Office, Epping Forest Station.
 Additions to Dwelling-house, Conara Station, two rooms.
 Loop Siding, Rhyndaston Station, 292 yards.
 Cottage, 4 rooms, Tea Tree Station.
 Cottage, 4 rooms, Crooked Billet Station.
 Cottage, 4 rooms, Rosetta Crossing.
 Addition to Store (lost luggage), Hobart Station.
 Signals, cost valued at £30.

Without wishing to commit you to any acknowledgment that these works can "reasonably be classed as construction," I shall feel obliged if you will instruct your Accountant to furnish me with an account of the cost of each, as you are aware that this information is not obtainable from the details submitted for the official audit.

I have, &c.

W. LOVETT, *Auditor-General.*

C. H. GRANT, *Esq., General Manager,*
Tasmanian Main Line Railway Company, Limited.

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 8th March, 1889*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 7th instant, in which, on the authority of the Engineer-in-Chief, you recite certain works as having been done on the railway during the year 1888, and desire to be furnished with the cost thereof. On these items I would remark that the cost of the very small additions to the Epping Forest Station and the Hobart Store shall be sent you as soon as ascertained. In regard to the small addition to the dwelling-house at Conara Station, this work was not in any way commenced until after the commencement of the present year, and is not at the present time completed. The loop siding at Rhyndaston is simply a shifting of the former siding to a different place; so many mishaps occurred through the former siding being what is called a "blind" one that it was made a loop siding, as being necessary for public safety, although not quite so convenient for loading freight. The cottages at Tea Tree Station and Crooked Billet are simply replacements of former cottages which had become by lapse of time unfit for habitation—they cannot, therefore, be classed as new works; while in regard to the cottage at Rosetta Crossing, the cottage previously erected by the Company was destroyed by fire, and being insured the insurance company paid its value. The new one was placed in a somewhat different position. As regards the Signals, which Mr. Fincham estimates as worth £30, I do not know which are referred to, those that have been erected during the past year not being of that value.

I have, &c.

C. H. GRANT.

W. LOVETT, *Esq., Auditor-General.*

THIS correspondence is referred to the Engineer-in-Chief, who is requested to state whether, after the explanation of the General Manager of the Tasmanian Main Line Railway, he is prepared to make any alteration in his Report of the 6th instant.

W. LOVETT, 12th March, 1889.

14th March, 1889.

MEMO.

I SEE no reason for altering my Report of 6th instant, but wish to make following explanations, viz.:—Additions to Conara Station are not complete, and the year or period of which I take cognizance is the time between one yearly inspection and the next. Rhyndaston Siding—This is more than removal; there is considerably increased accommodation, and expense has of course been incurred which I can only very approximately ascertain. Cottages.—It is not fair to treat these as renewals; they are good cottages, and replace the veriest hovels that would have been dear indeed at £10. They were always understood as having been erected by the men themselves, and certainly so appeared. Signals.—This is at Glenorchy. I should press the Manager for his statement of cost in each case.

J. FINCHAM, *Engineer-in-Chief.*

The Auditor-General.

Audit Department, Hobart, 16th March, 1889.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 8th instant, in which you give explanations with respect to certain works named in my letter of the 7th, for which I thank you, and also for your promise to send an account of the cost of additions to the Epping Forest Station and the Hobart store.

As stated in my letter when asking for an account of the cost of these works, there is no intention to compromise you with regard to any expression of opinion as to the contention of what is properly chargeable to Capital or Revenue; but as it is necessary for the purpose of the official audit of your accounts that the cost of certain works should be stated, I shall feel obliged for the information asked for, in addition to that you have kindly promised, in respect to the under-mentioned works; viz.:—

Rhyndaston Station—Loop siding.
Tea Tree Station—Cottage, 4 rooms.
Rosetta Crossing—Cottage, 4 rooms.
Crooked Billet Station—Cottage, 4 rooms.
Signals at Glenorchy Station.

I have, &c.

