(No. 80.)

1869.

TASMANIA.

LEGISLATIVE COUNCIL.

LAUNCESTON AND WESTERN RAILWAY.

REPORT OF THE JOINT COMMITTEE; WITH EVIDENCE, AND APPENDIX.

Brought up by Mr. Whyte, and ordered by the Council to be printed, October 13, 1869.

JOINT COMMITTEE ON THE LAUNCESTON AND WESTERN RAILWAY.

4. A Message from the House of Assembly :—

MR. PRESIDENT.

The House of Assembly having agreed to the following Resolution, begs now to transmit the same to the Legislative Council, and to request its concurrence therein :—

"That a Committee of this House be appointed, to act in conjunction with a Committee of the Legislative Council, to enquire into all the circumstances connected with the construction and management or otherwise of the Launceston and Western Railway since the date of the passing of the Railway Act, No. 2, to the present period; such Committee to have full power to enquire into every circumstance connected with the Engineering and general management of the Railway Works, the financial arrangements of the Launceston and Western Railway Company, and the powers vested in the Commissioners and Directors under the Railway Acts; with power to call for persons and papers: such Committee to report on or before the 21st September instant, as to the best mode to be adopted for the completion and future management of the said Railway, and to make such recommendations as they may deem necessary for the amendment of the Railway Acts. The Committee on the part of this House to consist of Four Members."

ROBERT OFFICER, *Speaker.*

7 *September*, 1869.

Ordered, That the said Resolution be at once taken into consideration.

And the Council having, accordingly, proceeded to take the same into consideration;

Resolved, That the said Resolution be agreed to.

Ordered, That Mr. *Kennerley*,
Mr. *Maclanachan*,
Mr. *Whyte*,
Colonel *Hutchins*,

be of the Joint Committee; and that Friday, the 10th instant, at 11 o'clock, in the Committee Room, be the time and place for holding the first Meeting of the said Committee.

WEDNESDAY, SEPTEMBER 15, 1869.

2. *Ordered*, That the time for bringing up the Report of the Joint Committee on the Launceston and Western Railway be extended to next Tuesday week, October 5.

THURSDAY, OCTOBER 23, 1869.

22. *Ordered*, That the time for bringing up the said Report be extended to Wednesday next, October 13.

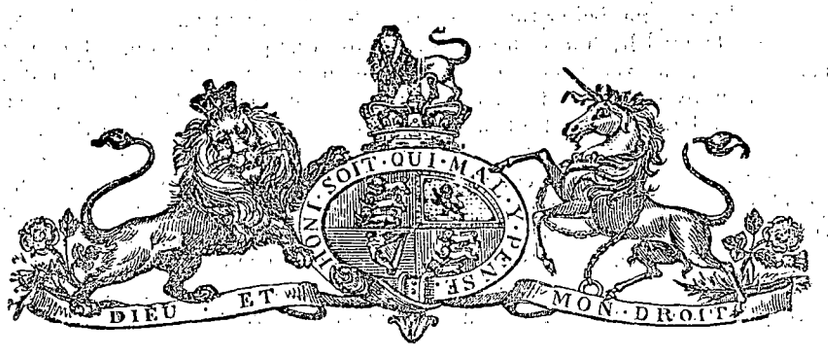
MEMBERS:

Legislative Council.	*House of Assembly.*
COLONEL HUTCHINS.	MR. ARCHER.
MR. KENNERLEY.	MR. DAVIES.
MR. MACLANACHAN.	MR. LEWIS.
MR. WHYTE.	MR. SWAN.

WITNESSES EXAMINED.

DAYS OF MEETING.

September 10, 15, 16, 17, 21, 22, 23, 24, 27, 28, 29, 30.
October 1, 4, 7, 8, 11, 12, 13.



THE JOINT COMMITTEE *of the Legislative Council and the House of Assembly appointed to enquire into all the circumstances connected with the construction and management or otherwise of the Launceston and Western Railway since the date of the passing of the Railway Act, No. 2, with full power to enquire into every circumstance connected with the engineering and general management of the Railway Works; the financial arrangements of the Launceston and Western Railway Company; and the powers vested in the Commissioners and Directors under the Railway Acts,—the Committee having been subsequently further empowered to enquire into all matters connected with the construction of the Railway from the commencement of the negotiations upon the subject and till the conclusion of the sittings of the Committee,—have considered the matters to them referred, and have agreed to the following*

REPORT.

1. YOUR Committee have taken into their earnest consideration the several matters referred to them, under a deep sense of the great responsibility devolved upon them in conducting an enquiry involving such important consequences to the Company and the Colony. They felt aware that great caution was necessary in conducting their enquiries where it might be presumed conflicting interests were involved, and on a subject on which so much public and private feeling has been expressed, and on which many of the parties concerned held such different opinions.

2. Your Committee conducted their enquiry over a period of nineteen days, during which they examined seven Witnesses, going carefully into every matter tending to throw any light on the past management as bearing on the construction of the Line; and have also been careful in collecting data enabling them to form their judgment on the future prospects of the Company, into whose financial condition, and what led to it, your Committee have carefully enquired.

3. Your Committee, though having directed their investigations into the circumstances connected with the negotiations between the Company and the Government which ended in Parliament sanctioning the issue of Bonds for £300,000 in aid of the Works, do not deem it necessary to refer to these further than to say, that the credit of the Colony was not pledged to this extent till, under "The Railway Act, No. 2," the Commissioners appointed for the purpose had certified that the Line could be completed for public traffic for a sum not exceeding £350,000.

4. Your Committee directed their enquiries specially to the circumstances under which that Certificate had been given. On this subject your Committee have to report that the Contract Engineers, Messrs. Doyne, Major, and Willett, submitted to the Directors of the Company and the Commissioners plans and estimates for the completion of the Line, according to which the Engineers certified that the Line could be completed and open for public traffic at a sum of £350,000, including in that amount a sum of £15,000 for contingencies. The Professional Commissioner, Mr. Kemp, had these placed before him, and reported to His Excellency the Governor in Council that having inspected the country to be traversed by the Railway, with the "plans, specifications, and schedules of quantities furnished by the Company's Engineers," and having made a careful estimate, he found that the Line could be opened for public traffic for a sum not exceeding £350,000. The other Commissioners, in concurring with this report, guarded themselves by saying that there was nothing in the Act obviating the possibility of the actual expenditure exceeding the sum stated by changes being made in the scale and mode in which the Company might carry out the undertaking.

5. Your Committee found from the evidence of Mr. Doyne that deviations to a certain extent had been made from these plans in those on which the Contract for the construction of the Line had been let to Messrs. Overend & Robb; but, though your Committee made every enquiry as to the original plans, estimates, and relative documents, which had been returned by the Commis-

sioners to the Company, they have been unable to obtain production of them, the evidence of the Engineer-in-Chief, Mr. Doyne, being that they were destroyed or lost, no care having been taken of them as they were deemed by him of no value. From this peculiar circumstance your Committee found themselves baffled, at the threshold of their enquiry, in any attempt to discover in what manner the sum originally stated by the Engineers, and certified to by the Commissioners, proved insufficient for the completion of the Railway. They have it in evidence that the Contractors' plans differ from the original plans, but in what particular, or to what extent, they have no means of knowing; and they are forced to the conclusion, that if the original plans were sufficient for the purpose of a good and substantial Line, there must have been some error in the estimated cost. What that error was, or how caused, your Committee are not in a position to say. Although feeling satisfied that the Directors and Shareholders were no parties to the deception, your Committee cannot acquit them of a great laxity in permitting the affairs of the Company to be almost entirely under the control of their Secretary and Chief Engineer.

6. Your Committee have it in evidence, as well as in the Correspondence printed by the authority of Parliament, that one of the Commissioners, Mr. Theodore Bartley, has been employed by the Railway Company, with the sanction of the Government, to act as Negotiator for the purchase of lands and settlement of compensation for lands required for the Launceston and Western Railway. It is also in evidence that up to the present time the amount of remuneration Mr. Bartley is to receive for the performance of the duties of Negotiator has not been determined between the Company and himself,—that it is in fact an open question entirely dependent upon the Company how much Mr. Bartley shall receive for his services as Negotiator on the part of the said Company, and Mr. Bartley himself states that he expects some amount between £250 and £500.

Although it would appear that in his capacity as Negotiator Mr. Bartley has performed his duties in a most satisfactory manner, your Committee is of opinion that his position as between the Government and the Company has been, and still is, most objectionable.

7. The present position of the Company's affairs clearly demonstrates that the opinion which prevailed in the minds of the Shareholders, the landholders of the Railway Districts, and a majority of the Members of the Legislature, that the Launceston and Western Railway would be constructed for a sum not exceeding £350,000, was a most erroneous one; and your Committee cannot but think that the responsibility of having been by their acts instrumental in creating that erroneous opinion mainly rests with Mr. W. T. Doyne, the Engineer-in-Chief, and the Secretary to the Company and one of its chief promoters, Mr. Dowling.

Mr. Doyne, on the 5th November, 1868, addressed the following Letter to the Commissioners:—

"GENTLEMEN,

IN reply to the enquiries put to me to-day, I have the honor to inform you that I have made a most careful estimate of the cost of constructing the Launceston and Western Railway, and such estimate shows that 'the said Railway can be opened for traffic for a sum not exceeding £350,000.'

This estimate is based on *liberal* prices throughout, and in addition contains £15,000 for unforeseen contingencies.

I have, &c.,

(Signed) W. T. DOYNE, *Engineer-in-Chief.*

The Commissioners."

In answer to a question put by the Chairman of your Committee, (Question 82, 21st September, 1869) Mr. Doyne stated: "My view of the question is what I have explained. We were expected to do what the Act required, and no more; it being understood that I never relinquished my original position stated in my Report of 1861, that the Railway to be completed satisfactorily would require £400,000, and this has never been in the slightest degree concealed by me; on the contrary, it was matter of daily conversation between myself and the principal Directors."

Your Committee deem that any comment upon the foregoing statements is quite unnecessary.

Mr. Dowling has stated in his evidence, that he always considered it would require £400,000 to complete the Railway, and that he took his Shares in the Company in that belief. At the same time, as Secretary to the Company, he was representing to the Government that it could be constructed for £350,000. Taking into consideration the fact, that Mr. Dowling was constantly in the habit of communicating with the Government on the most important questions connected with the Company's affairs without reference to the Board of Directors, to whom he afterwards submitted his communications for approval as disclosed in his evidence, your Committee conclude that the Secretary was largely trusted by the Directors, and consequently is proportionately responsible.

8. Your Committee deem it also due to the Commissioners to say, that they appear to have exercised due care and precaution, and, with the information before them, were justified in their calculations that the sum of £350,000 would prove sufficient.

9. Your Committee have observed with surprise the very great latitude that the Engineers have assumed in deviating from the original plans and estimates submitted to the Commissioners. The weight of rails has been increased from 65 lbs. to 72 lbs., at an additional cost of £7521 14*s.* 6*d.*, without the sanction or even knowledge of the Directors or Commissioners. In the same way a large excess of expenditure, amounting to £17,111 15*s.* 6*d.* according to Mr. Kemp's statement, has been made through unauthorised changes in the orders sent to England for the materials for the Longford Bridge, as well as in other matters,—the evil done having been always irremediable before the Directors and Commissioners became aware of the deviations and substitutions. Through the extra expenditure thus incurred there can be no doubt that the sum now required for the completion of the Line has been very materially increased.

10. Though the works hitherto done on the Line appear to have been executed in a satisfactory manner, as shown by the external examination of the Director of Public Works, your Committee are of opinion that the system of supervision is excessively defective. Your Committee have formed a very decided opinion that in this, and various other respects, the powers vested in the Commissioners are insufficient, and that, however much inclined, they are not possessed of an adequate authority to enable them to protect the public interest.

11. Your Committee have to deplore the very unsatisfactory manner in which the business of the Company has, from its inception, been carried on. There has been in some matters too much looseness in the management, and want of sufficient care to fix responsibility. In other matters a too literal interpretation has been put on the wording of the Act; while more liberality in the construing of its terms would have been of advantage to the Company and the Colony, and have secured greater harmony among those entrusted with the administration of the Act. The misunderstandings that have occurred between the Engineers—supported to a great extent by the Directors—have had a most unfavourable effect on the progress of the Company's works, and been injurious to the interests of the undertaking, besides placing many obstacles in the way of your Committee obtaining dispassionate testimony.

12. Your Committee need only refer to the Correspondence in evidence, as well as the printed Correspondence No. 16 of 1868, and No. 24 of this Session, to show that there has been something like a systematic effort to thwart the action of the Commissioners, and to ignore their powers. This has led to a large increased expenditure that might have been avoided had the opinions of the Commissioners been more consulted.

13. Your Committee, however, while feeling it their duty to thus report on the circumstances that have been forced on their notice, have come to the conclusion that it can now serve no good purpose to refer to the past; and care must be taken to prevent the possibility of the recurrence of similar circumstances.

14. It is now estimated by the Directors that an additional sum of £67,000 will be required to complete the Railway; and the professional Commissioner, Mr. S. V. Kemp, states that in his opinion £107,000 will be required.

Judging from the past, your Committee is disposed to accept Mr. Kemp's estimate as likely to be nearer the probable additional cost of the completion of the Railway and Works than the estimate of the Directors; but probably the correct amount will be found somewhere between the two estimates.

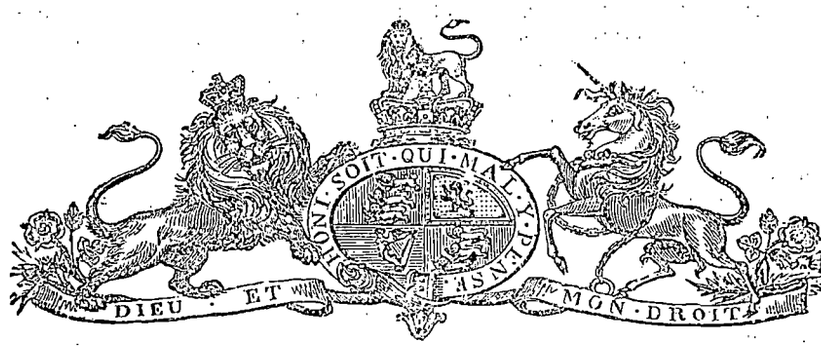
Considering the magnitude of the Work, and the large interests involved in the completion or non-completion of the Launceston and Western Railway, your Committee have no hesitation in arriving at the conclusion that, in the interests of the public generally, and in the interests of the landholders and others within the Railway District more particularly, the Work ought to be carried out to completion with as little delay as possible. Therefore, your Committee recommend that the amount required to be raised for the purpose of fully and efficiently opening the Railway for public traffic should be sanctioned by Parliament, but on such conditions as will effectually restrain the Company's Engineer-in-Chief from authorising any deviations from the Contract or substitutions without the consent of the Commissioners, and the sanction of the Governor in Council.

15. Your Committee has had under its consideration a Bill embodying the foregoing conclusions, but on discussion it was not deemed desirable that your Committee should commit itself to the details of the measure. Your Committee, therefore, only transmits the Bill, with the Report, for the consideration of the Legislative Council and House of Assembly.

JOHN DAVIES, *Chairman.*
JAMES WHYTE.
ALFRED KENNERLEY.
W. J. HUTCHINS.
J. MACLANACHAN.
D. LEWIS.
R. J. ARCHER.

Draft. (*August*, 1869.)

TASMANIA.



1869.

No. 19.

A BILL to amend *The Launceston and Western Railway Act.*

PREAMBLE. WHEREAS a further sum not exceeding £ is required to complete the Launceston and Western Railway, and to provide sufficient Rolling Stock, Workshops, and appliances to secure the economical and efficient working thereof: And whereas it is expedient to make provision for raising the said sum, and also to amend *The Launceston and Western Railway Act:* 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 :—

Company may borrow £

1 It shall be lawful for "The Launceston and Western Railway Company, Limited," to borrow a further sum not exceeding £ for the purposes of the said Railway and Works, in addition to the sum of £300,000 which the said Company has already been empowered to borrow.

Money how raised.

2 Such further sum as aforesaid shall be raised in like manner as the said sum of £300,000 is by law authorised to be raised, and not otherwise.

3 Such further sum as aforesaid, both as to the principal and all interest to accrue due thereon, shall be secured and charged and made payable, save as hereinafter provided, in the same manner as the said sum of £300,000 is secured, charged, and made payable, and as if the sum originally borrowed had been £ instead of £300,000. Principal and interest how secured.

4 The said sum of £ , when so raised, shall be retained and kept by the Colonial Treasurer for the time being. £ to be kept in Treasury.

5 The Colonial Treasurer shall out of the said sum of £ , or so much thereof as from time to time remains unexpended, pay such sums as may from time to time be certified by the Commissioners, and sanctioned by the Governor in Council, to be due for or in respect of the said Railway or any Works connected therewith. Treasurer to pay on Certificate of Commissioners.

6 Plans and specifications of the Works now remaining to be completed shall be forthwith deposited with the Commissioners on behalf of the Government, and no deviations of increase shall be made from such plans and specifications for the said Railway and Works; and no new Work shall be entered upon or undertaken without first obtaining the consent of the Governor in Council to every such deviation or new Work, as the case may be, after a report from the Commissioners and Directors as to the propriety of such deviation or new Work. No deviations or new works without the consent of the Governor.

7 It shall be lawful for every Commissioner at all times to enter upon and inspect the said Railway and all Works connected therewith, and all the books and accounts of the said Company; and every such Commissioner shall have all the powers of a Director. Powers of Commissioners.

8 When any dispute arises between the said Company and the Commissioners, it shall be lawful for the Governor in Council to decide the same; and such decision shall be final. Disputes between Company and Commissioners how decided.

9 The said Company shall from time to time pay and apply the moneys received by them from the traffic receipts of the said Railway, so far as the said moneys shall extend, in the following order of priority:— Application of monies by Company.

1. In payment of the reasonable working expenses and costs of keeping the said Railway and Works in repair:
2. In payment of interest on the said sum of £ , or so much thereof as may from time to time remain due:
3. In payment of interest on the said sum of £300,000:
4. In repayment of any rate imposed upon the District under this Act or any Act incorporated herewith:
5. In payment of a dividend not exceeding £6 per cent. on the paid up amount of Shares:
6. In payment of the said principal sum of £ :
7. In satisfaction of the said sum of £300,000:
8. In such manner as the Company sees fit.

10 Until the said sum of £ is fully paid and satisfied, the said Company shall publish in the *Gazette* half-yearly accounts in detail Half-yearly accounts published in the *Gazette*.

of the traffic upon the said Line, and of their receipts and expenditure; and such accounts shall be certified by the Commissioners.

Power for Main Line traffic to pass over Railway.

11 In case a Main Line of Railway is at any time constructed or being constructed between *Hobart Town* and the Northern side of *Tasmania* by the Government or any Company, and such Main Line meets the *Launceston* and Western Railway, it shall be lawful for the Governor in Council to authorise all trains going along the Main Line to pass over and along and to use any part of the said Railway and the Works connected therewith upon payment of reasonable Compensation for so doing; and the amount of such Compensation shall, in case of difference, be decided by Arbitration in the same manner, as nearly as may be, as is provided in *The Lands Clauses Act* for the settlement of disputes by Arbitration.

Power to connect Main Line with said Railway.

12 It shall be lawful for the Governor in Council to authorise the execution of such Works as may be necessary in order to connect such Main Line with the said Railway, subjecting such Railway to as little damage or inconvenience as possible; and the said Company shall be entitled to compensation for any such damage, and such compensation shall be assessed in manner last aforesaid.

On completion of Works there shall be One Commissioner.

13 From and after the completion of the said Railway and Works, and so soon as the Board of Directors of the said Company ceases to be a permanent Board, there shall be One paid Commissioner only instead of Three as now by Law provided, at such Salary and Allowances as the Governor in Council shall see fit, such Salary and Allowances to be paid by the Company.

14 Until the said sum of £ is fully paid and satisfied, the said Company shall have no power to make any appointments whatever nor increase any existing Salaries without the sanction of the Governor in Council.

Acts read together.

15 This Act and *The Launceston and Western Railway Act*, and *The Launceston and Western Railway Act, No.* 2, and "The Launceston and Western Railway Act, No. 3," save so far as the said Acts are altered hereby, shall be read together as one and the same Act.

Short Title.

16 This Act may for all purposes be cited as "The Launceston and Western Railway Act, No. 4."

MINUTES OF THE MEETINGS.

No. 1.

FRIDAY, SEPTEMBER 10, 1869.

The Committee met in the Office of the Clerk of the House of Assembly, at Eleven o'clock.

Present—Mr. Kennerley, Mr. Maclanachan, Colonel Hutchins, Mr. Whyte, Mr. Archer, Mr. Davies, Mr. Lewis, Mr. Swan.

1. On the motion of Mr. Kennerley, the Chair was taken by Mr. Davies.

2. Paper No. 16, Session 1868; Bill No. 19, Session 1869; and Railway Acts, Nos. 1, 2, 3, & 4, laid before the Committee.

3. The Committee proceeded to discuss the course which it would be desirable to adopt in regard to the production of Minute Books, Correspondence, and Documents by the Secretary to the Railway Company, and also to summon the Commissioners, or one of them, to give evidence to the Committee.

Notice was taken of the presence of a Member of the Legislative Council who was not a member of the Committee; who, having been referred by the Chairman to the Rules, which required Members not on the Committee to withdraw, left the room.—(*Mr. Kennerley.*)

4. *Resolved*, That the Chairman be instructed to summon the Secretary of the Launceston and Western Railway Company to produce all Books, Papers, and other Documents including Accounts, and Minute Book or Books of the Company and Board of Directors of the said Company,—also Mr. Doyne the Company's Engineer,—also the Commissioners or any one of them; and any Member or Members of the Board of Directors.—(*Mr. Whyte.*)

5. *Resolved*, That application be made to the Parliament that the Committee be instructed to enquire into all matters connected with the construction of the Launceston and Western Railway from the commencement of the negotiations on the subject until the conclusion of the sitting of such Committee.—(*Mr. Swan.*)

6. *Resolved*, That it is desirable that a nominal return of all persons who have claimed compensation from the Company, and the amount awarded or to be awarded, should be before the Committee.

The Committee adjourned at One o'clock to Wednesday next at Eleven o'clock.

No. 2.

WEDNESDAY, SEPTEMBER 15, 1869.

The Committee met at fifteen minutes after Eleven o'clock.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Whyte, Mr. Archer, Mr. Davies, Mr. Lewis, Mr. Swan.

Mr. Davies in the Chair.

Notice being taken of the presence of Mr. Grubb, the Chairman called the attention of the Committee to the ruling of the Hon. the President of the Legislative Council on the question of Privilege submitted to him as follows:—

"In the case of a *Select Committee*, the authority of the House by which it has been appointed is necessary for the exclusion of Members of the House (not being Members of such *Select Committee*) from its proceedings; and it appears to me that in the case of a *Joint Committee*, larger powers than those entrusted by each House to its *Select Committee* cannot be assumed unless with the previous sanction of both Houses. On the 22nd June, 1857, the Speaker of the House of Commons, in affirming the rule that Hon. Members are privileged to attend in Committees, added these words: 'The Hon. Member does not ask me a question as to an exercise of discretion on either side,'—meaning that of the excluding Committee or the excluded Members,—'and I therefore think it fitting to confine myself to announcing what is the rule of the House.'

"For the same reason, I think it fitting to confine myself to the question as put by the Hon. Member for Tamar announcing, in answer thereto, that as a Member of this Council he possesses the privilege of attending the Meetings of the Joint Committee on the Launceston and Western Railway or any similar Committee."

And it being stated by certain Members of the Committee that Mr. Grubb is a Director of the Company, and also Solicitor to the Contractors, *Mr. Kennerley* moved that the following Resolution be submitted to both Houses of Parliament:—

"That when any matter shall arise on which any Joint Committee wish to debate, it shall be at their discretion to require any person not being a Member of the Committee to withdraw." Agreed to.

Ordered, That Mr. Davies do bring the Motion before the House of Assembly.

Ordered, That Mr. Dowling be summoned to attend on Tuesday next, at Eleven o'clock.

The Committee adjourned at Twelve o'clock to to-morrow at Eleven o'clock.

No. 3.

THURSDAY, SEPTEMBER 16, 1869.

The Committee met at five minutes after Eleven o'clock.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Whyte, Mr. Archer, Mr. Davies, Mr. Lewis, Mr. Swan.

Mr. Davies in the Chair.

Resolved, That the Chairman be instructed to apply to the Government for a Short-hand Writer to take down the Evidence. (*Mr. Archer.*)

Ordered, That Mr. Doyne be summoned for to-morrow, at Eleven o'clock.

The Committee adjourned at five minutes after Twelve o'clock to to-morrow at Eleven o'clock.

No. 4.

FRIDAY, SEPTEMBER 17, 1869.

The Committee met at thirteen minutes after Eleven o'clock.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Whyte, Mr. Archer, Mr. Davies, Mr. Lewis, Mr. Swan.

Mr. Davies in the Chair.

Mr. Doyne called in and examined.

The Chairman informed the Committee that the Government had acceded to their request for a Short-hand Writer, and the Committee appointed Mr. Cox.

The Chairman read a letter from Mr. Dowling having reference to the carriage of Books from the Office of the Railway Company.

Ordered, That the Chairman communicate with the Government, and request that all the Books connected with the Railway may be forwarded by the Coach.

Mr. Doyne called in and examined.

The Committee adjourned at two minutes after One o'clock to to-morrow at Eleven o'clock.

No. 5.

TUESDAY, SEPTEMBER 21, 1869.

The Committee met at ten minutes after Eleven o'clock.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Archer, Mr. Davies, Mr. Lewis, Mr. Swan.

Mr. Davies in the Chair.

Mr. Doyne called in and examined.

Resolved, That Mr. Davies, in the House of Assembly, and Mr. Whyte, in the Council, apply for an extension of time to bring up the Report to the 5th October next.

The Committee adjourned at Twelve o'clock to to-morrow at Ten o'olock.

No. 6.

WEDNESDAY, SEPTEMBER 22, 1869.

The Committee met at twenty-three minutes after Ten o'clock.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Archer, Mr. Davies, Mr. Lewis, Mr. Swan.

Mr. Davies in the Chair.

Mr. Doyne called in and examined.

Mr. Doyne handed in document marked A.

Ordered, That the Chairman be instructed to ask for leave for the Committee to sit on Mondays and Saturdays until the enquiry is concluded.

Ordered, That Messrs. Kemp and Bartley be summoned for Friday and Saturday respectively.

The Committee adjourned at One o'clock to to-morrow at Ten o'clock.

No. 7.

THURSDAY, SEPTEMBER 23, 1869.

The Committee met at seventeen minutes after Ten o'clock.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Whyte, Mr. Archer, Mr. Davies, Mr. Lewis, Mr. Swan.

Mr. Davies in the Chair.

Mr. Dowling called in and examined.

Mr. Dowling handed in document marked B.

The Committee adjourned at One o'clock to Ten o'clock to-morrow.

No. 8.

FRIDAY, SEPTEMBER 24, 1869.

The Committee met at fifteen minutes after Ten o'clock.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Whyte, Mr. Archer, Mr. Davies, Mr. Lewis, Mr. Swan.

Mr. Davies in the Chair.

Mr. Dowling called in and examined.

Mr. Dowling hands in documents marked C. D. E. Document marked D. was read.

The Committee adjourned at One o'clock to to-morrow at Ten o'clock.

No. 9.

MONDAY, SEPTEMBER 27, 1869.

The Committee met at twenty minutes after Ten o'clock.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Whyte, Mr. Archer, Mr. Davies, Mr. Lewis, Mr. Swan.

Mr. Davies in the Chair.

Mr. Dowling hands in documents marked F. G. H. I. J.

The Committee adjourned at fifteen minutes after Two o'clock to to-morrow at Ten o'clock.

No. 10.

TUESDAY, SEPTEMBER 28, 1869.

The Committee met.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Whyte, Mr. Archer, Mr. Davies, Mr. Lewis, Mr. Swan.

Mr. Davies in the Chair.

Mr. Bartley called in and examined.

Mr. Kemp called in and examined.

The Committee adjourned at One o'clock to to-morrow at Ten o'clock.

No. 11.

WEDNESDAY, SEPTEMBER 29, 1869.

The Committee met at fifteen minutes after Ten o'clock.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Whyte, Mr. Davies, Mr. Lewis, Mr. Swan.

Mr. Davies in the Chair.

Mr. Kemp called in and examined.

Mr. Kemp handed in documents marked K. L. M. N. O. P.

Ordered, That the Chairman be instructed to see Mr. Hunter and order him to proceed to Launceston to inspect the Brickwork.

The Committee adjourned at twenty-five minutes after One o'clock to to-morrow at Ten o'clock.

No. 12.

THURSDAY, SEPTEMBER 30, 1869.

The Committee met at fifteen minutes after Ten o'clock.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Whyte, Mr. Archer, Mr. Davies, Mr. Lewis.

Mr. Davies in the Chair.

Mr. Kemp called in and examined.

Mr. Kemp handed in documents marked Q. R. S. T.

The Chairman informed the Committee that he had applied to the Government for permission to order the Director of Public Works to proceed to Launceston in the place of Mr. Hunter.

The Committee adjourned at One o'clock to to-morrow at Ten o'clock.

No. 13.

FRIDAY, OCTOBER 1, 1869.

Th Committee met at thirty minutes after Ten o'clock.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Whyte, Mr. Davies, Mr. Lewis, Mr. Swan.

Mr. Davies in the Chair.

Mr. Innes called in and examined.

Mr. Innes handed in documents marked U. V.

The Committee adjourned at One o'clock to Monday next at Ten o'clock.

No. 14.

MONDAY, OCTOBER 4, 1869.

Present—Colonel Hutchins, Mr. Whyte, Mr. Archer, Mr. Davies, Mr. Swan.

No quorum.

Committee adjourned to Thursday next at Ten o'clock.

No. 15.

THURSDAY, OCTOBER 7, 1869.

The Committee met at fifteen minutes after Ten.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Whyte, Mr. Archer, Mr. Davies, Mr. Lewis, Mr. Swan.

Mr. Davies in the Chair.

Messrs. Kemp, Butler, and Doyne called in and examined.

Mr. Kemp handed in documents marked W. X. Y. Z.

The Committee adjourned at forty minutes after One o'clock to to-morrow at Ten o'clock.

No. 16.

FRIDAY, OCTOBER 8, 1869.

The Committee met at thirty minutes after Ten o'clock.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Archer, Mr. Davies, Mr. Lewis.

Ordered, That Mr. Kemp's account £19, and Mr. Bartley's account £7, be paid.

No. 17.

MONDAY, OCTOBER 11, 1869.

The Committee met at twenty minutes after Ten.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Whyte, Mr. Archer, Mr. Davies, Mr. Lewis.

Mr. Davies in the Chair.

Mr. Davies presented a Draft Report.

The Committee adjourned at thirty minutes after One o'clock to to-morrow at Ten o'clock.

No. 18.

TUESDAY, OCTOBER 12, 1869.

The Committee met at thirty minutes after Ten o'clock.

Present—Colonel Hutchins, Mr. Kennerley, Mr. Whyte, Mr. Archer, Mr. Davies, Mr. Lewis.

Mr. Davies in the Chair.

The Draft Report was amended and agreed to.

The Committee adjourned at thirty minutes after Twelve to to-morrow at thirty minutes after Three o'clock.

No. 19.

WEDNESDAY, OCTOBER 13, 1869.

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

Present—Colonel Hutchins, Mr. Kennerley, Mr. Whyte, Mr. Archer, Mr. Davies, Mr. Lewis.

Mr. Davies in the Chair.

The Report was signed.

LAUNCESTON AND WESTERN RAILWAY JOINT COMMITTEE.

EVIDENCE.

FRIDAY, SEPTEMBER 17, 1869.

Members present—Mr. Davies (Chairman), Mr. Kennerley, Mr. Maclanachan, Mr. Whyte, Colonel Hutchins, Mr. Lewis, Mr. Swan, Mr. Archer.

WILLIAM THOMAS DOYNE *called in and examined.*

By the Chairman.—1. What is your name? William Thomas Doyne.

2. You are the Engineer-in-Chief and Contracting Engineer for the construction of the Launceston and Western Railway Company? Yes.

3. You made a Parliamentary Survey in 1862, and furnished Plans, and made a Report on the Launceston and Western Railway? I did.

4. In that Report what was the estimate, and what did the estimate provide for? Are you prepared to answer that question? Have you your documents? I have not. I had not the least idea what I was to be examined on. Mr. Dowling has the papers.

5. I will show you your own Report, and perhaps that will assist you. Having your Report of 1862 before you, can you now say what was the estimate and what did the estimate provide for? I speak from memory. The figures are not put down, they are all blank. There were two copies at the time, and I have not got one, but I take the total sum at £400,000. Mr. Dowling has all that.

6. Can I refresh your memory? In the original estimate the sum is stated at £364,351, and that is to include all works, buildings, rails, rolling stock, stations, terminal arrangements, and the engineering and management required? I will read from my Report of 25 February, 1861:—"My estimate amounts to £364,351, or £8287 per mile, and includes all works, buildings, rails, rolling stock, stations, and terminal arrangements, and the engineering and management required to complete the rail and for one year after the opening. This estimate I believed to be most ample, and to be one on which Contractors could be found to undertake the works. My estimate provides for a single line of rail of the gauge adopted in Victoria of 5 ft. 3 in. between the rails: it provides for sufficient terminal buildings at Launceston and Deloraine, and eight intermediate stations, with double lines of rail at each end. This arrangement would enable the Line to be worked with perfect safety and regularity by the addition of the telegraph."

7. Since that period you have entered into a Contract with the Launceston and Western Railway Company as Engineer-in-Chief? Yes.

8. Will you produce the Contract? I have not one here.

9. But you will produce it? I will if you require it, at the next meeting of this Committee.

10. Have you furnished working plans and detailed specifications under this Contract? Yes.

11. And I assume you will be able to lay them before this Committee? Yes, if required; they are all appended to the Contract.

12. Did you give an estimate of that work at the time, and can you now state the amount? I don't understand you.

13. Did you give at the time you gave an estimate of the work, an estimate of the amount the work came to? I don't understand what time you refer to.

14. Have you furnished the plans and detailed specifications of the works you have carried out, and have you given an estimate of the amount of carrying out the works, the sum? I think not, I have no recollection. But I did afterwards.

15. In that communication you have given an estimate of the amount sufficient to open up the Line for traffic and leaving a balance of £10,613 for contingencies? Those are all points which the papers in Mr. Dowling's hands will show.

16. Did you lay before the Directors, at the time the tenders were opened, any estimate of the amount? I did not. I gave an estimate of what the Contract might be, but not including all the other items. On the day when the tenders were opened I was present at the Board, and I placed a document on the table.

17. Can you produce that document, or a copy? I think I can; I will try.

18. Are you enabled to say now, without reference to documents, whether you found that estimate to be insufficient, the estimate you put in on the day of the opening of the tenders? I believe about £2000 or £3000, but the estimate will speak for itself.

19. Can you inform this Committee in what respect your estimate has been exceeded, and the cause of the excess in the estimate? Not without reference to the documents.

20. You will be able to give that information when you get the documents? Yes.

21. Before the Contract was let, Surveyors were appointed to take the quantities, were they not? Yes.

22. Did these quantities tally with your own? Proximately they did; they were very close.

23. Will you produce your estimate of the quantities to this Committee, hereafter? Yes.

24. Is there any truth in the report that has been freely circulated in the Colony that those quantities taken by the Surveyors are greatly in excess of the executed quantities? I cannot speak of it without the documents. I have no reason to believe they are; the documents will show. All the Contractors who wished to tender were provided with the quantities, so that any of the quantities given to a Contractor shows the quantities of all.

25. That is, the quantities that were taken out by the Surveyors were furnished to all parties, and were the same quantities? Yes.

26. On taking out the quantities the Contractors had to pay for them, had they not? Yes.

27. And is that the practice that obtains in the Colonies and elsewhere? I don't know; it is their own arrangement; the Contractors met and agreed to appoint two Surveyors; I had nothing to do with it.

28. Is it not usual for the Engineers to pay for this work, and not the Contractors? It is not usual.

29. In your original Report, which you have before you, you propose that the rails under consideration should be 70 lbs. to the yard, and you afterwards recommended 65 lbs. but you afterwards substituted rails 72 lbs. to the yard; will you explain the causes of these alterations? The question will require reference to a great many documents, and I will explain at another time. I will take a note and give you an answer in writing.

30. Would not a rail of 65 lbs. to the yard, as put down in the first estimate, have saved the Company £6000, all expenses connected therewith included? Somewhere about that.

31. Had you any authority from the Board of Directors, or from any persons authorised under the Launceston and Western Railway Acts, to alter this estimate, and thereby increase the amount of expenditure £6000? I don't know without going through all the correspondence.

32. But are you not able to say whether you had any direct authority to incur this additional expense for the rails? It is difficult to answer without going into a long explanation.

33. Then you are not prepared to answer it, but will at the next examination? I shall.

34. And, of course, that means whether the alteration did take place; and you will be able to say on what authority,—whether on your own responsibility, or how? Yes: I shall be able to say under what circumstances.

35. The cuttings you recommended were ¼ to 1, were they not? Yes.

36. Will you have the kindness to give the Committee the reason why you adopted so slight a batter? Yes: during the survey of the Line we made trial shafts in all the principal cuttings. The indications given by them were very uncertain,—showing in some instances that the material was good, and in others that it was bad. Altogether the conclusion we arrived at was that many of the cuttings would stand almost perpendicular, while some would require very flat slopes. We saw clearly that, if we were to let the Contract under the assumption that all slopes would require to be taken out at a flat gradient, we should certainly execute a great deal more work than was necessary. We therefore determined to let the Contract on experimental slopes of ¼ to 1,—thereby in no instance taking out more than was necessary to enable us to judge on unquestionable evidence how each special case was to be dealt with. It has turned out, as we expected, that some have stood, while others will require to be flattened.

37. Did you communicate these facts to the Directory before the estimates were made or the contract taken? I cannot answer that question without reference. In the preparation of the drawings I never consulted the Directors on any details.

38. That is not the point. After the explanation you have just given the question arises, did you communicate it to the Directory before the estimates were made, and before the contracts were taken? I am not sure: I don't think I did. While I was preparing the plans I was constantly in communication with Mr. Kemp, but I did not think it necessary to communicate with the Board on all details. When Mr. Dowling comes I shall be able to answer positively. I was not in the habit of consulting the Directors during the progress of the designs, upon the details of those designs.

39. Is the Committee to understand from that, that in all matters of departure from the original estimate and report you acted on your own responsibility and without consultation with the Directors? No: I am speaking of the first designs before the contracts were out. I was not in the habit of consulting the Directors during their progress, but contented myself with submitting them when completed for the approval of the Board.

40. Does the failure of this experiment form one of the items of excess in the cost of the rails on the estimated cost; and if so, to what extent? I cannot admit that there is a failure: on the contrary, I consider it a great success.

41. You say you do not admit it is a failure? Yes.

42. Notwithstanding the previous explanation you have given? No: my previous answer said it was as successful as I expected.

43. Has there not been an estimate of a large additional cost of £12,000 to supply and make good these embankments, in consequence of this experiment? There has been an additional expenditure of £12,000 to flatten the slopes.

44. You say there is no failure in the experiment notwithstanding the additional cost of £12,000 in regard to these slopes? I say there is not an additional cost of £12,000 proposed to be incurred in the construction of the work in consequence of this experiment,—for, on the contrary, there is a saving of at least £12,000.

45. Will you explain in what manner that is effected? Yes; if I had decided at once upon a rate of

batter, or slope you may term it, which would have rendered all the cuttings safe, I should have had to put it at a slope which would involve taking out many cuttings to a flatter slope than was necessary. I never supposed that all the slopes would stand at ¼ to 1, but I felt convinced that some of them, many of them, would. Instead, therefore, of proceeding empirically to decide on insufficient evidence what each would stand at, I determined to let the Contract as a test of the actual facts. Now that the cuttings are opened out and can be seen, and each judged of on its own merits, I have been enabled to instruct the Contractors on each individual case: the actual result has been that a very large proportion of the cuttings stand either at ¼ to 1 or nearly so; proving, therefore, that if I had assumed that none would stand to that batter I should have thrown away much money which has now been saved to the Company.

46. Did you communicate to the Directors the probability of a larger expenditure being required in flattening the slopes? I never made any special report on the subject.

47. Have you not given evidence before a Select Committee in Queensland condemning the very course you have adopted in Tasmania? I have not.

48. Can you state what was the original estimate for the cuttings of this particular work, the estimate on which the Contract has been taken? Not without the document.

49. Will that show the estimate for the cuttings ¼ to 1 you made? Yes.

50. Can you say now, for the information of this Committee, what will be the additional cost of the alterations, deepening the slopes? Yes, approximately, about £12,000.

51. Still, may I ask you if you persist in making the statement, notwithstanding you have shown an additional cost of £12,000 in deepening the slopes, that you saved the Company a large sum of money? Yes.

52. Are you of opinion, professionally as an Engineer, that the slopes as proposed to be altered will stand? Generally, I think they will; but it is impossible to give you any positive opinion. I think they will stand fairly, but there will be always a process of clearing out under the maintenance contracts.

53. Did you not state at one of the meetings of the Board of Directors that the cost of altering these slopes would not exceed £5000, although you have since estimated the cost at £12,000? I cannot answer that question. I cannot say.

54. Has not Mr. Kemp, the professional Commissioner, estimated the cost of altering these slopes at £20,000? He has.

55. And you, notwithstanding that, still adhere to £12,000? Approximately.

56. Perhaps you will explain what you mean by approximately? It's impossible to be more definite: you cannot make accurate estimates with earthwork.

57. Then by that observation is it not probable that Mr. Kemp is nearer the mark than yourself? Only in case of some revolution of nature which we cannot look forward to. I mean by approximately within £500 or £1000 one way or the other.

58. Are the present altered slopes the slopes adoptod in other countries on such soil? All those cases are settled by the judgment of the engineer in every special instance. It is impossible to speak on generalities.

59. But from your geological knowledge of the various strata do you tell the Committee the same description of slopes you have adopted here are those adopted in other countries? I never saw exactly similar soil, but from my experience in various countries, and of various kinds of material, I should say it has been the best under the circumstances. There are no two cases so exactly similar as to enable me to judge of one positively from the other.

60. In your estimate for the Longford Bridge you put down originally 200 tons of iron at a cost of £6600, and you have increased it to 744 tons or thereabouts, and the Contract is taken at £18,440, is it not? Yes.

61. Were the Board of Directors in any way consulted as to the alteration of this Contract? There was no Contract.

62. The first estimate,—were the Directors ever consulted when you made the deviation in the estimate for the construction of that bridge? That is a question impossible for me to answer off-hand without leading to confusion and misunderstanding. All the circumstances connected with that case are in print, and without referring to the dates and circumstances I could not answer off-hand. I am not prepared to answer that question.

63. Were the additional estimates of weight and cost laid before the Directors and Commissioners previously to the plans and specifications being forwarded to England? I cannot answer now.

64. In your original estimates I think you failed to give estimates of the proposed expenditure for freight and insurance? It was never in my department. I never made myself responsible for it in any way.

65. I must go back to your letter addressed to the Commissioners, 5th November, 1868. In that letter you say, addressing the Commissioners,—"Gentlemen,—In reply to the enquiries you have put to me to-day, I have the honor to inform you that I have again made a most careful estimate of the cost of constructing the Launceston and Western Railway, and such estimate shows that the said Railway can be opened for traffic for a sum not exceeding £350,000. This estimate is based on liberal prices throughout, and in addition contains £15,000 for unforeseen contingencies." Can you now, knowing there is an application to Parliament for £80,000 to complete the work, explain to this Committee the discrepancy between this letter and the estimate of the proposed increase? Yes; the estimate of £350,000 was always understood, and it is clear on all the evidence, that it meant to open a Line for traffic according to the terms of the Act, which I think required one train per day each way. In my original estimate made in 1861 I provided for a larger number of trains, and consequently there were six Locomotive Engines and much larger

quantities of rolling-stock, superior stations, machinery for keeping the plant in order, and a variety of other matters incident to a larger traffic. Having found, when this last estimate was made, that the Parliament allowed the Debentures for £300,000 to be applied on condition that the Company provided £50,000, I altered my estimates from that expenditure, which I should wish to enter into at once, to that which the money at my disposal would admit of, leaving the remainder to be provided afterwards; that is, in fact, complying with the exact wording of the Act, but not professing to have a sufficient quantity of rolling-stock and stations for permanent purposes. With some trifling exceptions, that estimate has proved to be correct.

66. Then do I understand you to say that, to comply with the letter of the Act of Parliament you have referred to, it was the instruction of the Directors, or was that the spirit in which it was carried out? My view of the question is what I have explained. We were expected to do what the Act required, and no more; it being understood that I never relinquished my original position stated in my report of 1861, that the railway to be completed satisfactorily would require £400,000, and this has never been in the slightest degree concealed by me: on the contrary, it was a matter of daily conversation between myself and the principal Directors; and during the time I was preparing the detailed drawings and specifications at Melbourne, Mr. Kemp was constantly in my office; every point of detail was freely discussed between us; and more especially on this question of the slopes, Mr. Kemp gave my plans and specifications his expressed approval,—that is the plans and specifications under the present contract of Overend and Robb.

67. And though you stated in the early part of your examination to-day, in reference to that report, that the estimate in your original report was £364,000 to include all works and everything connected with it? That was the estimate of 1861. £400,000 was the sum named, but it was not in my estimate. I have not got the details of the estimate. The broad fact is, the sum I have always spoken of and looked to was £400,000, and that I have never deviated from. The matter has got into confusion from having separate estimates; the real fact is that it was £400,000, which included £200 only for lands' compensation.

By Mr. Whyte.—68. You said the Directors were acquainted with that fact, that £400,000 was the sum named? Perfectly well, the Chairman especially.

By the Chairman.—69. But the Directors as a body, were they as a body acquainted with it? I think only as a matter of conversation; I never made a formal report on the subject.

By Mr. Whyte.—70. In fact the Directors were cognizant of that being your opinion? Perfectly.