W. LOVETT, *Auditor-General.*

C. H. GRANT, *Esq., General Manager,
Tasmanian Main Line Railway Company, Limited.*

Public Works Office, Hobart, 8th April, 1889

SIR,

As one illustration of the renewals referred to in my last Report upon Main Line Railway, I may note the abutments of Clarendon Viaduct, which have been rebuilt in cement concrete to a considerable depth in

substitution for piling of timber; this, with increased weight in renewal of rails, &c., and other general improvements made, should not be lost sight of (although perhaps it may not be possible to advance any claim upon it) in the dealings of the Government with the Company.

I am, &c.

J. FINCHAM, *Engineer-in-Chief.*

W. LOVETT, *Esq., Auditor-General.*

Audit Department, Hobart, 29th April, 1889.

MY DEAR SIR,

WILL you oblige me with a reply to my letter of the 16th ultimo, respecting the cost of certain works constructed by the Tasmanian Main Line Railway Company during the year 1888?

I am, &c.

W. LOVETT, *Auditor-General.*

C. H. GRANT, *Esq., General Manager,
Tasmanian Main Line Railway Company, Limited.*

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 29th April, 1889.*

MY DEAR SIR,

I AM in receipt of yours bearing this day's date, and in reply have to state that the Accountant's Staff are working to obtain the information you desire, but inasmuch as no distinct record was kept of the items, they are now very difficult to pick out. Mr. Ellis thinks he will be able to give you the figures next week.

I am, &c.

C. H. GRANT.

W. LOVETT, *Esq., Auditor-General.*

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 29th June, 1889.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter dated the 16th instant [? March], in which you ask for an account of the cost of certain works performed during the year 1888 on the Main Line Railway; and further state that you do not wish to compromise me in giving the information.

You are aware that it was my intention to provide you with these figures in the manner I have hitherto done, as a matter of courtesy only, and without acknowledging the propriety of your request for the same; for I have always maintained that the 10th clause in the Contract only gives the Government the right to inspect satisfactory vouchers, or to take evidence of *bona fide* payments where vouchers are not available. But in the recent law-suit which was heard in the Supreme Court, you will doubtless remember that the Company's leading Counsel took great exception to my action, which he described as having been improper, and as causing him great embarrassment in his conduct of the case of the Main Line Railway Company.

Under these circumstances, I trust you will not take offence when I state my inability to give the information you desire. I may further state that to remove any chance of misunderstanding, Mr. Fooks has written me a legal opinion on this matter in which his contention at the trial is more strongly upheld.

I am, &c.

C. H. GRANT.

W. LOVETT, *Esq., Auditor-General.*

Audit Department, Hobart, 1st July, 1889.

SIR,

I HAVE the honor to acknowledge receipt of your letter of the 29th June, in which you decline, for reasons therein given, to furnish the cost of certain new works constructed by the Tasmanian Main Line Railway Company during the year 1888.

Without giving an opinion as to the propriety of this refusal, I beg to take exception to one statement in your letter, which is to the effect that I am aware that you had hitherto furnished similar information as a matter of courtesy, for, as far as I am aware, this was done at my request simply as a matter of business, and in accordance with the meaning of Section 10 of the Contract between the Tasmanian Main Line Railway Company and the Government, having always considered that, as Auditor for the Govern-

ment, I had a right to ask for such information, and with due respect to the opinion of Mr. Fooks as to the meaning of the 10th Clause of the Contract, it is by no means certain that such an opinion is undeniable.

I am quite sure that in refusing this information you are actuated simply by a wish to guard the interest of your Company, and, therefore, have no right or wish to take offence at such refusal.

I have, &c.

W. LOVETT, *Auditor-General.*

C. H. GRANT, *General Manager,*
Tasmanian Main Line Railway Company, Limited.

Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 3rd July, 1889.

SIR,

I HAVE the honor to acknowledge the receipt of your letter dated the 1st instant, and beg to express my great obligation for the very courteous nature of the last paragraph.