By Mr. Swan.—71. Was that known to the Commissioners? To Messrs. Bartley and Kemp, at least.

By the Chairman.—72. Mr. Kemp, in 1868, stated that the line could be opened for public traffic for not exceeding £350,000? Yes.

73. Now, what would you understand to be the meaning of the term "opened for public traffic?" To carry all persons who came to pay for their tickets, and all goods that were required to be carried.

74. Do you wish the Committee to understand that the opening of the line for public traffic is not opening the line efficiently, as predetermined by the Promoters and Shareholders? It would be most efficiently for the amount of traffic anticipated. I may say that what was the intention of my partners and myself was to run three trains each day, with the materials at our disposal at the time of the opening; but we saw clearly we could not continue that for long: our locomotives and rolling-stock would suffer so much that we should suddenly come to a stand in about two years.

75. In what respect? The machinery would be worn out, not having a sufficient number to get rest; with two engines, as long as they were in order, we could run three trains a day each way.

By Mr. Swan.—76. Then surely the Railway would not be efficient if liable to stop in that way? Certainly not efficient. I always considered it would take another £50,000 to make it efficient, but we could comply with the terms of the Act with £350,000.

By the Chairman.—77. Is it not in your belief that the public of this Colony anticipated that it was to be an efficient Railway, open for traffic for £350,000; and can you say, from the conversations and opportunities you have had of its being fully discussed, whether the Shareholders are not under the impression that the Line was to be *bonâ fide* constructed for £350,000? I cannot answer that question at all.

78. And notwithstanding you say the Directors were acquainted with the circumstance that £400,000 was required, you yourself, acting with the Board of Directors, gave an estimate that it could be opened to the public for £350,000? According to the terms of the Act.

79. I draw your attention to the letter in which there is no mention of "the terms of the Act:"—"And such estimate shows that the said Railway can be opened for traffic for a sum not exceeding £350,000. This estimate is based on liberal prices throughout, and in addition contains £15,000 for unforeseen contingencies?" That was always the understanding between myself and the Directors, and Messrs. Bartley and Kemp. Mr. Kemp often discussed with me the number of engines that could be had for that money.

By Mr. Swan.—80. Are we justified in supposing that it was intentionally caused to be understood although £400,000 was the estimate that it was £350,000 for the purpose of bringing it within the Act? Certainly not. I deny that there is any understanding. I estimated for certain results, and contend it is correct.

By the Chairman.—81. Will you produce that last estimate on which the £350,000 was based, the details? I will if I can.

The Witness withdrew.

W. T. DOYNE.

Hobart Town, 20th September, 1869.

SIRS,

WHEN I was examined before your Committee on the 17th instant I understood that, on my next meeting the Committee, I should be expected to give written explanations on the following points:—

1. The alteration which has been made in the permanent way rails.

2. Alterations in weights of the iron work for Longford Bridge, and the reasons for including the erection by the English Contractors, together with the increased cost involved by such a course.

3. Engineering supervision of the Works executed under Messrs. Overend and Robb's Contract.

All these points are fully explained in the printed Correspondence now before Parliament; and I do not see that they can be made more clear by any additional statements from me: but to facilitate references by the Committee, I append a list of the principal explanatory documents under each head.

1. Memo. of Engineers enclosed by H. Dowling in letter No. 120, page 11. Letter No. 127 (T. B. Bartley to Colonial Secretary), page 20, paragraphs 13, 14, 15.

2. Letter No. 267 (T. B. Bartley to Colonial Secretary), page 153, paragraphs 2 to 5 inclusive. Enclosures accompanying letter No. 177 (Engineers to Secretary), page 189, *(Addenda)*.

3. Engineers' letter to Secretary, dated 23rd March, 1869, 1st par., page 111. Engineers to Secretary, dated 24th April, 1869, par. 4, 5, 7, 9, page 114.

I respectfully submit that, whereas difference of opinion arises as to the mode in which supervision is to be effectually carried out, the only true solution is to be found in the answer to the question—has such supervision resulted in sound and good work? By that test I am prepared to be judged. The chief accusation which has been brought against us, regarding inefficient supervision, has been in the matter of brickwork for bridges and culverts. With a view to enable the Committee to form a just conclusion on this point, I am willing, if they so desire, that they should employ Mr. Henry Hunter, Architect, Hobart Town, to inspect the works and report upon them; he receiving his instructions from the Committee, and I personally undertaking to pay his charges for such Report.

I have named Mr. Hunter because I believe he has never been in any way associated with our works; he has never seen them; and I have not even had any personal acquaintance with him, until I called at his office a few days ago to ascertain whether he would be prepared to make such a Report if required to do so.

I have respectfully to remind the Committee that, in consequence of my having been called upon to give these explanations earlier than was first notified to me, I have been somewhat hurried in their preparation, but I shall be most happy to add any further information the Committee may desire.

I have the honor to be,
Sirs,
Your obedient Servant,
W. T. DOYNE, *Engineer-in-Chief*,
Launceston & Western Railway.

The Honorable the Chairman of the Joint Committee apointed "to enquire into all Matters connected with the Construction of the Launceston and Western Railway."

TUESDAY, SEPTEMBER 21, 1869.

Present—Mr. Davies (Chairman), Mr. Kennerley, Colonel Hutchins, Mr. Maclanachan, Mr. Lewis, Mr. Archer, Mr. Swan.

MR. W. T. DOYNE *re-called and examined.*

By the Chairman.—82. In your answer at your last examination (Question 66) you were asked, "Then do I understand you to say that, to comply with the letter of the Act of Parliament you have referred to, it was the instruction of the Directors, or was that the spirit in which it was carried out?' And your answer was,—"My view of the question is what I have explained. We were expected to do what the Act required, and no more; it being understood that I never relinquished my original position stated in my Report of 1861, that the Railway, to be completed satisfactorily, would require £400,000, and this has never been in the slightest degree concealed by me: on the contrary, it was matter of daily conversation between myself and the principal Directors." Do I understand that you have made a selection of Directors in communicating matters of this description to; and if so, who do you consider the principal Directors of the Company? I have not made any selection at all; I have taken them just as I found them; but there are some of the Directors who attend much more closely to the Company's business and attend the meetings more frequently, and it is those I most communicate with.

83. Has there been any official statement or report to the Directors? I don't think I ever made a written report, but I was in constant communication, in the Board.

84. Then will there be no record found of those proposals of yours, or was it simply casual conversation with those Directors you were in the habit of meeting in the Board Room? That is all.

By Colonel Hutchins.—85. But any oral statement made in the Board Room would be regarded as official would it not? I suppose so.

By the Chairman.—86. Were your statements made orally in the Board Room to the Directors in an official capacity or merely conversational? Merely conversational.

87. Then you are not in a position to say that all these alterations and proposed alterations as referred to in answer 66 are recorded in the minutes and proceedings of the Company? I cannot say positively: on that point Mr. Dowling will be able to answer.

(The Witness handed in answers to questions left open at the last examination.)

88. I refer you to page 115 of Paper 24, in a letter signed "Fred. M. Innes," one of the Commissioners, to the Secretary of the Company, he alludes to supervision in these words:—"The Contracting Engineer, bound by his articles of agreement with the Company (article 2) to employ the necessary staff, superintend the construction of the said Railway and Works in a thoroughly efficient manner, either by himself or properly qualified and competent assistants, to extend over the whole period of construction of the said Railway." Mr. Innes says above that, "That Mr. H. Conway officiates as Inspector of Brickwork, and Mr. Tidy as Inspector of Earthworks, both being servants of the Contractors for the construction of the Railway, and paid by them." Is it usual for paid servants of Contractors to supervise works for the Contracting Engineers? No, of course not; that supervision was for the Contractors. I am personally supervising them myself.

89. Then I understand you by that to say the statement of Mr. Innes is incorrect? It is all untrue. In that paper I handed you I draw attention to the replies.

90. Will you read it, and mark it A. B. and C.? Yes, I have marked it accordingly.

91. Will you read from that what you said in answer to the question? It is calling attention to the documents.

92. Will you read what you said? Yes.

93. Do I understand you to say that neither Conway nor Tidy, whom you asserted to be employed by the Contractors, have nothing to do for the Engineers? Nothing whatever. They were the Inspectors of earthwork and brickwork for the Contractors. Mr. Major and myself alternately superintended these works as Engineers; but Tidy and Conway were instructed in our presence by Mr. Robb, one of the Contractors, to carry out our instructions immediately on their being given without any reference to him. To that extent, and no more, were they acting for us.

By Mr. Kennerley.—94. On instructions by the Engineers without reference to Mr. Robb? Yes; they were Mr. Robb's representatives, but had my instructions without referring to their Principal.

By the Chairman.—95. To whom did they make their report,—these Inspectors,—Conway and Tidy? Their reports consisted in making requisitions for materials. I don't know that they ever made any formal reports: they were all verbal communications.

96. I see by your letter of the 23rd March, 1869, you decline to furnish a return of persons employed by you in the supervision? I did.

97. Will you state to the Committee how many persons are employed by yourself and firm in this work as supervisors? Yes, I shall be most happy to explain the whole case. I declined to submit it to Mr. Kemp and Mr. Innes, as I considered they had nothing to do with the conduct of the Company's works. To the Board of Directors and this Committee I am willing to place every information at their disposal; but I considered their interference an impertinence,—that is, it was not pertinent to their business.

98. Will you state, if you can, what are the powers vested in those Commissioners to render their conduct as you describe it? It is set forth in the Act. I judge by that.

99. The Clause runs in this way:—"And such Commissioners shall have a seat at the Board of Directors of the Company, and shall be entitled to sit and act in all respects as if they were Directors of the Company." Have you read that clause before? Yes, Sir.

100. And having read that, you think those gentlemen having all the powers of Directors, so far as they are individually concerned, impertinent in asking questions as to carrying out the work? As regards the carrying out the details of the work, I think it is.

101. Then do you think it impertinent for the Directors to ask? I do not admit the right of any individual Director, but of the Board.

102. Do I understand you to say that in the event of any two of the Directors wishing for certain information and writing officially for it, whether such Directors are officially appointed or elected, that that is to be construed as an impertinence? I consider it to be irregular.

103. Then do I understand you from the answer you have given to ignore the right of a Director or two Directors to ask officially for information as to the carrying out of the Contract? Yes, if they act individually, and not through the Board. There are 15 Directors, and if each one were to pull at me as they please, I deny their individual right to interfere with me in the management of the work.

104. Then if Mr. Fred. M. Innes addresses the Secretary, drawing the attention of the Board of Directors as a body to any particular object he may have in view, do you think it is irregular? No.

105. You said you considered the interference of Messrs. Kemp and Innes impertinence, and decline to answer questions put by them, but you would answer the Board; did not this application for information come through the Board, as mentioned in the letter of Mr. Innes, page 115?

The Witness withdrew.

WEDNESDAY, SEPTEMBER 22, 1869.

Present—Mr. Davies (Chairman), Mr. Whyte, Mr. Kennerley, Mr. Lewis, Mr. Swan, Mr. Archer, Mr. Maclanachan, Colonel Hutchins.

MR. WM. THOS. DOYNE *re-called and examined.*

By the Chairman.—106. I was asking you, when the examination closed yesterday, whether you did not feel bound to give information to two Directors of the Company, when applied to through the medium of the Secretary; and you said you objected to answer individual Directors who put questions with regard to the supervision. I now put it to you, whether you consider it is proper to object to an application from two Directors writing officially to the Board for the information? It depends whether it is an instruction from the Board: I don't recognise any two individuals.

107. I want to know whether, two Directors asking officially for information, you think you are warranted in refusing it? I say not, if it's an instruction of the Board.

108. Then I understand you to ignore altogether the right of any two Directors to put official questions to you through the medium of their Secretary? I don't see the bearing of the question.

109. I will try and make myself more explicit: for example, Mr. Innes and Mr. Kemp applied for certain information, through the Secretary, regarding the supervision,—and in your letter of the 23rd March you declined, and denied the right of any person to demand such returns? Yes.

110. Then the question I put is, Do you ignore the power of two Directors officially to ask for information at your hands through the Secretary of the Company? Yes.

111. But you have since said that you are quite prepared to give this Committee, and the Directors as a Board, the information? Yes, any information I possess: I mean that on all subjects I am prepared to answer any questions put to me.

112. Are you aware that Mr. Innes and Mr. Kemp are, under the provisions of the Railway Act, not only official Commissioners, representing the Colony, but have also the full powers of Directors? I don't recognise those gentlemen as having the same powers as the Company's Directors with regard to controlling me in my department. I may be allowed to explain: the Commissioners were not parties to the contract into which I entered with the Company,—that contract was made between myself and the Directors appointed by the Shareholders. I view the duties of the Commissioners to be that of guardians of the public money which has been placed at the disposal of the Company, and to see that it is not misapplied in any way; but I deny their right to interfere with me in the detail management of my department.

113. And you say that in the full knowledge of the 6th Sect. of 30 Vict. No. 28:—"Before any such Guarantee is given, and so long as any Bond guaranteed in manner herein provided is outstanding, the Governor in Council shall from time to time appoint Three Commissioners for the purposes hereinafter mentioned, with such Salary and Allowances as the Governor in Council sees fit, and such Commissioners shall have a seat at the Board of Directors of the Company, and shall be entitled to sit and act in all respects as if they were Directors of the Company; and the Governor in Council may at pleasure remove any such Commissioners: Provided that in all acts required to be done by the Commissioners the act of any two of such Commissioners shall be deemed to be the act of the Commissioners"—"entitled to sit and act in all respects as Directors," I understand you to ignore that? If you will allow me, I will put my own construction on it. I am by my agreement with the Company intrusted with enormous responsibilities, and it's absolutely necessary I should exercise sufficient discretion and power in the carrying out of those duties to enable me to be hereafter responsible for my acts. It is absolutely necessary, therefore, that in view of there being 18 Directors including the Commissioners, I should at once decidedly resist any attempt at interference with my management by any one or two particular Directors. So long as I have the sanction of the majority of the Board, I conceive I am acting rightly by acting on my own judgment, and not allowing it to be interfered with. By the Board, I mean a majority of the Board.

By Mr. Kennerley.—114. May I ask what is meant by a majority of the Board; is it when a number of Directors meet and pass resolutions, carrying them by a majority? I mean a decision of the Board.

By the Chairman.—115. You have said, Sir, that you supervised the whole of these works,—you and your firm,—and that Mr. Conway and Mr. Tidy, simply by the courtesy of the Contractors, act under your directions in certain matters? They act on my instructions without reference to their principals.

116. Do those gentlemen—Messrs. Conway and Tidy—receive any emolument from Doyne, Major, and Willett? None whatever.

117. What is the extent, the area over which the works of the Launceston and Western Railway are now proceeding—the length of mileage requiring supervision? That's very difficult to state.

118. Cannot you give an approximate notion of what extent of mileage: the length of the Railway would indicate that, would it not? No, not at all. I can only answer it by a full explanation in detail.

119. I think you should give some approximate estimate, whether 15 or 20 miles in the aggregate, and then explain what is the position of the country under supervision? I can't attempt to put into mileage; I can describe it to you, and can give you the names of those who are engaged in supervision.

120. Perhaps you will give the Committee your explanation? Yes. The workmen are distributed over the Line at intervals for a considerable portion of its length at the present time, but there are long intervals in many places where no work whatever is going on. The object of the Contractors, for purposes of economy, is to construct their Line as much as possible and finish their works in one locality before they move them on to the next. The actual length of work, summed up at all the points where it is in progress at one time, is exceedingly small. Works of this sort are progressive, and are never attempted

to be executed simultaneously. The supervision that I have exercised over these works has been in the first instance by myself and partners, general, throughout the whole extent; and we have employed Assistant Engineers, Inspectors, and Surveyors from time to time, exactly in proportion to the state of the works required. At first, the number of hands besides ourselves was very small; it has gradually increased, until at the present time we have reached the maximum, and are beginning to reduce. I can give a list of those who are at present employed on the works and have been for several months past by the Engineers, the firm, our own staff. The following is a list of the present Engineering Staff on the Line, in addition to the members of the firm, Messrs. Doyne, Major, and Willett:—Mr. W. B. Hull, Civil Engineer, is the resident Engineer of the first section, that is from Launceston to Longford, assisted by Mr. Geo. Chamier. Mr. J. E. Day, Civil Engineer, is the resident Engineer of the second section, from Longford to Deloraine. Mr. Thomas Plummer is the general Inspector of timber and carpentery. Mr. T. Bossley is Inspector of permanent way, and is on the work at all hours with the men. Mr. Borrodaile, Civil Engineer, took charge of the Liffey Viaduct, and the timber flood-openings at Longford, and is now generally employed on the works. I may add, that the supervision that has been devoted to this work has been far beyond that of any railway I have ever known at home, and is, I contend, most ample in every respect. [Witness here put in letter (A.)]

121. There was an important cutting to Cameron's Hill altered from a gradient of 1 in 70 to 1 in 50, was there not? Yes.

122. Will you explain to the Committee why that alteration took place? Yes. The cutting was originally designed to be 60 feet in depth in the deepest part. When we got down to a depth of about 45 feet, we found the material there which was so slippery that it could not be possible to stand at any ordinary slope. Heavy slips had taken place, and there was every appearance of many others following; and it became evident that not merely would it be a very difficult matter to complete the cutting to the whole of that depth, but that it would become an endless source of expenditure for its maintenance afterwards. On considering the matter carefully, we deemed that the safest and most economical way was to raise the gradient at once, and leave the lower part of the cutting in. This raising of the gradient involved an increase in the height of the adjoining bank, and as a portion of the cutting had already been taken out of it, involved the filling in of that again.

123. As now altered will there be less risk of further slopes or caving in? Yes; I consider the cutting as it now exists safe against all but very slight slips.

124. If this alteration had not taken place how much deeper would the cutting have been than it is? About 15 to 17 feet.

125. In the deep cutting where the slopes have had to be flattened is not the contract price per yard considerably more than a shallow cutting? I can't answer that without reference to the Schedule.

126. If you look at pp. 43, 44, perhaps that will assist you? No: that is an imaginary Schedule. I believe Mr. Dowling has it.

By Mr. Archer.—127. To what distance is it usual to bore in testing the character of the soil before deciding on the batter of such a cutting as that of Cameron's Hill? That is invariably decided by the judgment of the Engineer; there is no rule.

128. But surely it is usual to bore a certain distance? I should say it is not usual; I have scarcely ever known it to be done. There is no fixed rule on the subject at all. In this case I made a special request to the Directors to allow me to make the sinking.

129. To what distance did you make the boring in this cutting? I only made one; the course I adopted in this case was to sink one shaft at every point on the line.

By the Chairman.—130. Were not orders for flattening a great many of the slopes given by you without consulting the Board of Directors? Yes; all of them.

131. Is it not customary for you to give orders to the Contractors without reference to the Board of Directors in the prosecution of these works? I could not answer that generally, for the practice is different in different cases. In the matter of the slopes I never consulted the Directors; the slopes invariably settled that question for themselves. I never ordered any of them to be taken down till there was a necessity by their falling down or showed they were about to do so. Wherever it was reasonably possible to consult the Directors before alterations were made I did so, but in the matter of cuttings it was simply impossible to do it.

132. Are you aware that a Resolution was passed by the Directors in October directing that no orders should be given for extra work without being first submitted to the Board? I don't recollect it; there may be one, but I don't recollect it.

By Mr. Archer.—133. Is it the practice of your profession to estimate on the questionable results of an experiment and call it a most careful estimate. I refer to the slopes? I could not answer that question.

134. Are not such proceedings calculated to mislead the Government, the Company, and the purchasers of scrip, as in the Launceston and Western Railway? What proceedings do you refer to?

135. With regard to the first question? I cannot answer it.

136. Do you consider the experiment tried by you with regard to the slopes calculated to mislead the Government, the Company, and the purchasers of scrip? I ask that question on the result of it? I don't understand the question.

137. Can you call this experiment a careful estimate? An experiment is not an estimate. I see no connection between the two words.

By the Chairman.—138. I want to carry your attention back to the first day's examination—your answer to 47. Have you not given evidence before a Select Committee in Queensland condemning the very course you have adopted in Tasmania? Your answer was, "I have not." Now do you mean by

that to say you have given no evidence nor any written opinion to the Commission of Enquiry, or in any other manner to the authorities of Queensland on that point of batter? I gave no evidence which condemned the course I am adopting in Tasmania.

139. Did you give evidence before a Committee? Yes, and on the question of slopes, but the two cases are diametrically opposed.

140. Perhaps you will explain in what they are diametrically opposed? I will. In the Launceston and Western Railway the whole of the cuttings we have had to deal with where slopes have occurred are composed of soft clay, and had to be dealt with as such material is usually dealt with.

141. Is this your evidence, p. 107 (24):—"Have you examined the cuttings on No. 5 Section of the Southern and Western Railway in this Colony? I have examined twenty-four of them, commencing at the upper part of the section and going down. I have examined twenty-four of them. Do you think they will stand at the slopes at which they have been taken by the Contractors? No." That is my evidence.

142. Now was not that ½ to 1? Yes.

143. But you estimated ¼ to 1 for the present work? Yes.

144. But although you condemned ½ to 1 at Queensland, you still estimate ¼ to 1 on this Railway, will you explain? Yes. It is fully described in that evidence.

145. What I want to know is, how is it that you have so materially altered your views? I have not altered my views, but the circumstances are dissimilar. First, as regards the Queensland Line, the question put to me was—Of what kind of materials are these cuttings composed? And my reply was, I think I may, perhaps, save time by reading over my diary of observations made at the time:—"Many of the cuttings are in a most dangerous state; nearly all of them must be flattened, walled, or underpinned before it would be safe to open for traffic. They pass through metamorphic rocks, shales, marls, &c., and are much broken up by hard trap dykes. These materials are full of fissures and loss of cleavage, which admit the rain, and as the action of air and water causes each of them to swell, and break up, slips must take place. In many of the cuttings the rock is under-stratified with thick patches of marl, which almost turns to mud in the action of the weather. This will, doubtless, in time be washed away by the rains, the rock will be undermined, and heavy falls will take place, unless all soft material is reduced to slopes that will retain soil and grass; for unless it is walled and the rock underpinned, all the soft material on the slopes, with the exception of the dykes, will waste much on exposure, and consequently, if they are not cured in some way, there will be a constant expense in clearing the drains, and it will be impossible to keep the ballast from being filled with mud. In other places no stratification exists, the materials being upheaved into confused heterogeneous masses, from which large fragments are certain to work away and fall into the cuttings, unless some measures are taken to prevent them from doing so. Each of these cuttings requires, in my opinion, special treatment, each being an engineering study in itself." The description of the materials at the Launceston and Western Railway are totally different. This extract as to Queensland in Mr. Innes' letter (11 June, 1869) does not bear on the question. I beg to refer to my answer to question 59, on the first day's examination.

146. On the 21st July last year, when you asked authority of the Board of Directors to alter the South Esk Bridge, Longford, did you inform them you had altered the plans, and that a considerable increase in weight and cost would be the result? No, I did not. When you say "altered the plans," altered from what?

147. From the original plans submitted to the Board? It was the original plan that was ordered from England. There was no alteration whatever from the working plans. But some confusion has crept in in consequence of other plans made a long time before, and which were made for a special purpose; but they were done away with. The plans on which we are now working, and on which the material was ordered from England, are the only working plans that have ever been constructed. All the details of those plans Mr. Kemp was fully acquainted with during the time they were being constructed; and when they were finished they were laid before the Directors and Commissioners, and were hung up in the Town Hall, Launceston, for a week, where Mr. Kemp attended almost every day and explained them to the visitors. I repeat that from these plans no deviation whatever has been made.

148. Can you tell us what the estimate was at that time, the estimate of cost of carrying out the work on those plans? That is fully explained in print; there was a long Report to the Board on the subject, but I can give it in very few words.

By Mr. Whyte.—149. Did you originally estimate the Longford bridge to be a bridge of 200 tons? Yes, for the superstructure.

By the Chairman.—150. That was the original estimate? It is all explained in the Report.

By Mr. Whyte.—151. Why then did you consider it necessary to order a bridge of 700 tons? I refer you to my letter of 17th March, 1869, wherein I state: "The estimate of 200 tons weight was supplied late in 1867,—long before we had determined upon bridging the River on the principle now adopted. We then thought it might be done with shorter spans, and consequently with very much less weight of iron in the superstructure; but on fuller study of the whole question we considered it desirable to execute it on the present designs, which involve a greater cost for the ironwork, but largely reduced that for piers and abutments."

152. Did you make that alteration from your belief that a bridge of 200 tons was not sufficient for the Railway purposes? Yes; the spans would be too short. I consulted with many gentlemen in the neighbourhood as to the floods, and was led to believe that we should not have water-way sufficient with the former design.

153. Before you made plans for the construction of that bridge, were the flood marks pointed out to you by the residents, the highest flood marks? Yes; I made very careful enquiries on that subject.

154. And the flood marks pointed out to you I suppose you have ascertained to be true? I ascertained from various residents in Wellington-street, Longford, the exact height to which the water had risen in the two last great floods, as indicated by their door steps, the legs of their beds, and the depth of water on the floors of their houses. These were taken in 6 or 7 different places, and compared with the levels proved to me beyond a doubt that the levels were correct. This had reference to the flood of 1851: that of 1863 I made careful observations on myself.

By Mr. Kennerley.—155. You mentioned in answer to a previous question on this subject, that it was for a special purpose the first plans and estimate for the bridge were made. I would ask what that special purpose was? It was to enable the Commissioners to make an approximate estimate of the cost.

156. Can you inform the Committee what that approximate price was? It is all in Mr. Kemp's evidence, his estimate was £6168 4*s.* 6*d.*

157. That estimate I presume was made for the special purpose of plans being submitted by the engineers to the Commissioners? The special purpose was to furnish an approximate cost to the Commissioners.

158. Then that estimate of the bridge formed a portion of the sum that was estimated to carry out the whole of the work, namely at £350,000? Yes.

159. Were the Commissioners, or was Mr. Kemp, the Professional Commissioner, led to suppose that it would be sufficient for the purpose—that there was no probability of any alteration being made as to the construction of the work at that time. Were the Engineers of opinion that there would not be any likelihood of any alteration being made in the expenditure at the time that estimate was made? We had formed no definite views at all; we merely put down a sum that we thought might be sufficient; we had not decided anything: it was merely an approximation. We thought it would be sufficient.

160. Will you inform the Committee what is the difference in the cost between that estimate and the one on which the bridge has to be constructed? That Mr. Dowling will give you from the invoice. I am not acquainted with it.

By the Chairman.—161. Are you aware that on the 9th February last there was a meeting of the Directors of the Company, when they passed a resolution to this effect, "That the Secretary refer to the Engineers for any information they may possess as to the difference between the Contract cost of the South Esk Bridge and that of the Engineers' estimate of July, 1868?" I can't remember the date.

162. Have you been applied to? Yes.

163. Have you complied with the resolution,—has any reference been made to yourself, as Engineer-in-Chief, for information respecting the difference between the Contract cost and your estimate of July, 1868? I have no recollection of it, but I have no doubt there has.

164. Can you say whether you, the Engineers, have furnished the Board of Directors with all the correspondence had with Mr. Hemans in London with regard to this particular Contract? Yes.

165. Can you say all the works have been faithfully performed under the supervision referred to? They have been; I never saw any better work in my life.

166. Are you in a position to say whether the specified quantities and quality of lime have been used in the mortar? I am.

167. Have the specified quantities and quality of cement been used in the brickwork; and has the cement been gauged? The quantity of cement in the brickwork is in excess of the specification.

By Mr. Archer.—168. Should not the cement mortar of the wings and braces of the bridge at Longford now be hard? That is all lime, there is no cement in that; only the arches have cement, the whole of the other is in common lime. To reply to the other part of the question: it should not be hard, and will not be for a year or two.

By the Chairman.—169. Have the bricks been burnt with coal, in accordance with the specification? No; they have all been burnt with wood.

170. Will you explain to the Committee the reason for departing from that part of the contract? Yes; if the Engineer thinks fit in the specification to state that bricks shall be burnt with coal, clauses of that description are merely introduced to give the Engineer the power to enforce the use of coal if the Contractors are not making bricks equal to the quality he is bound to do. The bricks burnt at Longford are burnt with wood and are of an unusually high class, so much so that I doubt if there would be any improvement in burning them by coal, and it would certainly have taken a much longer time to get them made.

171. Had the specification said the bricks should be burnt with wood, do you not think the contract price would have been much less? I don't suppose it would.

172. Is wood more readily and easily obtained and at a cheaper rate in the immediate neighborhood of Longford where these bricks were burnt? I don't know. The cost of burning bricks is not affected solely by the price of the fuel; there are many other considerations which very largely affect the cost; for example, the details of construction of the kilns especially; and in allowing the Contractors to burn with wood we insisted on all the arrangements being brought to as high a class as possible. Thus it will be seen that the difference between the price of coal and wood does not represent in this case the difference between the cost of the production of these bricks being burnt by coal or wood.

173. Did you consult the Board of Directors with regard to the alteration of burning with wood instead of coal? No, I never consulted them on any mere technical point which did not involve an expenditure of money.

By Mr. Archer.—174. Will the bridge across the river be above the height of the level of the high flood spoken of just now? The highest flood will not reach to within three feet of the under side of the girders of the bridge across the river.

175. How much above the height of the highest flood is the crown of the highest arch? I could not say without going to the drawings.

176. How high is the lowest? The lowest is higher than the iron bridge.

177. How much of the entire length of waterway is taken up by the piers, embankments, &c., to the foot of the hill called Clerke's Hill to the Main Road leading from Longford towards Carrick? I can't tell; the plans will show to an inch. I will answer you another time.

178. I want to know what obstruction there is to the original water-way across that flat? I cannot tell without going into the plans. The clear water-way is 800 feet free from anything. I will furnish it from the plans.

By the Chairman.—178. I must take you back to Cameron's Hill. Will the engines take the same rate by the altered gradient, 1 in 50, as they would by the original gradient of 1 in 70? No.

179. Then I assume from that the altered gradient will add to the cost of working the Line? No, it will not.

180. In what respect will it militate against the working of the Line, if it does militate against it, on this altered gradient? Practically it will produce no effect: nothing that could be estimated.

181. Then it is a matter of no moment? No moment whatever, on account of the distance being so short.

By Mr. Whyte.—182. You had a Contract as Engineer for a Railway in Canterbury, New Zealand? I was Engineer in the same manner as on this.

183. Were the terms of the Contract precisely the same as that of the Launceston and Western Railway? As nearly as possible.

184. With reference to the Launceston and Western Railway, had you the discretion of giving instructions for supplies and materials, and giving directions as to the conditions on which they were to be furnished? Yes.

185. Is it in accordance with professional usage for the engineer to share in the commissions allowed to Consulting Engineers at home? Not that I am aware of; it is not my practice.

186. Did you construct a bridge over the Selwyn in Canterbury, an iron bridge? I designed one, and it was partially erected under Mr. Major, who was then my representative there, but it was never completed by us.

187. Was that bridge swept away afterwards by a flood? It was, it being in an incomplete state, it never was finished; the Contractor neglected to do some of the most essential portions of it.

188. Will you state the difference between your estimates for the whole of the bridges in 1862 and 1867, where differences exist? Mr. Dowling will produce the details of the estimates of 1862, and the Contractors' Schedule under the present contract, which will give each item exactly.

By Colonel Hutchins.—189. You promised an answer to questions 32 and 33, referring to the authority under which the rails were altered? I should not like to speak from memory; Mr. Dowling is fully in possession of everything that has taken place, and I must leave it to Mr. Dowling to answer.

By Mr. Archer.—190. Do you not think your estimates, based as they were on questionable results, calculated to mislead the Government, the Company, and the purchasers of scrip, the shareholders, I refer to the slopes particularly, on the Launceston and Western Railway? That is a matter of opinion altogether.

The Witness withdrew.

MR. HENRY DOWLING *called in and examined.*

By the Chairman.—191. Your name is Henry Dowling? Yes.

192. You are the Secretary to the Launceston and Western Railway Company? I am.

193. Do you produce, in accordance with the summons of this Joint Committee, the whole of the books, papers, and vouchers of all descriptions whatever, for their information? I do.

194. And you now hand them in? Yes; they are in the boxes.

195. Will you now produce the Minute Book? Yes.

The Witness withdrew.

THURSDAY, SEPTEMBER 23, 1869.

Present—Mr. Davies, (Chairman), Mr. Kennerley, Mr. Swan, Colonel Hutchins, Mr. Maclanachan, Mr. Whyte, Mr. Lewis, Mr. Archer.

MR. HENRY DOWLING *called in and examined.*

By the Chairman.—196. Your name is Henry Dowling? Yes.

197. You were one of the original Promoters of the Launceston and Western Railway were you not? Yes, Sir.

198. And you have been connected with all the steps taken to get the several Railway Acts passed? Yes, my impression is that I have.

199. Were you Secretary or Hon. Secretary of the embryo Company which preceded the formation of the present one? I ask the Chairman to kindly explain what he means by an embryo Company.

200. Was there any other Railway Company, Provisional or otherwise, in existence prior to your being Secretary to the present one, with which you were connected? All Companies have Provisional Directors, as far as I know.

201. Was there any other Company before the present one in which you were acting as Secretary? Yes, but it was not really a Railway Company.

202. You were one of the promoters of a Carrying Company? Yes.

203. What are the salary and emoluments of your office as Secretary at present? £600 a year.

204. Was that the first salary fixed? That was the first salary fixed.

205. And so remains? And so remains.

206. Will you have the kindness to explain to the Committee what are your general duties as Secretary? My general duties as Secretary are those which generally appertain to the office of Secretary, comprising the general supervision of the office.

207. I must refer again to your salary: have you never received any increase of salary since your first appointment? Never.

208. Nor have you applied to the Board of Directors for one? No.

209. At what cost were the Company induced to believe a Railway could be constructed and provided with requisite stations, engines, carriages, and the interest during the construction covered, when the first Railway Act was passed? £400,351: as may be found page 14, Paper No. 41, of 1863, and in Mr. Doyne's Report to the Directors, of 25th February, 1861, which Report corresponds exactly with the Paper of 1863.

210. You are aware that the Act amending the Act 30 Vict. No. 28 reduced the Sum which entitled the Company to receive £300,000 from £100,000 to £50,000? Yes.

211. Why was the reduction from £100,000 to £50,000 made—was it asked for by the Promoters? Certainly.

212. Was it the opinion of the Engineers that the undertaking could be efficiently completed for the Sum of £350,000? Certainly: efficiently, so far as the stability of the Railway works went, but not as regards its future working: for that the Directors depended on raising the additional Capital prescribed by 29 Vict. No. 24.

213. Were the Shares of the Company generally taken up in the belief that £350,000 would suffice to open the Railway? It is quite impossible for me to say what might be the general opinion: I can only speak of my own, as a large shareholder, and that of the Directors.

214. What was the opinion of the Board of Directors on that subject? I believe that the Directors fully confided in the Report of their Engineers, that the Line could be opened for traffic, and the Interest paid during construction, within the £350,000; but I am sure, from the official papers here, that they always looked to the raising of the additional £50,000 when the opening of the Line had given confidence to financial men, and as I have had the honor of communicating to the Government, as will be found in Letters 161, 166, 177, and 301, of the Parliamentary Correspondence (24) of 1869.

215. Do I understand you to use the word efficient, the opening of the Line efficiently? I use the term efficient solely as to the construction of the works, which the Directors understood were to be as sound in every respect as an English Railway,—only that it would be a single Line, and including sufficient stations and railway stock for the opening of the Line for traffic.

216. Do you mean by that that the line was to be efficiently opened, or merely opened to literally comply with the provisions of the Railway Act? I mean that I have no doubt the Directors expected a perfectly efficient Line of Railway and works, with rolling-stock, sufficient to meet the traffic of the District; but I also believe that the Directors felt that if they did not succeed in raising the additional capital, of which they had no doubt, it would be very trying on the machinery and rolling-stock generally; as they were aware that these were reduced to a minimum.

217. Were the Promoters or the Shareholders put in possession of those views, or rather were they not deceived, because there was reticence on the part of the Directors in giving publicity to those peculiar ideas? I am not aware of any reticence on the part of the Directors, and therefore cannot understand how there could be any deception.

218. Did the Directors make any such statement as that you have already detailed to the Promoters and Shareholders with regard to the raising of the additional £50,000? I am not aware of any official report to that effect. I will examine the papers of the Promoters, and if I find any such document I will give it in.

219. Were the Directors elected when the first proposal of subscribing £100,000 was made? No, not until after the passing of the Act 30 Vict. 28.

By Mr. Kennerley.—220. Who were negotiating with the Government at the period, with respect to the conditions on which the loan was to be granted? The original negotiation with the Government took place on the part of a body of gentlemen at that time called Promoters of the Launceston and Western Railway: the names of the gentlemen representing those Promoters are in the Preamble to Act 29 Vict. No. 24.

By the Chairman.—221. When did the Company commence its existence? The Company actually came into existence by the election of Directors on 25th March, 1867.

222. You are aware of Mr. Doyne's letter to the Commissioners, 5th November, 1868, stating that the Railway could be opened for traffic for a sum not exceeding £350,000 (page 13, paper 16, 1868)? I am.

223. In the face of that knowledge the Directors, as you say, had the idea of raising the additional £50,000 after the Line was opened? I believe the Directors never altered their opinion on that subject from the time I have first named, as will be found in their letters to the Government of a recent date, which I have already given you.

224. Was the £50,000 paid into a Bank, in compliance with the 4th Section of 30 Vict. No. 28, to the credit of the Launceston and Western Railway Company and the Commissioners? Yes. I produce the pass-book of the Bank, showing £50,000 paid into the Union Bank on January 30th, 1868, to the credit of Launceston and Western Railway Company, Limited, and the Commissioners.

225. Was that subscribed *bonâ fide*, or was the amount raised partly by subscription and partly by the Directors becoming security to the Bank for the difference between the amount subscribed and the deficiency, if any? There was a *bonâ fide* subscription list registered in the Supreme Court for £52,680, the arrangement with respect to it being that the subscribers should pay in eight instalments of three months each, by promissory notes. Those securities, as far as then collected, were lodged with the Union Bank, and twelve gentlemen entered into a joint and several bond in the penal sum of £25,000. The £50,000 was then paid by those gentlemen to the Chairman and Directors of the Company, and the Chairman and Directors gave their cheque to the Union Bank for the sum set out in that pass-book.

226. Does the Union Bank hold any Bond over the Railway Works for the repayment of that amount? None whatever.

227. Nor other security whatever? Nor other security whatever.

228. Are you a Shareholder yourself, and if so, to what amount? I hold 58 shares in the Stock of the Company, £1160, all paid up.

229. When you took shares were you under the impression that the Line could be efficiently opened for £350,000? When I took shares I was under the precise impression I stated I believed the Directors to be under, and I still remain under that impression.

By Mr. Whyte.—230. That impression was that it would cost £400,000? Yes.

By Mr. Archer.—231. Do you not think many persons were induced to take shares under the conviction that £350,000 would be all that would be required for the said Railway, for construction and efficiently working? I don't think so. I never heard an instance.

By Mr. Lewis.—232. Was the Share List, as it exists at the present time, filled up before the reduction took place from £400,000 to £350,000? Certainly not. It was the difficulty of getting a Share List for the original capital which kept back, in my opinion, many persons from subscribing, from its entire uncertainty. That led to the application to Government to ask the Parliament to allow the Company to commence operations on raising £50,000 capital. When that consent was obtained, successful efforts were made to complete the £50,000 Subscription List.

233. Does it now appear to you to be practicable to obtain the sum required to complete the works by Shares? I do not think it practicable, for the reason stated in the Correspondence, (No. 24.).

By the Chairman.—234. Was your salary as Secretary to the Launceston and Western Railway Company sanctioned by the Commissioners? I answer generally it was approved, and they have always paid.

235. Was it with the concurrence of the Commissioners? Yes, with the full concurrence of the Commissioners; their concurrence has been practically shown in signing the cheques for the monthly payments. The salary was first fixed 28th July, 1868. I never received any until then.

236. Has the Company concluded all its arrangements with the owners and occupiers of private land through which the Railway passes? Very nearly so. There are but 2 remaining for settlement.

237. Have you a nominal list of the parties claiming compensation from the Railway Company, and a list of the amounts claimed? I have, showing acreage amount of claims, amounts awarded, and law costs in each case. (Paper B. handed in.) This paper is made up to the latest moment, and is about £1000 in excess of the estimate sent in on the 28th July.

238. Did the Board of Directors send the orders to England for the plant, railway stock, &c. through the Directory, or were they sent by the Engineers? The Engineers in the first place applied to the Board of Directors for permission to order, and then reported their orders to the Board.

239. Was not a Resolution passed by the Directors in October last with regard to this subject? On the 13th October, 1868, there was a motion that, in the ordering of any materials for railway work, it be submitted to the Board for their approval before any action was taken. Everything had been ordered then except carriages, as will be seen by the Parliamentary correspondence.

240. Have you in your capacity of Secretary any emoluments by way of commissions or otherwise on these Railway works? None whatever; and I may say I am bound to give my whole time in consideration of the salary.

241. In referring back to this Resolution of 13 October, 1868, will you inform the Committee what gave rise to such a Resolution? My impression is that it arose from some Member of the Directory considering that detailed orders should go home through the Directory.

242. Was not the Resolution arrived at in consequence of some misunderstanding about the invitations for tenders for Railway carriages? I think not; but the misunderstanding was as to orders which had gone home through the Engineers.

242. Have the Commissioners been refused access to certain letters when asked for? I never knew such a thing. I refused Mr. Kemp once, and I think I might put it to the Committee whether I might not state it. You will see it by the correspondence, and the Attorney-General's opinion. Mr. Kemp was refused to look at a Colonial Secretary's letter a quarter of an hour before the Board sat. The Commissioners were never refused, nor were the Directors ever refused. The question was raised by Mr.

Kemp whether he had not a right as a Director to see any papers in the office. I had very good reason in the interests of the Company for denying that Mr. Kemp was a Director unless the Board was sitting, and I refused him a letter which he would have had the opportunity of hearing read in the meeting of the Board. I refused it because he claimed to take copies of letters which had not been before the Board at all, and then to use them in his capacity of Commissioner.

243. By that I assume you did not recognise the Commissioners as Directors until they sat at the Board under the 6th Section 30 Vict., 28? Clearly so; and the Attorney-General has fully confirmed my opinion.

244. In the printed correspondence (letter 120, paragraph 6, paper 24), you have styled yourself as "Manager" as well as Secretary,—will you state your authority for assuming that distinction? It was an error on my part; the word "Manager" arising from the fact that the motion on my appointment was that I should be appointed "Secretary and Manager," and I overlooked an amendment stating that I should be Secretary. It was never used except in that case.

245. In the whole of the printed correspondence before the Committee and Government have you expressed your own views, or those of the Directory for whom you were acting as Secretary? In general cases, where time had allowed, I have submitted drafts of letters to the Board; but in most cases, as the Committee will see, the Secretary is obliged to take the responsibility of the correspondence, waiting the confirmation or otherwise of the Directory. I am happy to say that in my case I never had a letter rejected; wherever a question has arisen my action has been confirmed. I may therefore say the correspondence really is the correspondence of the Directors.

246. But was not a Board meeting held on the 24th November last, at which a resolution was passed disapproving of your replying to the Government correspondence without previously submitting it to the Board? On the 24th November it was moved, "That the Secretary having replied to the correspondence referred to the Directors by the Colonial Secretary on the 19th instant, the Board of Directors do not approve of such reply having been made before the correspondence had been considered by the Board." Motion put and lost. Division called for—Ayes 3, Noes 6. The names were, *Ayes*, Dodery, Scott, Tyson; *Noes*, Green, Grubb, Webster, Sherwin, Crookes, Bartley. It was then proposed, "That this Board approves of the letter of the Secretary in replying to the Colonial Secretary's letter of the 19th." On a division, *Ayes* 6—Crookes, Green, Sherwin, Grubb, Robertson, Bartley; *Noes* 2—Scott, Dodery.

247. Was there not another occasion, 18th May, 1869, on which your conduct was disapproved of in respect to correspondence? 18th May, 1869, attention was called by Mr. Scott to the Secretary's letter of the 12th instant to the Colonial Secretary; and he moved, "That the letter addressed by the Secretary to the Government of the 12th May, with reference to allowances to Commissioners, exceeds the instructions given to him by the Board," and this being seconded by Mr. Tyson, was lost. A division was called for. *Ayes* 5—Scott, Tyson, Dodery, Kemp, Innes; *Noes* 6—Crookes, Green, W. Gibson, Robertson, Grubb, Bartley.

248. Did not some one or more of the Directors make complaint to the Board that information respecting the Longford Bridge had been withheld at the last annual meeting. (Minutes of 27th April or 4th May)? On the 27th April a question was raised, a question of privilege by Mr. Dodery, "Mr. Dodery having brought under the notice of the Board that certain information he had asked from the Secretary with reference to the Longford Viaduct had been withheld by that Officer, the explanation of the Secretary was deemed by the Board perfectly satisfactory."

249. On the 21st July, 1868, when Mr. Doyne asked authority to order the South Esk Bridge, did he inform the Board that he had altered the plans, and that a considerable increase of expenditure would be the result? I don't believe he did at that time; there is nothing on the Minutes—the Minute is simply, "That such authority be given."

250. Was there any thing said at any time with regard to the increased cost on the altered plans when the authority was asked for sending home for the bridge? I first heard of the alteration of the bridge in March 1868.

251. Was it then intimated that additional cost would be the consequence? I don't think it was.

252. But had it ever been intimated to the Board previous to sending home the order that there would be an additional cost to that which was originally estimated? I don't remember that anything came up about it until the Contract was reported from England.

By Mr. Archer.—253. Was the Commissioners' consent obtained when the proposed alteration was made in the cost of the bridge and rails and before the same were ordered by the Engineers? Not to my knowledge, and in the correspondence it says the Commissioners represent that they knew nothing of it.

254. Did not the Act make it necessary that the consent of the Commissioners should be obtained before any alteration was made in the Contract? Of course it does, but there was no alteration in the terms of the Contract: there was no Contract.