In regard to the exception you take to my statement that the information hitherto given you was only supplied as a matter of courtesy, I can only refer back to the time when you first asked such information, and reminded you of the extreme hesitancy and delay with which it was afforded. This was strongly commented upon by yourself in your evidence in the recent trial between the Company and the Government, in which you alluded to the trouble that you had had in obtaining the accounts from me. You also gave evidence that I contested with you for a considerable time as to whether you had power to require such accounts, and that when these were asked for you stated that my rendering them could not compromise either the Company or myself, upon which I eventually furnished them.

The effect of my action has resulted in all the trouble which has taken place, and in the ruinous law-suit which is now running its enormously costly course.

I have, &c.

C. H. GRANT.

W. LOVETT, *Esq., Auditor-General.*

Audit Department, Hobart, 5th July, 1889.

SIR,

I HAVE the honor to acknowledge receipt of your letter of the 3rd, in reply to mine of the 1st instant, in which you still seem to insist that the accounts of the cost of new works constructed in 1883 and 1884 were furnished by you and accepted by me as a matter of courtesy.

I regret being unable to agree with you in this contention, and cannot see that the circumstances as stated by you (even if fully proved, which I do not admit) can bear the interpretation you place upon them, and, further, that there is nothing in the official correspondence that has passed between us on the subject that can in any way lead to the belief that the accounts were received by me except as a right and a matter of business, as explained in my last letter.

By inference you appear to blame me for having unfairly used the figures you supplied, and thereby having caused all the trouble which has taken place in the ruinous law-suit, &c., and thus appear to be following the tactics adopted by your counsel in the late trial in the Supreme Court when referring to the action taken by me. In the latter instance, you are aware, I could have no opportunity of refuting the unfair statement then made; but you must also be aware that I have not in any way acted beyond the limits of a clear public duty imposed upon me; therefore I feel compelled to refer to a course so unusual on your part in all previous correspondence with me, and which is calculated to bring about a state of affairs that would be far from creditable to either of us.

As it is evident the misunderstanding in this matter cannot be cleared up by further correspondence, it is suggested that the discussion thereof, so far as we are personally concerned, should not be continued.

I have, &c.

W. LOVETT.

C. H. GRANT, *Esq., General Manager*
Tasmanian Main Line Railway.

Audit Department, Hobart, 4th July, 1889.

SIR,

IN reply to a letter from me, dated 7th March last, requesting information as to the cost of certain new buildings, &c. erected by the Tasmanian Main Line Railway Company during the year 1888, the General Manager of the Company has replied, in a letter received on the 1st instant, that he is unable to give the information, because, he maintains, that the 10th Clause of the Contract between the Government and the Company only gives the Government the right to inspect satisfactory vouchers, or to take evidence of *bonâ fide* payments where vouchers are not available, and that Mr. Fooks has written a legal opinion on this matter, in which his contention on this point at the late trial in the Supreme Court is more strongly upheld.

As it is very desirable that this question of my right as Auditor-General of the Colony to require the production of vouchers and particulars of all expenditure incurred in the construction and maintenance of the Railway should be decided, I have the honor to request you will obtain the opinion of the Law Officers on the following questions:—

1. Does not Clause 10 of the Contract between the Government and the Company require the production of vouchers with particulars of expenditure satisfactory to the Government, or the agent whom the Government may appoint to examine the Railway Accounts?
2. Do the provisions of Clauses 17, 18, 19, and 23 of the Audit Act apply in respect to the accounts of the Tasmanian Main Line Railway Company?

As in the event of the replies being in the affirmative it is my intention to ask the Government to instruct me as to the desirability of taking proceedings to compel the production of the information which the General Manager of the Railway now declines to furnish.

I have, &c.

The Hon. the Chief Secretary.

W. LOVETT, *Auditor-General.*

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 8th July, 1889.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter dated the 5th instant, and only depart from the suggestion contained in your last paragraph therein for the purpose of entirely disclaiming that in my previous letter I had any intention whatever of in any way reflecting upon your action in using the figures I supplied you with at your request.