255. Then you do not consider that the estimate of rails and bridge formed part of the said Contract and construction of the Railway? It certainly formed no part of the Contract, inasmuch as it was always determined that the Contractors for the works should not supply the iron; I understand it never is done: but the Commissioners had before them the estimates of the bridge and rails in July.

256. That is the latest estimates before the same were ordered? Yes, before the same were ordered.

By Mr. Lewis.—257. Did the Engineers give the extra weight and estimated extra cost of the bridge as altered before they had the assent of the Directors to forward the order? I think not. I have stated in the correspondence that I believe they were not aware of the weight until they got the quantities from home. I believe they were as much surprised as the Board as to the weight.

258. Did the Engineers submit the plan of the bridge as altered? Yes, in the previous March.

259. Without any estimate of the probable cost? Just the drawings.

By Mr. Archer.—260. Then you consider the item of rails and bridge formed no part of the Contract into which the Company entered with the Government for the construction of the said Line for £350,000? There was no Contract with the Government, but the Company included the estimate of rails and bridge in the £350,000.

By Mr. Kennerley.—261. But the original estimate of £6600 for the bridge was included? Yes; my own opinion has always been that the transposition of these two items of £11,000 and £6600 caused the confusion; but I do not believe that any official communication was made respecting the increased cost.

By the Chairman.—262. I refer you to Mr. Kemp's letter 204, page 83 (24)? Yes; I have it.

263. Will you read the 2nd paragraph? Yes. "After previous correspondence I will not occupy your attention with the difference between myself and Messrs. Doyne and Company as to the increased cost of the Longford viaduct, consequent on their change of plans. The extent of the increase will shortly be known, and until then I can wait. But the Directors of the Company have shown, by Resolution, that THEY were taken unawares by change of plans, and I can confidently repeat, that so was I. I relied that the orders which they would transmit to England would not be different from the schedule of quantities furnished to the Commissioners in October, 1867, and the estimates of the 16th July, 1868, printed by order of Parliament, otherwise I should not have failed to advise my fellow Commissioners."

264. Having read that paragraph, what Minute was made by your Board of Directory in consequence of the action taken by the surprise of the Directors? On the 6th October, Mr. Kemp brought under the notice of the Board, that in the letter of the Engineers to Mr. Hemans, dated 10th July, read during Mr. Kemp's absence at Melbourne, he found that they had adopted a 72 lb. rail in lieu of a 65 lb. rail, as given in Mr. Doyne's Schedule of quantities furnished to him, and which involves an additional cost of nearly £5000. It was moved by Mr. Green, and seconded by Mr. Webster—"That the Engineers be requested to explain the circumstances under which those alterations had been made." That was crried.

265. Did the Engineers comply with that Resolution? I have no doubt of it. On the 7th October I forwarded a copy of the Resolution to the Engineers, and I have a minute on the 13th October of a reply of the 12th. I will produce the reply to-morrow.

By Mr. Archer.—266. From the answer given by you just now it would appear that this statement by Mr. Kemp was incorrect, that Mr. Kemp, the official Commissioner, was not made aware of the alteration in the bridge and rails: Mr. Kemp says he was not made aware of it? (Letter 204.) I believe I am correct in my former reply, and I am confirmed in that view by the letter of the Engineers (p. 189, Addenda), in which they say:—"Mr. Kemp was acquainted with these designs long before the Contract with Messrs. Overend & Robb was let, or any orders sent home for iron work. Under these circumstances it did not occur to us to be necessary to call the attention of the Government to the fact that the work could not be done with the weight before named. If necessary at all, it was clearly the duty of Mr. Kemp to call the attention of his colleagues to this patent fact, that *they* might advise the Government as they thought best."

The Witness withdrew.

FRIDAY, SEPTEMBER 24, 1869.

Present—Mr. Davies (Chairman), Mr. Whyte, Mr. Lewis, Mr. Swan, Mr. Maclanachan, Mr. Archer, Colonel Hutchins, Mr. Kennerley.

MR. HENRY DOWLING *recalled and examined.*

By the Chairman.—267. Do you now furnish the reply of the Engineers to the resolution of the Board of Directors of the 6th October, 1868? Yes; the reply of the 12th October. The paragraph on permanent way is the answer.

(Letter marked C., 12th October, 1868, put in.)

268. When the estimate was first given for the 65lbs. rails, that was in connection with the first estimate for the sum of £350,000 to open the line for traffic, was it not? I don't know anything about the 65lbs. rails of my own knowledge, only as I have seen it in the published papers.

269. Did the Engineers estimate officially to the Board of Directors their alteration from 65 lbs. to 72 lbs.? I never heard of any alteration even of the 75 lbs. in the original Report to 65 lbs., or from 65 lbs. to 72 lbs., but I see by the printed papers that such a Report was made to the Commissioners.

By Colonel Hutchins.—270. But the Commissioners did not authorise the alteration? No, not to my knowledge; it was merely reported by them to the Government in July, 1868, as I gather from the printed papers.

By Mr. Whyte.—271. There was a deviation of course? I understand so from the papers.

By the Chairman.—272. Have you any doubt about it? None at all.

273. Do you know of your own knowledge that there was a deviation? Yes; that has been stated in the resolution of the 5th October, just read.

By Colonel Hutchins.—274. Then as guardians of the public funds ought not the Commissioners to be informed of every detail of disbursements? I understood they were, fully.

275. With respect to this substitution? I am not aware of any particular case; it is not within my department.

276. Are you aware, as the Secretary to the Company, that by this departure from the 65 lbs. to the 72 lbs. rails an additional cost is imposed on the Company of £5000? No, I am not.

By the Chairman.—277. But all these deviations as to the rails have been carried out by the Engineers, Messrs. Doyne, Willett, & Co. without any official communication or authority from the Directors? There was no direct authority as I am aware, but I am aware that sections of all drawings were submitted to the Board and Commissioners in March, 1868.

278. That is not an answer to the question. Are you or are you not aware, in your capacity as Secretary, that this departure and additional expenditure were made without the authority and knowledge of the Board of Directors? I have no official communication as Secretary with regard to any alteration.

279. Nor the Board? Nor the Board.

By Mr. Swan.—280. Do you know whether or not the alleged increased weight of the rails will increase the cost of the line by the sum of £5000? I am aware it has been so alleged.

281. I want to know if you are aware of it as a fact? I don't believe it. My own opinion is that it is not right, and that the whole amount of alterations in the weight of iron will not much exceed £5000.

282. Can you tell us precisely what is the difference in cost between the light rails and heavy rails on the whole line? No, I could not without carefully looking into the matter; it is really not a matter that should be submitted to me.

283. You have stated that the increased cost of the use of heavier rails would not be £5000: can you give us information as to how much below £5000 it would be? No, I cannot. I have never made any calculation in details as to any one particular item, but I have on the whole, and I make it only £5083 on the whole of the alterations.

284. Alterations as to iron work? As to the weight of iron work.

By Mr. Lewis.—285. Were the deviations of the weight in rails, and the consequent increase of that item in the permanent way, ever brought under the consideration of the Board of Directors and the Commissioners? Not previous to the transmission of the orders.

286. Then did the Engineers make that alteration without in any way consulting the Board and the Commissioners? Yes, so far as my official knowledge extends they never consulted the Board on engineering details.

287. Had the Engineers the option of making the deviation without consulting the Board and Commissioners? Clearly they had.

288. And could that apply to a larger sum than £5000 of material or works? It appears to me clearly it could.

289. What I want to know is, is the Company in respect of construction of this work and the cost of it entirely in the hands of the Engineers? I think so, as far as the professional questions go: that the Company have, in fact, reposed entire confidence in them as the Engineers of the Company, and that expresses that it would leave such things to them.

290. Leave them to make such alterations of the plans and specifications as they may deem advisable at any time? No, I don't think the Engineers are placed in that position; but in any serious alterations in the plans—as, for instance, in the gradient or otherwise of the Line—they would consult the Board.

291. Then the increase in the weight of the rail is a minor consideration as compared to an alteration in the gradient or a material deviation in the length of the Line? I think so; because in those estimates they had provided for contingencies a sum of £10,000, and the increase in the cost of rails had to do in some measure with the increased rate in the market at the time the order was estimated and the time it was executed.

By Colonel Hutchins.—292. Are we to understand you to say it is discretionary with the Engineers to make alterations involving additional cost? I don't wish to be understood altogether so; but I say, as professional advisers of the Company, great discretion has been allowed them in questions affecting the permanency of the Railway; and in illustration of that I may add, that there are occasional minor alterations as they proceed,—a culvert might be left out in one place and put in another,—and they are reported to the Board and Commissioners.

By Mr. Swan.—293. In your estimate of £5080 for increased cost of iron, do you put that sum as the increased cost in the English market, or do you include freight and charges up to the time of laying the rails on the Line? I do not include freights and charges; I confine myself simply to the increased price of the contracts over the estimates. I may add, if I were to include freight and commission it might make a difference of £11,250, as stated in the Paper 1st September. Both freights and insurance are very largely in excess of the estimates.

By the Chairman.—294. How many Directors compose the Board? Fifteen, Sir.

295. How are they elected? They were elected by Shareholders at public meeting assembled, and under the rules of the Company.

296. And all of them were elected in public meeting? Excepting in the case of retirement of any of the elected Members, then they are filled up by the Directors.

297. What is the original number allowed by law? Fifteen by the rules of the Company.

298. How long is it since any of those Directors retired by rotation? They don't retire by rotation.

299. Then they are a permanent body? They are a permanent body during the construction of the Line, I take it. I may state, of course, except in cases of disqualification.

300. By what authority do they remain a permanent body in that respect? By a vote of the Shareholders in public meeting assembled.

301. Do not the Acts of Parliament provide for the election of the Directors and their retirement by rotation annually? No; the Acts of Parliament make no such provision.

302. Under what law are your Directors elected? Under the provisions in 23 Vict. No. 12, known as the Joint Stock Companies Act, which Act authorises the Company to make rules, among other things, for the election of the Directors.

303. Did your Company make rules under that Act? Yes, Sir.

304. Will you read to the Committee the rule authorising the Company to elect their Directors permanently, if such exist? Yes. The second special resolution of this meeting is as follows :—" It is also resolved and agreed that the Regulations and Table B., Nos. 49, 50, and 63, and the Regulations of Articles of Association, Nos. 12, 16, and 17, so far as they affect the future elections of Directors, shall cease to apply, and no election of Directors by the Shareholders shall take place until the personal responsibilities incurred by the said Directors are satisfied by the Company; and the Directors shall fill vacancies occurring in the Directory by the appointment of qualified Shareholders; and such Directors so appointed shall hold office until all liabilities as aforesaid shall have ceased."

305. Then the whole of the body are now rendered permanent till all the liabilities of the Company are swept away,—paid off? Until all the liability of the Company to them ceases. In this respect my former answer I find to be incorrect as to their continuance until the construction of the line is complete.

306. The certificates for the payment of the Contractors are brought before the Directors monthly, are they not? Yes.

307. Have a majority of the Commissioners been satisfied with the data furnished by these certificates? No.

308. In consequence of that dissatisfaction have the Directors demanded additional data from the Engineers—I refer you to the original Resolution of 25th May last? Yes; at the meeting of the Directors on that date, it was moved by Mr. Grubb and seconded by Mr. Robertson :—" That two of the Commissioners having absolutely declined to sign the cheque on the last monthly certificate of the Contractors unless the Directors will agree to demand from the Engineers that the data set forth in the annexed Memorandum of this date marked A. be supplied to the Board within ten days from this date, in accordance with the Form marked B. also hereunto annexed, and continue to furnish the same with each certificate,—Resolved that the Secretary forward to the Engineers the said demand, namely,—that the data set forth in the annexed Memorandum, May 25th, marked A., be supplied to the Board within ten days from this date, in accordance with the Form B. also hereunto annexed,—and continue to furnish the same with each certificate."

309. Was any reply elicited from the Engineers to that, and if so, will you produce it? Yes. (Handed in, marked D., page 96, Paper 24.)

310. Then Messrs. Doyne, Major, and Willett declined to abide by the request of the Commissioners, as appears by their letter? Yes.

311. Did the Directors take any further action in that matter? was not that Motion rescinded in July last? It was, on the 20th July last.

312. Will you read the Resolution? It was moved by Mr. Grubb, seconded by Mr. Gibson,—" That the Resolution of which the following is a copy was, on the 25th day of May last, proposed to this Board at the suggestion of Mr. Kemp, with the view, as then distinctly stated by him, of inducing Mr. Innes to sign the cheque on the ninth monthly certificate, then over due to the Contractors; viz.—(*vide* the Resolution, *supra.*) That upon such Resolution being proposed, a Deputation from the Board, consisting of Mr. William Gibson and Mr. Grubb, waited on Mr. Innes at the Office of the Commissioners to ascertain from him whether, if such a demand were made by the Directors, he would sign such cheque; to which enquiry, Mr. Innes, without directly pledging himself to sign it, replied that such demand being made would have great weight in inducing him to do so: and the whole tenor of his reply was such as to lead the deputation to believe that such would be the result of such demand; that, upon the Deputation returning to the Board and communicating the result of their interview with Mr. Innes, the said Resolution was put by the Chairman and carried, and such demand on the Engineers was forthwith made by the Secretary: that on the same day, shortly after the Deputation left Mr. Innes, he addressed a note to Mr. Grubb as follows :—

25th May, 1869.

My dear Mr. Grubb,

While the understanding on which you and Mr. Gibson left me is fresh on my mind, I desire to put it on paper. I distinctly decline to enter into any engagement, or bargain, or consideration of any resolution the Directory may adopt, calling upon their Engineer to comply with the demands of the Commissioners as to the form of Monthly Certificates to be furnished with the accounts of Messrs. Overend & Robb. But if, irrespective of any understanding with me, the Company require their Engineer to give the certificates demanded by the Commissioners, the Company having taken that step would be a very strong inducement to me to take upon myself the responsibility of signing the cheque for the last month; but I reserved my decision on that matter till after my return to Hobart Town by to-night's mail.

(Signed) F. M. INNES.

That, notwithstanding such demand on the Engineers was so made by the Directors under the full impression, founded on his said reply to the Deputation and his subsequent note to Mr. Grubb, that he would sign such cheque, he refused and persisted in his refusal to do so. That, as the sole and avowed object was defeated by Mr. Innes under the trying circumstances aforesaid, such Resolution be now expunged, and a copy of this Resolution be forwarded by the Secretary to the Engineers." The word "expunged" being replaced by "rescinded," that is the Resolution as carried.

313. Was there a division on that? Yes.

314. Will you read the names? *Ayes*—Crookes, Button, R. Green, Grubb, W. Gibson, Bartley. *Noes*—Webster, Dodery, Scott, Joseph Archer.

315. What has been the ultimate result of that rescinding of the resolution, and the Engineers' refusal to furnish the data? The ultimate result was an appeal to the Executive, and an arrangement with regard to the future.

316. Will you state briefly what was the arrangement? There was an adjustment of the difficulty, for which see letters 230 to 240 inclusive, p. 118, No. 24.

317. Those papers explain the arrangement? Yes, taken in connection with the Memorial to the Government found in the same papers, at p. 94.

318. Is there any question of dispute between the Contractors and the Company about deductions on extra works since March last? The dispute, I take the Chairman to refer to, would rather be not on deductions, but on the principle of calculating the extra works under the terms of the Contract, and which dispute was reported to the Board by the Engineers on the 30th March, 1869, in the form of copies of correspondence between the Contractors and the Engineers. (Correspondence marked E. put in.) This is a question that must be ultimately decided by arbitration, the amount being £2685 15*s*.

319. *By Mr. Whyte.*—Does that refer to one portion of the side cuttings? That was the item then in dispute.

320. The principle contended for in the correspondence would apply to all the cuttings, I presume? Only where alterations from the specification took place.

By the Chairman.—321. What are the powers the Engineers have given themselves in the conditions of Overend & Robb's Contract? The powers, of course, are very full. There is a copy at p. 76, Paper 24.

322. Mr. Theodore Bartley is one of the paid Commissioners, is he not, for the Company? Yes.

323. Is he not, also, one of the negociators upon applications for compensation for land? He is the sole negociator on behalf of the Company.

324. What are the salary and emoluments of that office? That question has never arisen at the Board.

325. Do I understand that Mr. Bartley performs the duty of valuator of the Company gratuitously, or does he get paid by fees, or in any manner whatsoever? There has been no demand for fees; my own opinion is that some arrangement will have to be made.

326. Are there any minutes as to the appointment and emoluments? Yes. On 24th July, 1868, Mr. Robertson moved, and Mr. Crookes seconded, that Mr. Bartley be requested to act as Negociator in the purchase of land. That is the minute.

327. Are you enabled to say if that gentleman is acting honorarily or otherwise in that capacity? I can only say as before, that no question has been raised as to emoluments. But my impression always has been that there will be some charge for commission made to the Board, but I have never had any communication with any one on the subject.

By Mr. Whyte.—328. At the present moment it's an open question what amount Mr. Bartley will receive, or whether he will receive anything at all? I consider so.

329. Is any member of Mr. Bartley's family in the employ of the Company or the Engineers? One of his sons was employed for a short time in connection with making copies of land plans for the notices issued by the Solicitors.

330. He is not employed now? No.

By the Chairman.—331. In the paper, B, you put two items, a trifling charge of £19 18*s*., and fees for reference, &c. £160 13*s*., will you explain what those two items mean? The trifling charge here referred to has been mostly charges for my own journeys to meet Mr. Bartley and the landowners, and adjudicate. The fees for references were principally paid, if I remember rightly, to Mr. Goldie and others appointed by the parties claiming as their valuators. The Chairman is aware we have to pay on both sides. The Committee will see that, considering the large interests concerned, the Company has been very fortunate in the matter of reference; there has never been a formal deed of arbitration, and the large expenses of law connected with formal arbitrations have been saved. That, I think, is due very much to the conciliatory conduct of Mr. Bartley.

332. Do you think Mr. Bartley's appointment by the Company as negociator was compatible with his position of Crown Commissioner? I do; perfectly compatible. I should be sorry to express any difference of opinion between the Government and myself on that point. The Government thought so.

333. You have given an estimate to the Government of the additional cost to complete the railway? Yes, by order of the Board.

334. In round numbers, your first estimate was £80,000, was it not? Not the first estimate. The last estimate sent in was 18th August (p. 180). That was £79,453, but that includes another year's interest at 6 per cent. on £300,000, and therefore was not for completion of the Rail, as the Chairman put it. I beg to refer to my letter 301, (p. 179), which suggests the acceptability to the Government of a year's interest being provided.

335. What assurance have this Committee now that your estimate of 18th August is correct; and how have you arrived at that conclusion? The mode of dealing with it is in the printed paper, 1st September, 1869. I can give no further assurance than that great care was exercised in the collection of details, in which I was assisted by one or two men of business on the Board of Directors.

By Mr. Whyte.—336. Is it your conviction that that amount will be sufficient to complete the Railway? Yes, and to meet those emergencies which I have stated.

337. And no larger amount will be requisite? As I think.

By the Chairman.—338. Do I understand you to say that, in the event of the money being granted for completion of the work as required, as requested in your letter of 18th August, no further application to the country will be made in this matter on that point? I feel satisfied so, and I believe the Directors generally feel so: the data on which to calculate these amounts are now reduced to so

limited a compass, inasmuch as all the principal works are done: the great works of the line up to Longford Station are really practically completed. As I said in my paper of the 1st September, I would not speak so confidently that each item of detail would apply, but I believe the gross sum would cover the whole.

339. In your correspondence to the Government on this point the Company have asked for this additional advance on the security now in the possession of the Government under the Railway Act, have they not? The Company ask that Parliament be advised to advance the money on the lien which the Government have under the 8th Section. There is a letter on the subject (*vide* p. 161, Paper No. 24.)

340. Have the persons liable for a re-guarantee in the Railway District been consulted in any way or manner on this new proposal? Not at all; the Board clearly consider it the duty of Government to advance on the lien, or to release the lien, as advocated in the letter just mentioned.

341. Have the Board of Directors made any effort to dispose of additional Shares for the amount as required, or to raise the remaining capital of £50,000? They are quite aware, from prior efforts and assertions made by parties, that they have no means of raising the capital, and no active effort has been made by the Directors with that view.

342. Is it proposed that the Railway District shall be additionally taxed to pay the interest of this sum of money now asked to be advanced to the Company? The Board have never adopted that view, and never made such a proposal.

343. And how is it proposed by the Board of Directors that the interest of this proposed advance shall be met? I don't remember that the question has been under discussion. My own opinion is that it should come out of the Railway revenue.

344. Do you think under the re-guarantee Clause of the Railway Act that those who have re-guaranteed should have had the opportunity of expressing their opinions as to this proposed additional loan or advance by the Government? It is a question on which I have not formed any opinion; my own personal feeling has always been—which is that of the Board—that the Government have not done anything yet, and that they should advance the money on that lien or else release the lien.

345. When the first proposal by the Promoters was brought under the consideration of Parliament, you were connected with it as a Promoter? Yes; I was President of the Promoters.

346. How many Directors was it proposed should constitute the Board at that time? I don't remember that among the promoters that ever arose. When it came to the question of organisation they named, as Companies generally do, a large body of Provisional Directors, and they had to consider the question.

347. Did you not yourself propose, after all the preliminary arrangements and the Company formed, that five Directors should be appointed by the Government, and that the whole and sole control of the management should be vested in them? No; that proposal was really the first submitted to the public, that the Government should advance the money, the Districts consenting to guarantee half the interest, the Government nominating a certain number of Commissioners and the Districts the others, and that those persons should constitute the Railway Board as you would have a Road Trust. But they did not contemplate the finding of capital by private parties in the district. The whole sum required was estimated at £400,000 (the original estimate by Mr. Alexr. Clerke and others was £500,000); the Commissioners so appointed to manage the whole matter, the Districts paying half the interest, and when the loan should be paid off the Railway to be the property of the District.

By Mr. Archer.—348. Does not the Act make it necessary that the consent of the Commissioners and the sanction of the Governor in Council should be obtained before any alteration was made in the Contract or estimates for rails and other portions of the said Railway and works, so far as they are to be imported from abroad? I don't read the Act so. My opinion on the question will be found very fully set out in letters written by direction of the Board (in Parliamentary Paper 24), and I shall be able to produce to this Committee such high legal opinions upon the views so expressed as I think will satisfy them that neither myself nor the Board of Directors have made any great mistake in their interpretation of the Act: the Board of Directors have taken the opinions of two of the leading Counsel of Victoria. I shall b happy to produce these to the Committee at their next meeting.

The Witness withdrew.

Monday, September 27, 1869.

Present—Mr. Davies, (Chairman), Mr. Maclanachan, Mr. Kennerley, Mr. Whyte, Mr. Lewis, Mr. Archer, Colonel Hutchins, Mr. Swan.

MR. HENRY DOWLING *recalled and examined.*

By the Chairman.—349. Have you the Case on which the opinions of Counsel referred to at the last meeting were taken? Yes, I produce it. The same Case was put to Mr. Wilberforce Stephen and Mr. Fellows, and therefore the Case stated in one, of course, represents both. But the opinions of the two Counsel are supplied. I put in both, one by Mr. Stephen and the other by Mr. Fellows.

(Case and opinions put in, marked F.)

By Mr. Whyte.—350. As Secretary you take minutes of proceedings of the Meetings of the Directory, and read them at succeeding meetings? Yes, the minutes are read in the usual way at the ensuing meetings.

351. And you read all correspondence? And I read all correspondence.

352. Have you always been in the habit of reading correspondence at length, or have you at any period confined yourself to making a statement of the purport of letters received? To the best of my belief I have always read correspondence in and out at length.

353. Does the Directory leave to you to frame letters in accordance with instructions, and transmit them without reference? I have stated before that in some cases I have submitted drafts where time allowed, but as a rule I answer communications, and those anwers are read with the communications in the ordinary course at the next weekly meeting.

354. So that, in fact, you have been in the habit of replying to communications without reference to the Directors? Yes; I cannot conceive of the business of a Company being carried on under any other arrangement: it would be virtually a suspension, in many cases, of the business of the Company to wait for instructions.

355. Have questions not arisen at the Board as to whether your communications were authorised or not, or whether they did not exceed instructions? I think that question will be found fully answered by 246 and 247 of this enquiry.

356. No; one portion is answered, but not the whole. My question is, whether you were authorised or not, or whether you did not exceed your instructions? The only two occasions when such a question arose at the Board was on the 24th November, 1868, and on 18th May, 1869, as stated in the answer I referred to. No question of the kind was raised excepting on those occasions.

357. What were the communications to the Government which gave rise to action being taken by the Board condemnatory? The action of the Board on those occasions was not condemnatory.

358. Still, action was taken by Members of the Board: I want to know what were the communications to the Government which gave rise to that course being taken? The action taken on the 24th November refers to a letter of the 21st November in reply to a letter of the Colonial Secretary of the 19th.

(Letter read, 21st November, 1868, Paper 24, No. 120, pp. 9, 10, 11.)

359. And you transmitted that letter to the Government without referring it to the Directory? I did; I simply communicated with the Chairman on the question.

360. Who was the Chairman? Mr. Button.

361. Who prepares the periodical reports of the Directory to the Shareholders? They were in each case prepared by Sub-Committees, and submitted for approval and adopted by the weekly meeting of Directors.

362. How many Directors composed the Sub-Committee? The first meeting I don't find any minute of a Sub-Committee. I find a minute of the weekly meeting of the Board, April, 1868; the minute is, "The Hon. Sec. read draft report to the general meeting of Shareholders, which was adopted." On the 13th April, 1869: "Read draft report and statement of accounts for public meeting, and auditor's report to shareholders,—consideration of report,—read *seriatim* with statements of expenditure and receipts, which were approved and adopted." I remember on this last occasion that I wrote a rough draft; the Chairman had it for correction, and it was then submitted to a Sub-Committee,—I think, consisting of Messrs. Button, Green, and Crookes, but I have no record of it. The minute is as I have given it. There were present at that meeting Messrs. Button (Chairman), Crookes, W. Archer (Brickendon), W. Gibson, Grubb, Kemp, J. Robertson, T. Bartley, Green, Sherwin, Tyson.

363. Were those reports submitted to the Directory and approved of before publication? Certainly, the minutes show that, inasmuch as the first publication after approval was the reading at the meeting of Shareholders four days afterwards.

364. I call your attention to the first report. Presuming that the first report was prepared by you, what is intended by "compelled to extract £50,000 out of the ordinary channels of productive employment within those districts, when the money could have been borrowed at 6 per cent., which the Directors submit was at once injurious to the Districts and the Colony at large." Can you give the Committee any explanation as to that? The explanation I take to be, that if the original proposal of the promoters that the whole money should be borrowed on the part guarantee of the districts, or, had the Government wished, on the present security of the districts, they would have released £50,000 of the private money of the residents of the districts to productive employment within those districts; and that asking for a subscription of £50,000 in addition to the security of the districts for the loan, was necessarily injurious to the districts and the Colony at large, because that money would have been more usefully circulated in the development of the trade of the districts.

365. Then do the same objections still exist and stand in the way of the sale of further Shares in the Launceston and Western Railway Company? Yes: the opinion of the Directory is that the Districts are exhausted on that mode of investment.

366. How, then, does the Company contemplate meeting the contingency of any sudden and large expenditure owing to accidents such as a Railway is liable to? That is a question I have not considered, or heard discussed at the Board.

367. Were you present when the Tender of Overend and Robb was recommended for adoption? I was.

368. Are you in a position to confirm the statement of Mr. Bartley—that all the Commissioners, being present, concurred in such recommendation and adoption? I don't remember Mr. Bartley's letter, but I have stated it many times in letters published (Paper No. 24); and I have no doubt in my own mind at all on the subject. If they had not concurred, or if any objection even had been stated, it is quite clear to me Messrs. Overend and Robb would never have signed the Contract.

369. When the monthly instalments of the Contractors became due, did Mr. Kemp take exception to the Certificates accompanying the Accounts? I don't remember whether he did on the first Certificate, but he did on the second and onward to the ninth: that is, he took exception to the form of the Certificate.

370. Did Mr. Innes unite in those objections at that time? My impression is that he united in those objections up to the ninth; but he signed the cheques, as he has recently stated, under either a verbal or written objection.

371. Did Mr. Innes object to the 9th, or after the 9th? I think the objection absolutely made to sign was after the ninth. He objected at the time that he received opinions from the other Colonies, which are printed in the Parliamentary Papers.

372. In the printed Correspondence a Letter of yours to *The Evening Mail* is quoted, wherein you state, "The payments of the works, however, have to be authorised by two Commissioners, and Mr. Innes, after having authorised payments for eight months—thus paying away every shilling of the subscribing colonists' money—suddenly refuses his signature to any other cheque unless the 'professional Commissioner' be supplied with accounts in a form of his own devising." Have you any explanation to make regarding that statement? I think I was correct in making the statement; but, Mr. Innes having given it his most unqualified contradiction, I am not disposed to enter into a controversy with Mr. Innes on that question. I used the terms "suddenly refused his signature" from the fact that when No. 10 was sent to the Commissioners for signature he suddenly declined to sign it.

373. Has every shilling of the subscribing colonists' money been available up to this day? Some of the payments by the colonists as shareholders are not due yet; but the £50,000 paid into the Bank has been expended.

374. Do they, or do the joint funds of the Company and the Commissioners, pay interest on the sum for which the Bank has given credit? No interest is charged to the Company, or to the Company and Commissioners: they have no Account on which interest could be charged.

375. Is any interest given on the current account of the Company and Commissioners by the bank here? No.

376. Then how does the bank pay interest? The bank pays interest on monthly balance of the account in London, not on the current account here, which the Board of Directors keep as low as possible, as we get better interest in London than was found could be obtained in the Colonies.

377. Then it would be a loss to the Railway account to draw on the home account sooner than the money was actually required here? The Board think so, but they could not confine themselves strictly to the immediate requirements here; they watch the market and draw on London as favorable opportunities present, and in view of the requirements of the Contractors.

378. What was the sum actually paid up by Shareholders when they certified that the sum of £50,000 had been placed to the credit of the Company and Commissioners as the Law required? I don't remember the amount.

379. Could you procure it by the next Meeting? Yes, I think I could.

380. Are two distinct accounts kept at the bank,—one of the Company and another of the Company and Commissioners? Yes, I produce the pass book of the Company; the pass book of the Company and Commissioners was given before.

381. Can you inform the Committee how they stood respectively at the latest date: say the end of last month? I can supply it to the Committee.

382. Who are the Mercantile Agents of the Company in London? The Mercantile Agents are Sharp & Terry. Mr. Terry was the actually appointed Agent, but he took Mr. Sharp into partnership. You will find it in Paper 16.

383. What are the terms on which they transact the business of the Company? 1½ per cent.

384. Who are their Agents in Launceston? Any ships that have come direct to the Company and Commissioners with railway iron have come to Crookes & Hudson; but of course the charter-parties have been directly to the Company and Commissioners.

385. Are the goods consigned directly to the Company and Commissioners? Certainly.

By the Chairman.—386. I presume you mean that all the goods are consigned in the usual mercantile way, and that Crookes and Hudson are agents for the ship? Yes.

By Mr. Whyte.—387. Then no orders have gone from the Company and Commissioners to London through Crookes and Hudson? No.

388. Mr. Crookes is one of the Directors of the Company? Yes.

389. Who is the Launceston Agent of the Contractors for the supply of sleepers? I never knew the Contractors to have any agents of any kind.

390. You have fifteen Directors? We have.

391. Do they generally all attend the meeting? They do not generally all attend.

392. How many on an average have attended for the last two years? I am not aware for the last two years; but I put in a memorandum of their attendance from July, 1868, to July, 1869: that is, from the time of the Contract being taken. There have been 57 meetings, an average attendance of ten, and an average occupation of about three hours.

(Memorandum marked G. put in.)

393. Does Mr. Bartley advise with yourself, or, so far as you know, the Directors or any number of them from time to time in any differences between the other Commissioners and himself? I have known of occasional conversations on the subject, and he has always reported his letters to the Government to the Board.

394. Have letters at any time gone from the Board to the other Commissioners in the preparation of which Mr. Bartley has been consulted by yourself or any of the Directors? I don't remember having consulted with Mr. Bartley on any letter addressed to the Commissioners.

395. I call your attention to a letter (No. 267, page 148, Paper 24) of Mr. Bartley in answer to one of Mr. Innes. Did you see that letter before it was forwarded to the Government? The first time I saw that letter was on directing the Accountant to take a copy by the press on the day it was forwarded, just before the post left.

396. In the last Report of the Directors of the Company, 16 April, 1869, it is stated, on the authority of the Engineer's Report of the 16th January, that the number of slopes requiring alteration was only seven, when the Commissioners, Messrs. Innes and Kemp, allege that when it was quoted for the information of the Shareholders there were twenty-five completed or in progress. Have you any explanation to make as to this discrepancy? That report was made up to the commercial year in April, 1869, and, I believe, was perfectly correct to the time it was drawn. The Board had had no Report at that time later than the 16th January.

397. Were you aware that there were twenty-five slopes at the meeting of the Shareholders? No, I was not.

398. When the certificate was given that £350,000 would be sufficient to open the Line for traffic, what did you understand by that? I can only say that the answers 213 to 216 give my own personal impressions on the subject.

399. What did you understand by the term "opening of the Line for traffic efficiently?" What I understood was a road perfect in respect to its construction as an English Railway, but with only a single line of rails, could be constructed and opened for traffic, but that the rolling stock included was so much at the minimum that the working of the traffic would be very heavy on the rolling stock, and cause a large amount of wear and tear during the first years of the work.

400. Did Mr. Doyne communicate to you at any time that, notwithstanding that certificate, £400,000 or more would be required to complete the Railway? I don't know that Mr. Doyne communicated it to me especially, but he always stated it, and often in my hearing, but not to complete the Railway, but to make it more perfect in its working.

401. You stated the other day that £80,000 would complete the Railway fully: that it would require that amount? No; I said it would take that amount if Parliament desired to have further interest borrowed to meet the coupons on the £300,000.

402. If a Railway rate were levied in the place of borrowing at interest you mean that £80,000 would not be required? Just so.

403. What difference would that make in the amount that you think would be required? I think the sum of £67,613; £44,613 finishing the Railroad, and £23,000 for additional rolling stock and stations. I put in a paper of estimates (marked H.).

404. Then how do the Company propose that the interest on this additional amount required to complete the Railway is to be paid: is it to be an additional rate on the districts under the re-guarantee clause? No; they consider it should be paid out of the working revenue of the line; the request made to the Government being to ask Parliament to sanction a loan on security of the works and revenue of the line under the lien of the 9th Clause, 30 Vict. No. 28. The application will be found in letter 161.

By Mr. Kennerley.—405. What is meant by "remaining moiety of the capital of the Company?" The meaning is the £50,000 capital not yet subscribed; the capital of the Company is £100,000.

406. Then, as I understand, the proposal is that Government should supply that £50,000 capital? Yes; under the lien of the 9th Clause, or release the lien and let the Company borrow elsewhere.

By the Chairman.—407. Do you mean when you "release the lien" for the Government and Colony to give up all claim under the 9th Section of the Railway Act? Yes; the lien on the works executed, not the re-guarantee of the Districts.

408. Of course, by that you mean that Government are asked to advance the money on the security they already hold, the Company have nothing else to offer? Clearly, that is the application of the Directors to the Government. I have already stated the lien effectually bars the Company from borrowing any where else.

409. Do you think the parties now constituting the re-guarantee are prepared to re-guarantee the interest for this additional loan? I have no means of ascertaining.

410. Will you favour us with your opinion on that point, whether that would be agreed to or resisted: that is, whether those who have already reguaranteed the Railway Districts will be prepared to incur any additional liability? It's a very difficult thing to express an opinion on that subject. My own opinion, looking at the responsibility of the Districts, is that a majority would not object, regarding it in my own view that the liability now existing would leave the District without a Railway, and £18,000 a year to pay.

411. By the 3rd Section of the Bill introduced by Mr. Douglas it is provided that "such further sum as aforesaid, both as to the principal and all interest to accrue due thereon, shall be secured, charged, and made payable, and shall be subject in every respect to the provisions of Section 9 of the *Launceston and Western Railway Act, No. 2*,"—is that loan asked for under these circumstances with the concurrence of the Board of Directors and Commissioners? No; the Board of Directors are not in accord on that point.

412. By whose authority then is that Bill introduced to Parliament? The Draft which the Board settled did not go on that principle; but is put on the authority of the gentleman who introduced it, as far as that point goes.

413. In point of fact that Bill is not the Bill of the Directors? It is, except so far as that clause goes.

414. Is not Mr. Adye Douglas, the gentleman who introduced that Bill, the Solicitor for the Company? The Solicitor for the Company is really Mr. Geo. Collins, his partner; he was elected and inserted in the original prospectus, and it has always stood so.

415. That is of the firm of Douglas & Collins? Yes.

416. Are not Douglas & Collins really the Solicitors of the Company? Practically they are.

By Mr. Whyte.—417. It has been alleged that some of the Shareholders were induced to take Shares with the understanding that they would never be called on to pay their promissory notes: is there any truth in that statement? I heard it alleged once by a defaulter in his defence in the court, but I need not say the jury paid no attention to it; the man pleaded that the accountant said he would never be called on to pay; the accountant on oath said he never said anything of the kind: the verdict was against him. There was no truth in the allegation.

418. Tenders were called for the erection of the scaffolding for Longford Bridge, and Mr. Beedle was one of the tenderers at £1988 over and above £2915: was Mr. Beedle's tender given according to the published advertisement calling for tenders? I don't remember, but I presume it was.

419. On what ground then was it that Beedle did not get the contract? Simply because they refused the security which the Directors asked.

420. Was there any reference to security when the tenders were called for, or was not proposition made after the tenders had been opened? I think it was in the second advertisement for tenders; in the first instance all tenders were rejected, and I informed Beedle so.

421. Then I am to understand fresh tenders were called for with this addition to it fixing security? The persons tendering in the first instance were permitted to have the whole question reconsidered on an application of Beedle & Co.

422. What time elapsed between the time when the first tenders were rejected and the second tenders received? Twelve days or more.

423. What induced the Company to accept the high tender and reject the lower one? The refusal of Beedle to give the security which the Company required, and the consent of the only other person tendering to give up the whole of the timber to the Company.

424. Will you refer to the month when the proceedings were arrived at? The first Minute 4th May, 1869, "to refer the tenders of Overend & Robb and Beedle & Co. to the Engineers, and urge attention to the early construction of this work."

425. Is it somewhat unusual to ask for such a heavy deposit for the work of that kind? I think so: it was absolutely necessary in this case from the great interests involved; because the non-completion of the staging would have involved the Company in very serious penalties to the London builder of the bridge. It was considered so important that Mr. Tyson, one of our most practical men, named the sum of £2000; Mr. Robertson proposed as an amendment £1000, which was carried.

By Mr. Lewis.—426. Then the whole of the timber remains the property of the Company? The whole of the timber remains the property of the Company: it is to be taken down and stacked by the Contractors.

By Mr. Whyte.—427. Do you remember the first estimate of Longford Bridge, £6158 4*s.* 6*d.*, at the time it was certified that £350,000 was sufficient to complete the Railway? The estimate in the printed Paper, No. 16, is £6600.

428. Will you state what the actual cost of the Bridge will be? The actual Contract by Mr. Hemans' return is £18,440; this includes freight, commissions, and all other charges, but not the staging.

429. I want the total cost,—the difference between the original estimate and the actual amount the Bridge will cost? I don't know that I can give those details. I will try.

430. I want the whole,—everything connected with the Bridge when erected and completed? I will give it afterwards, if I am able; but there seems to be some confusion, in my mind at least, with regard to the item the Committee desires. If the question refers to the Bridge over the South Esk, it will be very different from the whole Viaduct of the Valley: the estimates referred to just now are only the estimates for the iron-work of the Bridge.

431. Were you aware that the estimate for the Bridge in the first place was for a Bridge of 200 tons? Not from my own knowledge, only from what I have seen in the Parliamentary Papers. I simply know that the Bridge in the first instance crossed a different part of the River, and was small-looking on the drawings.

By the Chairman.—432. You said there was a transposition of £11,000 for the Longford Bridge: how is that?—how does it arise; for I think you had better correct it now? My impression is that the estimate was carelessly drawn, the price of the Bridge being still very much in excess of that: the whole estimate is £59,650.

By Mr. Lewis.—433. Who is the Contractor for the construction of the iron Bridge over the South Esk at Longford? De Bergue & Co.

434. With whom did that firm make the Contract? With Terry and Hemans, in London; Terry being the Commercial Agent, and Hemans the Engineering Inspector.

435. Were they authorised by the Launceston and Western Railway Company to make the Contract? The authority is actually to Mr. Hemans by power of attorney.

436. From the Board of Directors? From the Board of Directors in Launceston.

437. Does the Contract include all iron-work and building the Bridge complete? All iron-work, freight, commission, and building it complete on the piers, subject to such test as adopted in Europe under the direction of the Engineers, and the test to be continued for three months before final payment.

438. Is there any guarantee for its being kept in substantial order for any period after completion? I think not, beyond being subject to the usual tests for three months.

439. What is the amount of the Contract in full? De Bergue's Contract is £18,440.

By Mr. Whyte.—440. Does that include the carriage to Longford? No; the carriage to Longford was retained in the Company's hands, fearing that in London they had not sufficient information as to rates of carriage. £1000 is put down for carriage to Longford.

441. Is it probable the Railway will be constructed to that point so as to enable the whole of this material to be carried on the line? There is now very great probability that it will be carted along the Line, and by that means save £600 or £700 in cartage.

By Mr. Archer.—442. What commission does Mr. Hemans receive on the work he has had to do with regard to the Bridge? He receives 2 per cent. on all inspections, the usual rate being 2½ per cent.

443. For the £18,000 odd the Contractors, I think you said, engaged to place the Bridge on shipboard, is that the case? Yes, it's free on board at that price.

444. You said just now, in speaking of the first estimate for the Bridge, it only included iron-work and not freight, did you not? Yes; I say the Engineer's estimate includes simply the cost of the iron-work, and not freight.

445. Why then do we find at p. 43 that it is put at 200 tons? Yes; but the working out of the details is Mr. Kemp's.

446. Then those estimates were not furnished to Mr. Kemp by Mr. Doyne? I have read it that details were given.

447. Because here details are given? I see they are.

448. Do you, as Secretary for the Company, receive from Sharp and Terry the invoices of all plant and goods ordered in England? No, I do not; the Union Bank receives them. I receive duplicates from Sharp and Terry, and the Union Bank receives the originals.

449. Can you furnish the duplicates? I believe I have cleared the office of every other document except the invoices; I will furnish them.

By Mr. Whyte.—450. I call attention to a letter of Mr. Innes in the printed correspondence (Paper 24, p. 181,) in which he says, "I have to add that communications have been received from time to time from England, in which reference has been made to letters from this of the tenor of which neither we nor the Board had any previous knowledge:" is that correct? I look upon it as a most perverted statement of a fact which I will explain. The only case I ever knew which bore anything like a construction of that nature was when extracts from one of Mr. Hemans' letters to the Engineers were forwarded to the Board, there was an explanation that a portion of the letter referred strictly to other professional questions not connected with the Company. I will produce that letter.

451. Did you address a letter in July, 1868, to Mr. Hemans, in that letter acknowledging communications from him of 24th April and May preceding, conveying a recommendation that 72lbs. rails should be substituted for the rate previously contemplated, to which recommendation you acceded? No. I did not address a letter in July, 1868, on that subject. I think the question must refer to letters from the Engineers, which I will produce.

452. Was the Board cognizant of those letters? Yes, they were reported to the Board.

(Letter to Hemans, 10th July, 1868, produced, marked I.)

By the Chairman.—453. Do I understand you to say the only correspondence in connection with the subject Mr. Innes complains of was the letter of July, 1868? I don't say that.

454. Will you produce all letters in connection with this matter? I have a letter of the 16th July that was read with the other (produced); these are copies furnished by the Engineers to the Directors.

The Witness withdrew.

Tuesday, September 28, 1869.

Present—Mr. Davies (Chairman), Colonel Hutchins, Mr. Archer, Mr. Kennerley, Mr. Lewis, Mr. Maclanachan, Mr. Swan, Mr. Whyte.

MR. THEODORE BARTLEY *called in and examined.*

By the Chairman.—455. Your name is Theodore Bartley? Yes.

456. You are one of the Commissioners of the Launceston and Western Railway are you not? I am.

457. What are the emoluments of that office? £200 per annum.

458. You are also Negociator as to purchase of land for the Launceston and Western Railway Company are you not? I am.

459. What are the emoluments of that office? There is no fixed emolument; no arrangement whatever has been made.

460. What emoluments do you anticipate to receive for the performance of the functions of Negociator? I expect such an amount as shall be a fair compensation for the services I am rendering to the Company which are not yet completed.

461. Do you expect to be remunerated by a fixed sum or by commission? I should rather think by a fixed sum.

462. Can you give this Committee an idea of what fixed sum you expect to receive? I cannot.

463. Nor an approximation to it? I could not do that, for I have not looked into it. I cannot give an approximate amount till I have finished the work I have to do.

464. Do you anticipate to receive £100? Well, I should certainly expect to receive more than £100. I may say at once, I should expect to receive more than that.

465. Would you expect to receive £500? I should certainly expect to receive something between £200 and £500.

466. Have your views with regard to remuneration as Negociator been in any way under consideration of the Directors? Not, to my knowledge, in any way.

467. Do you think that the office you hold as Commissioner appointed by the Crown on the one hand, and Negociator for the Company on the other, are compatible? Peculiarly so. In my opinion, if the Government had the power to make such a stipulation under the Act by which the Commissioners hold their appointment, it would have been decidedly to the interest of the Company, and all who have an interest in the construction of the Railway, that one of the Commissioners should either act as sole Negociator, or be a party to every negociation for the purchase of any piece of land required for the Railway: by that course the Commissioners would have been best able to carry out that section of the Act by which they are required to see that the capital of the Company is expended on the Railway and Works.

By Mr. Archer.—468. When you undertook the duties of Negociator for the Company, you did so, I suppose, under the impression that you would be fairly remunerated for the trouble you took? Yes.

469. Leaving it to the Company to remunerate you for your trouble? I was so utterly ignorant of what amount of trouble, time, or judgment would be required that I made no stipulation whatever. I had no idea when I took the office that it would involve so much.