I must positively assure you that nothing could have been farther from my intention, neither did I in the least suppose that your desire to have the figures was not solely from a sense of public duty, and according to your interpretation of the reading of the Contract. So far from any blame attaching to you for such a course, I am sure you could not have acted otherwise under the responsibility you must have felt cast upon you. The sentence of mine which appears to have called forth your remarks was that instead of continuing to contest your powers under the Contract (as you are aware that I did strongly at first), I supplied the information you required as a matter of courtesy, although from the same cause I naturally did not put this forward in the correspondence. Had I taken a firmer course, and insisted upon the matter being legally fought out and settled, in all probability the proper reading of the Contract, as now expounded by the Judges, would have been forced upon us, and the terrible law-suit in which we have both been engaged would have been averted.

I have, &c.

W. LOVETT, *Esq., Auditor General.*

C. H. GRANT.

Audit Department, Hobart, 10th July, 1889.

SIR,

I HAVE the honor to acknowledge receipt of your letter of the 8th instant, and accept with pleasure your disclaimer as to any intention on your part to infer that I had used the figures referred to except from a sense of public duty according to my interpretation of the Contract. I thank you also for the courteous manner in which this has been communicated.

I have, &c.

C. H. GRANT, *Esq., General Manager,
Tasmanian Main Line Railway Company, Limited.*

W. LOVETT.

APPENDIX B.

INSPECTION OF MAIN LINE RAILWAY WORKS BY ENGINEER-IN-CHIEF, MARCH, 1889.

MEMO. of New Works not chargeable to Maintenance or Renewals.

	Probable value at least.
Epping Forest Station, New Office	£ 30
Rhyndaston Station, Loop Siding, 292 yards	130
Tea Tree Station, Cottage, 4 rooms	100
Crooked Billet Station, ditto.....	100
Rosetta Crossing, ditto	100
Hobart, addition to Store (Lost Luggage)	80
Signals	30
	<hr/> £570 <hr/>

The Auditor-General.

J. FINCHAM, *Engineer-in-Chief.*
6. 3. 89.

APPENDIX C.

RETURN of Amount received for Stores and Material sold by the Tasmanian Main Line Railway Company during the Year 1888.

	£	s.	d.
General Post Office, Repairing Van Letter Boxes	0	17	10
Electric Telegraph Department, Maintenance of Wire	100	0	0
Government Railways, Tickets and Ticket Cutters.....	7	12	9
Public Works, Tricycle Wheels turned.....	0	5	0
Corporation of Hobart, Ashes	36	4	0
Boland & Scott, Scottsdale, Wheels, Axles, Lubricators, Rails, Fastenings, &c.....	371	6	5
Southern Tasmanian Football Association, making Paths	60	9	0
Davidson & Brown, Hobart, Scrap Iron, Labour, &c.....	36	18	5
Kennedy & Sons, Hobart, Scrap Iron, Rails, &c.....	19	2	9
Tasmanian Fire Insurance Company, Insurance on Rosetta Cottage	40	0	0
J. Williams, Launceston, Iron Rails.....	31	12	0
Salisbury's Estate, Stamper bottoms and old Rails	19	11	5
F. G. Duff, Fish-plates, Bolts, & Nuts	93	10	0
J. S. Lee, Duck River, Iron Rails and Duplicates.....	303	1	0
M'Dougall & Co., Rosetta Bay, Iron Rails.....	22	13	9
J. Graves, Southport, Rails and Fastenings.....	220	3	7
Mount Nicholas Coal Company, Coal	133	17	8
J. Falkingham & Son, Melbourne, Rails and Fastenings	371	15	7
C. & E. Millar, Crank, Brasses, and Fire-bar Irons	25	13	9
W. F. Massey, Iron Rails.....	128	14	6
Mount Bischoff Tin Mining Company, Rails and Fish-plates	16	2	0
Sundry Purchasers, Coal, Rails, Iron, Repairs, Labour, &c.....	299	19	3
Customs Indemnity, under 48 Vict. No. 52.....	500	0	0
	£2839	10	8