470. The rate of remuneration, then, was never mentioned? Not in the least, nor have I ever alluded to the subject.

By Mr. Whyte.—471. Then the amount of remuneration you expect to receive is entirely dependent upon the decision of the Board of Directors of the Launceston and Western Railway and the Commissioners? Yes.

472. But, in the Board of Directory, of that number the Commissioners would have a very small voice? They could not pay it without the assent of the Commissioners.

473. The Commissioners could not increase the amount? They could not; it must be a joint act of the Directors and two Commissioners. Of course I should not act in the matter, therefore it must be the act of the other Commissioners.

By the Chairman.—474. Under the 6th Section of 30 Vict. No. 28, you are a Director, and have the powers and privileges of a Director, and a seat at the Board of Directors? Yes, *ex officio*.

475. Have you in any way or in any manner found difficulty in asserting your rights as a Director of that Board? None whatever.

476. Are you aware that the Secretary of the Company is of opinion that the Commissioners have only the power and privilege to act as Directors when sitting at the Board? I am not. I believe that was the opinion, but I believe the opinion of the Attorney-General was taken on the matter. I have not asked the question, but should imagine not.

477. But you found no difficulty? None whatever.

478. You have had ready access to all papers, documents, and correspondence of every description in the same way as any other Director? Completely so.

479. Whether sitting at the Board or not? Always.

480. And has that privilege been accorded to your brother Commissioners? I think so, equally as myself.

481. Have you been in the habit of seeing the correspondence addressed to the Commissioners, or been consulted on that subject before it has been transmitted to the Commissioners? I have occasionally seen correspondence in the Office before it came to us.

482. Have you been consulted with regard to that correspondence? No; I have seen it occasionally, and so have the other Commissioners.

483. Has the Secretary consulted you with regard to any particular, on any points with regard to the correspondence that has been officially transmitted to you afterwards? When I have gone into the Office and there have been letters opened intended for the Commissioners, Mr. Dowling may have said, "Here is a letter for you," and I may have looked at it; but I don't remember his consulting me on any point that was to go before the Commissioners.

484. Have you in any manner suggested to the Secretary the course that any particular correspondence should take to be addressed to the Commissioners? I cannot say I ever suggested correspondence to be addressed to the Commissioners.

485. Can you say in the negative? I do not remember that I have so suggested.

486. If you go to Paper 16, p. 13, you will see you furnished the Government, on the 13th January, 1868, with a certificate in connection with your colleague, Mr. Innes, that the Launceston and Western Railway could be opened for traffic for the sum of £350,000? We certified it in a qualified manner. I may say I wrote this report myself: fully aware of the immense importance of the Commissioners' reports on this question, I undertook, with Mr. Innes's consent, to draw that report up in the most careful manner that I could; and I accordingly did write the whole of that report, submitting it to Mr. Innes for his approval, and he accepted it in its entirety without any alteration whatever.

487. In that Paper (2nd par.) you quote Mr. Doyne's letter addressed to the Commissioners that the Railway could be opened for traffic for a sum not exceeding £350,000, and this estimate was based on liberal prices throughout, and in addition contains £15,000 for unforeseen contingencies? I was merely quoting Mr. Doyne's letter, which was annexed.

488. Now, when you quoted that letter, did you do so in the belief that the Line could be opened for £350,000? As an unprofessional man, merely relying on the opinion of the Engineer-in-Chief, and having no professional knowledge on the subject.

489. And on that your report is based? No; it is principally on our coadjutor's report.

490. What means did you adopt to satisfy yourself as to the feasibility of the plans? I said the opinion was qualified; we say, after referring to the letter of the Engineer-in-Chief, and the report Mr. Kemp addressed to the Governor in Council, "relying upon such professional information." I drew Mr. Innes's particular attention at the time to the wording of the report, "having availed ourselves of the best professional information obtainable by us," and "relying upon such professional information;" and we therefore threw the responsibility on the Government, so that if they were not satisfied with the report, it was for them to obtain superior or further information.

491. Will you favor the Committee with your distinct opinion on Mr. Doyne's letter with regard to his estimate for opening the Line: did you consider that a reliable document? We fully thought so when we made that report; we were fully of opinion such was the case, but we took care to guard ourselves in that way.

492. Are you of opinion that was the general view of all parties interested in the Launceston and Western Railway? Most firmly.

493. The Directors, the Chairman and those interested in the Railway District, that is those who gave their reguarantee? The Directors, Chairman and Secretary, so far as I am able to judge from their expressions, I believe fully expected the Railway would be opened for traffic for that sum; in fact, I believe we all did.

494. What do you mean by the expression "opened for traffic?" Just in the words of the Act, that it can be opened for traffic within the amount that was set down for to commence that traffic.

495. Do you think, or did you at that time think, that "opened for traffic," as suggested in Mr. Doyne's letter, meant that the Line was to be opened in a substantial, safe, and proper manner for public convenience? Most decidedly; in fact it was to be a perfect Railway, as we understood.

496. And that was the general belief, you have said? I firmly believe it, so far as I am able to judge it was the general belief of every one connected with it.

By Mr. Whyte.—497. Why were you so particular in guarding yourself; were you doubtful of the amount of reliance that could be placed on the estimate of the Engineers that it could be opened for £350,000? I was, because I saw the immense importance of the report I had to make in conjunction with Mr. Innes, particular to the uttermost. I had full reliance on the Engineers' estimate, but at the same time, Mr. Innes and myself being unprofessional men, we determined to give no opinion of our own except based on the professional information we had obtained.

By Mr. Lewis.—498. Have you had frequent conversations with the Engineer in Chief as to the cost of the Railway? I cannot say I have; we had it in writing before us.

499. Have you understood that the Engineer-in-Chief has never relinquished his original position stated in his Report of 1861, that the Railway, to be completed satisfactorily, would require £400,000, and this has never been in the slightest degree concealed by him: on the contrary, it was matter of daily conversation between him and the principal Directors? No.

By Mr. Swan.—500. Did you consider the sum of £350,000 would be all the outlay required to complete the Line in a perfectly efficient state, covering the cost of necessary rolling-stock and all contingencies? I thought so, certainly, and was fully under the impression that it would be quite sufficient to construct the Railway itself in a perfectly efficient state, and to cover the rolling-stock and other appliances which were furnished by the estimates of the Engineers to us as the Commissioners; beyond that we could not form an opinion: there was a certain estimate furnished, our Report embraced that, and we considered that the Line would be made a perfect and efficient Railway from Launceston to Deloraine, and that the £350,000 would cover the rolling-stock and other estimated requisites.

501. That is not what I want from you. What was your own opinion? Was it that it was an estimate merely to bring it within the Act, with the full knowledge that it would be much exceeded to make it a perfect Railway? When we made this Report I imagined the opening for traffic was not to evade anything. It was this,—the Engineer furnished to us an estimate of things which he put before us as sufficient to meet the requirements of that Line at the opening. We relied on it, and were persuaded the Line could be opened accordingly.

502. Did you consider that rolling-stock sufficient? Mr. Innes and myself, not being professional men, accepted what was put before us as sufficient.

By Mr. Lewis.—503. Will you look at No. 104 Correspondence (paper 16) p. 42? Yes.

504. You see the statement of estimated cost of constructing the Launceston and Western Railway (18 July, 1868); what was the gross amount of that estimate? It is Mr. Kemp's estimate, £337,908 9*s.* 4*d.*, leaving a balance for contingencies of £12,091 10*s.* 8*d.*

505. In page 45 there is a list signed by Mr. Kemp (24 July) of omissions which he considered indispensable to meet the requirements after opening the line for public traffic? Yes.

506. Do you know if Mr. Kemp made any estimate of the cost of those omissions, the articles comprised in that (supplementary) list? Not to my knowledge: it was not submitted to the Commissioners.

507. Do you know if there was any provision made for electric telegraph in the estimate of Mr. Kemp? I don't remember that there was; there were semaphores and signals for safe traffic.

508. Did you address the Government on the excess of the expenditure over the estimate? I did. (May 7th, 1869, No. 205, p. 84, Paper 24.)

By Mr. Archer:—509. Do you think the estimates furnished by the Engineer-in-Chief, including the questionable results of the experimental slopes, and exhibiting as they do the omissions of such items as telegraph, staging of iron bridge, cost of cartage, and the great under-estimate of cost of bridge, can be considered as "a most careful estimate, and based on liberal prices," as stated in Mr. Doyne's letter, in which he testifies to the certainty of the Railway being opened for public traffic for a sum not exceeding £350,000? I think those estimates most decidedly should have embraced these particular items, that they should have decidedly mentioned telegraph, if pronounced to be necessary, most decidedly staging for the bridge, and cartage; and that the alteration in the design of the Longford Bridge should have been more distinctly and definitely brought under the notice of the Directors and Commissioners; and the estimate not containing those things, I cannot pronounce that estimate to be a most careful estimate. I am of opinion that slopes at ¼ to 1 (having gained a knowledge on the subject since the Report of the 30th January was sent in), was an experiment not justifiable, there being only £350,000 to lay out; and I am myself bound to say that having then no personal knowledge on the question of slopes, with the knowledge I have since acquired in my office of Commissioner, had I found the slopes for the whole line stated at ¼ to 1, I should not have felt myself justified in signing the Report that a Railway could be opened for £350,000, and would not have done it. And I feel bound further to say that with the knowledge I have acquired on this Line from practical experience as Commissioner, were I appointed Commissioner again for any Railway containing a number of cuttings, more particularly some of them very deep ones, and required to form an estimate of its cost, the very first question I would ask of the engineer to whom I had to refer for information as to the cost of the Railway would be, "at what slope are the cuttings throughout that line stated?"

By Colonel Hutchins.—510. Did Mr. Kemp make no remark upon the unusual nature of the slopes when the specification was laid before you at the time you made your report? I never heard Mr. Kemp allude in any way to the slopes before or when we made our first report. It was about the time that the Railway had been commenced that I heard the question of slopes raised: it was raised incidentally, and that induced me to endeavour to get information from the Engineers and Directors. In the letter of the 7th May, 1869, I distinctly said I would not have signed that report if I had known that the slopes throughout the line were so estimated.

By the Chairman—511. Referring to the 5th paragraph of the letter of the 7th May, do you still adhere to that statement? I entirely adhere to all I said in the 5th paragraph of my letter:—"I entirely concur with Messrs. Innes and Kemp in stating that the alterations in the weight of rails, and in the designs and cost of the Longford bridge, were not brought under the notice of the Commissioners until after the orders for such alterations had been forwarded by the Engineers to the Company's Agents in London, and that therefore it was altogether out of the power of the Commissioners to prevent the additional cost occasioned by such alterations, whatever may be the amount, and that they are not in any way responsible for the same. I would here desire to call your attention to the fact that Mr. Innes and myself especially guarded ourselves against such a responsibility in our letter to you, dated 30th January, 1868, forwarded with our Report of that date, that the line could be opened for traffic for a sum not exceeding £350,000. (*Vide* Parliamentary Paper, No. 16, page 12, No. 33.)

By Mr. Lewis.—512. Are you aware of the excess of cost occasioned by the heavy gradient to make the slopes permanent? I should think, so far as I can form an opinion, from £12,000 to £15,000, not more than £15,000 about £10,000 of which will be absorbed between Longford and Launceston, the other part of the Line is not likely to take much.

513. Have you made any calculation as to the extra cost by the increased weight of the rails? The Engineers thought about £3000; as a matter of calculation it can be ascertained by the Invoice.

By the Chairman.—514. Are you aware that you state in your letter 7th May, that the Engineers estimate the alteration of the slopes at £12,000, while Mr. Kemp estimates it at £20,000? Yes, he estimated it at £20,000 in the letter which mine comments upon.

515. Referring you to the last three lines of paragraph 6 same letter; at the time you certified that the work as you described it could be opened to public traffic for £350,000, the slopes were not taken into consideration were they? Not at all by Mr. Innes and myself.

By Mr. Whyte.—516. Are you aware of disputes between the Contractors and Engineers as to the mode of calculating the cost of these slopes? I am aware of one cutting (No. 38) which is the subject of dispute.

By the Chairman.—517. Do you think your powers as Commissioner in carrying out the functions of your office are sufficient? I should say so, to the uttermost, for we have the power of refusing to pay for anything we do not consider properly laid out and expended for the Railway Works,—under the Act we are bound to do so.

518. Are you not aware that there is no power of reference between the Directors and the Commissioners supposing any dispute arises in regard to them? I am quite aware there is no power of reference given to them.

519. Do you not think that power of reference should be given, so as to relieve either the Commissioners or the Directors in case of disputes arising? I think it is most desirable. I have always entertained that opinion since I saw a dispute arise.

520. You are aware that disputes have arisen? I am.

521. And what compromises have taken place in consequence of there being no power of reference? I cannot say that compromises have been effected, but great inconvenience has been experienced by all parties connected with the Railway, and not only inconvenience but loss.

522. Do you think that the Board of Directors and Commissioners have sufficient power to direct the Contracting Engineers, Messrs. Doyne, Willett, and Major? I should say most decidedly so.

523. I refer you to paragraph 5 (letter 7th May), do you think that the Engineers exercised more power than they should have possessed in increasing the expense of this Railway, by sending home for rails of a heavier weight, and altering the plan, and consequently increasing the expense of the Longford Bridge, without consulting and obtaining authority from the Board of Directors? As I have already said, I think the alteration which occasioned these excesses should have been more clearly and definitely brought before the Board of Directors. When I asked Mr. Doyne how it was that 72 lb. rails were substituted for 65 lb. without the knowledge and consent of the Directors, he said he put a section on the table of the 72 lb. rail and he considered the Directors fully understood it, and were consenting parties. All I could say was, that I knew nothing of it, nor do I think the other Commissioners did. As far as relates to the substitution of design for the Longford Bridge, and consequent large extra cost, I asked Mr. Doyne how it was that that was not brought under the specific notice of the Commissioners and Directors, and more particularly Mr. Kemp; and Mr. Doyne said that, when he got the use of the Town Hall to have the specifications and plans showing the alteration in the design of the Longford Viaduct, he thought it was fully understood. Mr. Kemp was there every day, and he imagined Mr. Kemp fully saw what the alteration in the design was from those plans exhibited there. I replied, I thought particular attention should have been called, and the attention of the Commissioners and Directors should have been specifically called, to an alteration of that sort, and not to have trusted to their seeing it. Mr. Doyne said they remained there for about a week, and that seeing Mr. Kemp explained those things to the persons who were there, he was of opinion he was fully acquainted with the alteration of the design.

By Mr. Whyte.—524. When were the plans exhibited there: was it before or after orders were sent home for the bridge? I can't say; Mr. Kemp will tell you.

By the Chairman.—525. But this was all before the contracts were taken? Yes; to the best of my knowledge.

526. Can you suggest what further powers the Commissioners should have? I really cannot; except the remedy, the power of reference.

527. Do you think the Governor in Council would be the proper reference? I do.

528. You are aware that the Railway Company are now applying to Parliament for aid to complete the Railway? Yes; I am.

529. Have you as a Commissioner made any estimate of the probable expense of completing this Railway? I have gone over and examined that estimate made by Mr. Dowling, and assisted in compiling it as far as my knowledge would extend. I have examined that estimate carefully.

530. Do you think the sum there estimated is sufficient to complete the Railway in the fullest integrity? So far as my knowledge extends I should think it would be ample; but it does not include the interest. I think with a year's interest added it would be sufficient.

531. On what have you based your calculation? In the first place I can form a better opinion on such questions than when I was first appointed, and the facts which have been under my notice have enabled me to form a more correct estimate as to the probable cost of completion. I am of opinion that this sum, with the interest added for one year, will be sufficient to open the line and make sufficient provision for all requirements. That is my personal opinion.

532. What assurance, after that statement, could you give this Committee that there will not be another application? I can give no further assurance than the opinion I have already given; as I said before, I hope and believe it would be sufficient to secure efficient working of that line for the public requirements, with one year's interest added.

533. Have you consulted the professional Commisioner on this estimate? He has gone over it in the office, but whether he entirely coincides in it I cannot say. I have heard no definite expression of opinion from him one way or the other. I spoke to him about it.

534. We had before us an answer to a question in these words, "Mr. Kemp was acquainted with these designs long before the Contract with Messrs. Overend & Robb was let, or any orders sent home for iron-work. Under these circumstances it did not occur to us to be necessary to call the attention of the Government to the fact that the work could not be done with the weight before named. If necessary at all, it was clearly the duty of Mr. Kemp to call the attention of his colleagues to this patent fact, that *they* might advise the Government as they thought best." Do you think Mr. Kemp and the other Commissioners had that knowledge? No, most decidedly not, as is stated, Mr. Kemp called attention to the alteration in the weight of the rail.

535. Do you consider that the 7th Clause of the Railway Act, No. 2, was violated by the alteration made without your consent and that of the other Commissioners in respect of the alteration in the weight of rails and design of Viaduct? If you ask my opinion, I say most decidedly not; that Clause was not violated or infringed, and I may say that is indorsed by the opinion of two of the most eminent Counsel in Melbourne. The Engineers have power under the Contract to make any alteration they choose to order, and as the Contractors are bound to obey, they could make any alteration.

By Mr. Swan.—536. Do you consider Messrs. Doyne, Major, and Willett exceeded their authority in ordering the heavier rails without consulting the Directors? I think they certainly should have consulted the Directors before ordering heavier rails.

By Mr. Archer.—537. And what was the impression of the Directors? I cannot say for the Directors, but Mr. Kemp said the estimate was 65 lbs., and that he knew nothing of it till he saw that letter.

By Mr. Lewis.—538. Was there not £12,090 estimated as a balance of contingencies? Yes.

539. And the increase in weight of rails was part of the contingencies? That was what was thought.

540. Have you already found the £12,090 totally inadequate for the contingencies? Certainly.

By Mr. Archer.—541. On what basis do you consider Mr. Kemp, as Professional Commissioner, was bound to base his estimates and calculations; and do you consider it was sufficient that he should work out

the data supplied him by Mr. Doyne, or was it his duty to obtain reliable authority, irrespective of Mr. Doyne's information, on which to base his estimates as regarded slopes, cost of plant, &c. ? My opinion is, that upon the estimates for the construction of the Railway furnished by the Engineers to the Commissioners, the Professional Commissioner should have brought all his professional knowledge to bear upon those estimates—as I presume he did—and from that professional knowledge to form and convey to his fellow-Commissioners his opinion whether that estimate of the cost of the construction of the Railway so furnished by the Engineers was to be relied on or not, so as to enable them to make a report in accordance with the requirements of the Act.

By Mr. Whyte.—542. I observe from the correspondence that Mr. Innes and yourself are at issue on some matters of fact ? Yes, several.

543. I suppose that is not very conducive to the harmonious working ot the Commission ? Not at all; but I feel bound to say that where there is a difference as to a matter of fact, I stated in my letter my desire to have it enquired into by a Board of Enquiry: the correspondence shows all that.

The Witness withdrew.

MR. SAML. V. KEMP *called in and examined.*

By the Chairman.—544. What is your name ? Samuel V. Kemp.

545. You are the professional Commissioner of the Launceston and Western Railway ? Yes.

546. Are you aware that an application has been made to Parliament for additional aid to finish the work of which you are a Commissioner ? I am.

547. Have you seen the estimates submitted by the Secretary to the Company ? Yes, I have.

548. Have you gone into that estimate ? I have.

549. Have you made any contra estimate to submit to the Government ? Yes, I was called upon by the Colonial Secretary to submit it, and have done so.

550. And that is with the Government ? Yes.

The Witness withdrew.

WEDNESDAY, SEPTEMBER 29, 1869.

Present—Mr. Davies, (Chairman), Mr. Whyte, Mr. Lewis, Mr. Kennerley, Mr. Maclanachan, Colonel Hutchins, Mr. Swan.

MR. SAMUEL V. KEMP *recalled and examined.*

By the Chairman.—551. You yesterday stated that you had addressed a statement showing the amount required to complete the works of the Launceston and Western Railway Line ? I did. (Marked K.)

552. Do these documents contain the whole of your statements ? Yes, so far as relates to my estimate.

553. Is there not a clerical error there ? Yes; I will correct it.

554. When were you appointed Official Commissioner for the Launceston and Western Railway ? I could not tell from memory; the printed correspondence will show.

555. What instructions did you receive from the Government on your appointment as to your duties ? They enclosed copies of the Railway Acts; then, on my arrival in Tasmania, I wrote to the Colonial Secretary asking him if he had any further information to give. That is in the printed correspondence already (No. 16.). To that letter I received a reply from Mr. Chapman for the Colonial Secretary, that he had nothing further to add beyond what was contained in the Railway Acts.

556. What means did you adopt to satisfy yourself as to the feasibility of the plans of the Engineers of the Launceston and Western Railway ? I was not called upon to be a judge of the feasibility of such plans : there was nothing of that contained in the Act.

557. On referring to the Railway Act, 30 Vict. No. 28, did you satisfy yourself that the Railway could be opened for £350,000 ? You will see by this Act, 7th Clause, that the Commissioners are called upon to examine the plans, specifications, and estimates; we are not called upon to judge of the feasibility of such plans or such works. If such had been the case, it would have been necessary for me to have had an engineering staff almost as great as that of Messrs. Doyne & Co. I mentioned this to the late Sir R. Dry, who said no such duty was contemplated by the Legislature, and I must take the Act as I found it. I have always endeavoured to interpret this Act to the best of my ability.

558. Referring you to the 17th Clause there is this sentence: "and in case the Governor in Council is satisfied by such Report that such Plans, Specifications, and Estimates as aforesaid are sufficient and reasonable." How do you interpret those words; has that anything to do with the word feasibility ? Of course it was perfectly feasible, and is now, supposing you had to commence *de novo*, to make a Line of Railway for £350,000, but not on such an expensive plan as Doyne, Major, & Willett have since provided; the original plans have been departed from as you will see by the statement I have put in. I refer to statement No. 3. I may mention also, that I am debarred from proving this, as the plans furnished originally by Mr. Doyne to the Commissioners were handed back to him, at his request, to enable him to

complete the Contract. These documents have been withheld, and have been applied for repeatedly by me, and the statement has been that the Engineers, thinking they were worthless, have destroyed the greater portion of them,—but I put in the correspondence between the Secretary and the Engineers, which will explain this matter, (marked L.). I was at that time under the impression, as to the plans supplied to the Commissioners, that the Contract was to be let by those plans; but I was afterwards disappointed. I found that one set of plans were provided for the Commissioners, and another for the Contractors. I refer to the original plans recognised by the Engineers as the Commissioners' plans.

559. How did your detailed rates of estimates stand in comparison with the rates at which the works were undertaken by Overend & Robb? My rates, a great number of them, are in excess.

560. And your total estimates give a surplus balance of £12,090 without calculating the premium on Debentures, did they not? Yes, £12,091 10*s.* 8*d.*

561. Can you name to the Committee the details of estimates in which excesses have arisen, and give your estimate of the amount of those excesses respectively? I have done so in statement No. 3.

562. The schedule on which you based your first estimate states that the rails were to be 65lbs. to the lineal yard, does it not? Yes.

563. And the Government and the country were committed to such data and report from the Commissioners, were they not? Yes.

564. And upon the strength of which the Company obtained permission to proceed with the works in conformity with the Railway Acts? Yes.

565. It was after that that the Engineers thought of altering the weight of rails, after the authority to commence the works had been given by law? Yes; I hand in copy of the original schedule given me by the Engineers, in October, 1867, and on which I based my Report (marked M.). I may mention that that was the document which was called the Estimate, and has since been termed the Rough Memorandum. My colleagues attached so much importance to this document that it was put under seal in an envelope and deposited at the Union Bank, and was not allowed to be opened till after the contract was let. I point out that in this document the rails are mentioned as 65 lbs. to the lineal yard (page 7, under head "Permanent Way").

566. Was any mention made to you at any time that the Engineers contemplated a heavier rail than originally contained in the date you referred to? No; I mentioned to the Engineers at first about the lightness of the rails, and Mr. Doyne remarked that they had to be economical, and they could not afford a heavier rail.

567. Were you not informed of the alteration in the rate of rails before the order for plant was sent to England? No.

568. Nor of the altered character of the bridge at Longford? No. I may mention that the first time I discovered the extra weight of rails was on reading over the Minutes on my return from Victoria. I think I discovered that the rails had been altered from 65 lbs. to 72 lbs. The discrepancy of weight of rails was first brought under my notice in October, 1868. The Minute Book says:—"Mr. Kemp brought under the notice of the Board that in a letter of the Engineers to Mr. Hemans, dated 10th July, read during Mr. Kemp's absence at Melbourne, he found that they had adopted a 72-lb. rail in the room of a 65-lb. rail, as given in Mr. Doyne's schedule of quantities furnished by him, and which involves an additional cost of nearly £5000." I now find this substitution will cost over £7000, as per statement handed in. The item in the statement (3) is £7521 14*s.* 6*d.* I must call your attention to this Minute which states that the rails were ordered on 10th July, whilst the Contract of Overend & Robb was not let till the 18th July.

569. Then this order for the rails was given prior to the Contract being taken? It appears so from this document. I will refer to the fact that the Tenders were opened at a Board Meeting of 14th July: on the 16th July the Tenders were referred to the Engineers for report, which was adopted by the Board of Directors, and the Contract entered into on the 18th July. Having ordered the ironwork on the 10th by his letter, Mr. Doyne on the 18th applied for permission to do so, and permission was granted to him. I read from letter, 12th October, 1868, from the Engineers to the Secretary:—"Permanent way.—The Schedule of Quantities which we supplied last year to Mr. Kemp to assist him in forming an estimate, in which 65 lbs. to the yard is mentioned as the contemplated weight of the rail, was, of course, merely an approximation, as we had not then fully considered the question. When we afterwards made the actual designs, a closer examination into all the conditions of the traffic to be caused induced us to increase the weight to 75 lbs., and this was the section submitted to the Board in March last. Subsequently, we directed it might be safely reduced to 72 lbs., and the designs sent to England were altered accordingly. The weight of iron in the permanent way included in our estimate dated July 16th, 1868, is calculated on this section." There was a letter from Doyne, Major, & Willett, 16th January, 1869, in which they acknowledge that there would be an increased cost of rails.

570. At the time that you first discovered this alteration in the weight of the rails did you point out to the Board of Directors that there would be a consequent increase of expense for bolts, fish-plates, &c.? Yes.

571. What amount did you fix at the Board then? I said between £5000 and £6000; but since then I have learned by estimate that it comes to £7521 14*s.* 6*d.* If I had been called upon to be a judge of the feasibility of this undertaking, I should have adopted a 72-lb. rail from Launceston to Longford, and have ordered separate engines for this portion of the Line on account of the heavy inclines; and from Longford to Deloraine I should have adopted a 50-lb. rail, and employed lighter engines to run over this latter portion where the inclines are very easy.

572. The first estimate for the Longford Bridge by the Engineers was 200 tons weight, was it not? 204 tons.

573. Were you consulted at all by the Engineers with regard to the alteration of the plans? No.

574. You are aware that there was an alteration, and that the Engineers alleged that the Bridge of 204 tons was not sufficient for Railway purposes? Yes.

575. Is it the usual course adopted by Engineers, with regard to works of this description, to withhold information as to any material alteration? No: it is not.

576. Have you any information that you can give to this Committee with regard to this matter of the alteration of the Longford Bridge? Yes: I prepared a comparative statement which I will hand in. The Engineers have made allusion in the Addenda to the printed Correspondence, that a considerable saving would be effected in consequence of their adopting 2 Spans of 200 feet each in preference to the Viaduct originally designed of 4 Spans of 110 feet. This document will contradict the statement made in such printed Correspondence, and show that the alteration has considerably increased the quantities. (Statement handed in, marked N.)

By Mr. Kennerley.—577. With regard to the 7th paragraph in the Addenda to Correspondence it is stated that Mr. Kemp was acquainted with the new designs of the Viaduct long before the Contract with Overend & Robb, or any orders had been sent home for iron work. Is that statement correct? No; if I had had any official information of such an alteration I should not have failed to notice it, and to have reported to the Government on it immediately. The Engineers have stated in this correspondence that this was brought under my notice at the time the plans were exhibited at the Town Hall, Launceston. Of course the plans and designs were exhibited; and I, with the general public, had an opportunity of viewing those plans; but I could not recognise anything I saw on the walls at the Town Hall, for I was not aware of the object for which they were exhibited. And supposing I had done so, and it turned out contrary to the information I had officially before me, of course the Government would have blamed me. I may mention that there is nothing on the records or described in any way that would lead any one to the belief that such or such a substitution was contemplated; and that the Directory were taken quite as much by surprise as I was when they learned that this bridge was to cost the enormous sum of £18,440 in England.

578. Did you not observe the difference in the plans, that there were 4 spans in the original designs and only two in the other plans? I did not notice it. I believe the original plan was exhibited.

By Mr. Swan.—579. Was your attention specially called to any alteration in the plans for the Bridge in those exhibited at the Town Hall? No.

By Mr. Lewis.—580. Do you remember to have seen the original plan of the iron Viaduct over the river? I never saw them after they left my possession. I have never seen them since, unless as I have before stated.

581. Is it your opinion that the alteration in the plan of the Bridge would be advantageous to the Railway works and provide larger flood-openings on the river? No, it would not; the flood-openings would be about the same.

582. Would the extra piers offer a greater resistance to timber, &c. running down the river? Yes, the centre pier would.

583. Is it not much more feasible to have two spans, as now, than four? If I were to answer that question I should have to go into the whole measure of the feasibility of the scheme, and I would rather not.

584. That's in the mere works themselves; but I want to know if the Engineers were warranted in making such a great difference in the work? If I were to answer it, I must go into the feasibility of the whole.

By the Chairman.—585. Going back to the plans: it has been stated that during the time these plans were exhibited at the Town Hall, Launceston, you were present, and you explained them to many persons? I was present, I believe, on two or three occasions, and I explained the sections more particularly than the designs on the wall.

586. Then you did not explain the entire of the plans, but simply a section? That's all.

587. In the printed correspondence which has taken place between yourself and Mr. Innes on the one side, and Mr. Bartley and Mr. Dowling on the other, as to your course at the Board when a question comes before it to allow orders for materials to be sent to England, have you anything to say on that now? When the subject was brought before the Directory and the Engineers asked permission to order materials from England, I suggested to the Directory that the proper medium through which orders should be sent home was through the Secretary, and that unless that course was adopted great confusion would take place; and had my suggestion been carried out, these excesses would not have been incurred without the knowledge of the Commissioners, or without their being made acquainted with them. I may mention that Mr. Dowling said he hoped these extra duties would not be imposed on him, and the Directors decided that the proper course was to order these materials through their Engineers.

588. Is there a minute of that? No, there is not a minute; but had the same thing to go over again I should have made a very strong minute in the journals, and I hold myself much to blame for not having had it recorded in the journals.

589. The orders for materials have always been sent through the Engineers, and not through the Secretary of the Board of Directors? Yes.

590. Are you certain that you did not know the Engineers had sent home orders which differed from the schedule of quantities submitted to the Commissioners till after the orders had gone home? I am certain I was not aware till after the orders had gone home.

591. But were you not recognised by Mr. Doyne as Commissioner under the Launceston and Western Railway Act, and as such permitted to see his plans in Melbourne as well as in Launceston? Yes, and

with reference to that matter I may state that I called at Mr. Doyne's office in Melbourne on several occasions when those plans and designs were in course of preparation, that is the original plans and designs, not the contract plans. I will read a Letter from Mr. Doyne, 2nd March, 1868, [marked O.]—This letter throws a new light on the matter; the letter refers to the Contract plans. I was not in Mr. Doyne's office more than once or twice, and after receiving that Letter I declined to go. I wanted no personal information, as anything laid before me must be official.

592. And it was in consequenceof that letter that you declined? Yes.

593. Could you infer that the plans of the Longford Bridge that Mr. Doyne intended to put up was a structure to cost more than £6000, the amount of his estimate of 1868? There again I should not like to say, for it was on the quantities and information furnished to me that I based my Report.

594. Is it generally understood to be included in the engaging of engineers of a railway to plan the bridges required and to superintend their erection? Certainly; and I presume the fees provided for in the contract with Messrs. Doyne & Co. cover all supervision.

595. With your knowledge of the present rate of labour and cost of material would you undertake to certify that such a Railway opened for traffic, and interest of money during construction, could be done for a sum of £350,000? If you would say, do you think a Railway can be constructed between Launceston and Deloraine for £350,000 I say yes.

596. A good, substantial, and safe Railway? Yes; for £350,000.

597. Would that £350,000 be sufficient to furnish rolling stock, telegraph, and everything connected with the working of a single line? Everything.

598. Can you then give this Committee any reason for the additional expenditure now proposed (except what you have given as to the Longford Bridge and Rails), and supposed to be necessary? I don't understand that question.

599. Setting aside the reference you made to the increased expenditure for the Longford Bridge and the increased cost of rails, how is it that this proposed additional expense is necessary? Because the Engineers had such absolute control. If I am to go into reasons, I must go into the feasibility from the beginning. I may say they are now contemplating making a Railway in Victoria, the Beechworth and Melbourne Line, over much more difficult country for a much less rate per mile.

By Mr Swan.—600. You have told us that in your opinion a Line could be constructed for £350,000: is your opinion formed from your experience derived from the experiments carried out in the construction of the present Line? Partly it is, and partly from my professional knowledge, leaving the present Line out of the question.

By the Chairman.—601. As a Director sitting at the Board of the Company, has it not been in your power to prevent some of those mistakes which are represented to have been made, and have you interfered to prevent them? It has been out of my power, and in every case I have endeavoured to prevent them.

602. What do you consider your powers at the Board of Directors to be? When the three Commissioners and the Directory are present the Commissioners are one to five.

603. And consequently seriously in a minority? Decidedly so: the Minutes in the Journals will show that I have been standing almost alone as a Director for months and months past. It has been ruled by the Directors that the Commissioners are not Directors until there are five duly elected Directors present.

By Mr. Lewis.—604. Is it necessary for 5 members of the elected Directory to be present to form a quorum? It is, according to the Company's rules.

By Mr. Swan.—605. Supposing two Commissioners present and only five of the Directors, would that prevent a second one from sitting unless there were ten? No.

By the Chairman.—606. Have you found any difficulty in asserting your rights as a Director at the Board, for the reasons you have given? I have on many occasions, which the Minutes will show.

607. Has there been any occasion where five Directors, as you have described, have not been present and the meeting has lapsed? Not to my knowledge.

608. Do you conceive that under the Launceston and Western Railway Acts the Commissioners have sufficient power to protect the public interests? They have not; but that is a question I would rather not give an opinion upon.

609. In the event of disputes arising between the Commissioners, the Engineers, or the Board of Directors, there is no power of reference? None.

610. Do you not think that such a power of reference is desirable? I think so, to the Government.

611. Disputes have arisen, have they not? Yes; on many occasions disputes with reference to information required by me before I signed cheques for payments on Certificates.

612. And those disputes were the cause of considerable inconvenience and expense? Yes; our only power at the Board is to withhold our signatures to the cheques; but you must bear in mind that after a work has been incurred the Company are liable, and when we withheld our signatures great complications resulted. When those accounts had been presented to the Board, and passed by the Directory for such large sums as £10,000 or £12,000, I have objected, and I have had my objections minuted in the journals, upon the ground that the Certificate did not contain sufficient information to enable me to say whether the sums were due or not; and I have been met by the Directory, the Secretary, and the Engineers saying that was not in my province, and nothing is provided in the Act. I have demanded quantities and rates, and failing to get them I have said, "Give me the data, let me see how you arrive at it," and that has been withheld from me: that all appears in the correspondence.

By Mr. Whyte.—613. They give the information now, however? The last certificate I got all the information I required given me,—the quantities and every information on every point.

By Mr. Kennerley.—614. Up to a certain point the Engineers of the Company denied your right as a Professional Commissioner to interfere with them in the management? They did, and the Directory also, because nothing is contained in the Act that would warrant my interference: that is the ostensible cause. I brought this under the notice of the Government.

615. But since the disputes the right has been conceded? The right has been conceded this month only; previously to that I had to go on the works and measure myself, and get the information as I could.

By Mr. Swan.—616. Do you think other cases might arise in which your usefulness as Commissioner might be interfered with by the Engineers or Directors? Yes, it's in their power to refuse under the existing Law. The Engineers have powers, under the Contract between Overend & Robb and the Directory, to order what they think proper; they are absolute, and can order any extra work and materials they may think proper, and have done so; and the Directors have not been called on to pay for such extras until they have been actually incurred, and payment then was unavoidable as the Minutes will show.

By Colonel Hutchins.—617. Will you state to the Committee the length of your experience as an Engineer since the date of your Articles, and to whom you were articled? I was articled in 1844 to Mr. Taylor, and was transferred through his failure to Mr. Stephenson, Engineer to Mr. Tredwell, the Railway Contractor.

618. Were you at any time resident engineer of any railway? I was employed in Victoria setting out lines of railway, supervising their construction and works, for I think, nearly ten years.

619. On what lines? The Geelong and Ballarat, Melbourne and Williamstown, Melbourne and Geelong, and Melbourne and Sandhurst. I had the supervision of all the stations and works. My testimonials are printed and will show that. My work on the Melbourne and Williamstown Line included the general works appertaining to a Railway.

620. Can you explain an apparent discrepancy between your memorandum at page 70 (No. 24), where you state the slopes will require £20,000, and your estimate, p. 45 (No. 16), where £6000 is stated for law costs and arbitrations, and extra earthwork in cuttings, &c.? In making up my estimate in July, 1868, it worked to £12,091 10*s.* 8*d.* for contingencies. It was not until after the contract between Overend & Robb was referred to the Commissioners that I was first made acquainted with the extraordinary slopes of ¼ to 1, and I expressed my doubt as to their standing at that batter. You will see, on reference to p. 45, I say this balance of £12,091 10*s.* 8*d.* is to meet "law costs and arbitrations, extra earthwork in cuttings, the slopes of which are specified to be only ¼ to 1, and it is a question whether they will stand at that batter." I may state that they found fault with me for bringing it under the notice of the Government: but I fail to understand your question about the £6000.

By the Chairman.—621. That extraordinary slope of ¼ to 1 appeared in the original specification laid before you, on which you made your Report of 23rd January? I hand in a statement which will explain that question, and I may mention that no word is mentioned in the original data by which I could understand or arrive at the conclusion that the slopes were to be ¼ to 1. If such was the case it was withheld from the Commissioners.

(Comparative Statement put in marked P.)

By Colonel Hutchins.—622. Do I understand that the slope of ¼ to 1 does not appear in the specification laid before you, on which you based your estimate? Not a word.

By the Chairman.—623. Are those plans to which you refer the plans that Mr. Doyne says are partially destroyed and does not produce? Yes.

By Mr. Swan.—624. The slope of ¼ to 1 being insufficient in your opinion, what do you think a proper slope would be? 1 to 1, and in some cases 1½ to 1.

625. Will any slope of ¼ to 1 stand permanently in any part of the works? Through the rock cuttings it would.

626. Are there any rock cuttings at present? There are a few. Nearly all the cuttings have been sloped; a great number sloped back either wholly or partially. My estimate with regard to the cuttings of £20,000 provides for the slopes being taken down to the base of the cuttings, and not as now being down at the sides.

627. Do you think that any saving has been effected by trying the experiment of the cuttings at ¼ to 1? None. An apparent saving has been effected, but eventually there will be none.

628. A great saving apparently in the first cost might have taken place, but supposing that some of those cuttings should be found not sufficiently sloped, but a certain number stood, it is a question whether some would not succeed? I don't know that there is one instance where, as an experiment, it will succeed eventually; it has succeeded partially, but in my opinion the whole of the slopes will have to be taken down to the base, that is all the earth slopes. I have already alluded to it, to the Government, as a recurring expenditure from time to time.

By Mr. Lewis.—629. Do you think it was a justifiable experiment to make the slope ¼ to 1 at such a cutting as at Cameron's Hill? I would rather not answer that, as I should have to touch upon its feasibility.

By Mr. Whyte.—630. There are some matters in dispute between the Engineers and Contractors with reference to the mode in which this work is to be calculated, I understand? Yes: it has arisen on items in the schedule for side cuttings.

631. What is likely to be the result? That it will involve nearly £3000, which will have to be settled by arbitration.

632. You have taken that into consideration in your estimate of £20,000? I have.

The Witness withdrew.

THURSDAY, SEPTEMBER 30, 1869.

Present—Mr. Davies (Chairman), Mr. Kennerley, Mr. Archer, Mr. Whyte, Colonel Hutchins, Mr. Lewis, Mr. Swan, Mr. Maclanachan.

MR. SAMUEL V. KEMP *recalled and examined.*

By the Chairman.—633. Yesterday I put this question to you, "Were you not recognised by Mr. Doyne as Commissioner under the Launceston and Western Railway Act, and as such permitted to see his plans in Melbourne as well as in Launceston?" You replied by putting in a letter, which was read to the Committee, pointing out that Mr. Doyne had objected to your coming there in the capacity of Commissioner to inspect those plans, but you were welcome as a Director, and you produced a letter you had received in consequence of which you declined to go? Yes.

634. Did you take any steps to communicate to the Government with regard to that matter? No, I did not consider it necessary at that stage to do so, because, on reference to that letter, I found it was necessary for the Commissioners only to report upon the plans and estimates prepared by the Engineers after they had been laid before the Directory and Contracts entered into.

635. Did this circumstance take place before or after you had certified that the Railway could be opened for £350,000? It was after.

636. *By Mr. Archer.*—What plans do you refer to,—the original plans submitted to you? These must have been the plans on which they contemplated letting the contract,—the contract plans. I explained to the Board that I was under the impression, when I handed back the plans given me, that they would have been the contract plans, but I found they were not.

By Colonel Hutchins.—637. Did you calculate the quantities given you by the Engineers as to the Bridge at Longford? I based my assertion on the data originally furnished to me in 1867; and I maintained that if a Bridge of 204 tons was sufficient in 1867, a Bridge of 204 tons would be sufficient in 1868.

638. Have you had any professional experience in designing or carrying out any work of a similar character to that of the South Esk Bridge? During my engagement on Victorian Railways I had great facilities of seeing all the designs that were made for all the works, and I saw them almost in every stage during their erection; larger structures than that of the South Esk Bridge.

By Mr. Lewis.—639. What is your opinion as to whether you consider the alteration in the Longford Viaduct especially an improvement of the Railway? Undoubtedly it is an improvement.

640. Do you think the improvement sufficient to justify the extra expenditure? There I am at a difficulty, for I maintain that four spans would have met the requirements of that locality, and that such an expensive structure was not necessary.

641. Was the alteration in the Bridge, and the extra expenditure consequent on the part of the Engineers, done without the consent of the Directors and Commissioners? In reply to that, I say I think under any circumstances the Engineers were not justified in putting such an expensive structure over that river with the limited means at their disposal.

By Mr. Archer.—642. Not even if they found they had committed an error as to the water way required? No. With the limited means at their command they were not justified in spending so much money at this crossing.

(The Witness handed in a letter with reference to his certificate on which his estimate of £350,000 was based. Mr. Doyne to Hon. Sec. 27th March, 1868, marked Q.)

By the Chairman.—643. What brought about that letter; was it at the time the Commissioners gave their Report? The Commissioners were called on to give in their Report in compliance with the Act. A question was raised by Mr. Bartley whether other professional opinions and evidence could not be obtained besides my own. We found that no such evidence could be obtained without payment for it out of the Company's funds, and there was nothing in the Act to provide for it. The Commissioners then decided to examine Mr. Doyne by evidence, and this is the evidence thus obtained from him. Mr. Doyne represented that before the Commissioners and the Directors at a Board Meeting, and the Commissioners then called on Mr. Doyne to put it in writing, and this letter is the document.

(The Witness gave the date of his appointment from printed paper, with letter of Sir R. Dry, 1st September, 1867, marked R.)

By Colonel Hutchins.—644. Do you owe your appointment in any way to the recommendation of Mr. Doyne? Not to my knowledge; that paper will explain every thing in reference to my appointment.

By Mr. Swan.—645. Am I correct in the impression that Mr. Doyne having estimated £400,000, on being asked by the Directors to reduce it to £350,000, replied that he could, but that further money would be required as soon as traffic commenced on the Line? That occurred before my connection with the undertaking. When my appointment was made the then Colonial Secretary sent me a copy of the Act, and in that the specific sum named is £350,000. I never knew anything as to the £400,000.

646. What did the Directors understand when they found Mr. Doyne had reduced it to £350,000,—was it the opinion of the Directors that it was to bring it within the requirements of the Act with the full knowledge that another sum would be required? My impression is that the Directors received such statement in good faith, and expected the Line would not cost more than the £350,000. I received it in good faith myself, and I believe my colleagues did the same. (Put in British Trade Journal and English Price Current, marked S.), to contradict a statement made by the Engineers, that the increased cost of rail was owing to the increased price of iron in the English market.

By Mr. Lewis—647. Is not the price of iron rails regulated by the discount? Not rails, I think; ironmongery, and all carpenters' ironmongery, is so regulated, but not iron rails. The discount rate fluctuates.

648. Is discount applicable to locomotive engines? No.

By the Chairman.—649. I draw your attention to question 82. You observe Mr. Doyne says:—"I never relinquished my original position stated in my report of 1861, that the Railway, to be completed satisfactorily, would require £400,000, and this has never been in the slightest degree concealed by me; on the contrary, it was matter of daily conversation between myself and the principal Directors." I should think Mr. Doyne must have forgotten the existence of that letter of the 27th March. I now hand in the original of the copy just put in.

650. What kind of inspection have the Engineers given for the execution of the Contract of Overend & Robb as to the brick, mortar, and other materials used by them, and generally as regards the detail of the works? In my opinion they have given very imperfect direct supervision: what I mean by that is, the non-existence of a Resident Inspector of Works, who ought to be constantly stationed on the works and never allowed to leave it. As to this matter of supervision I have made a digest of all that has taken place between the Engineers and Directors and the Commissioners, and I will read it and hand it in.

(Digest T. put in.)

651. Will you turn back to the motion of Mr. Tyson at the Board Meeting, 12th May, as to resident supervision. Was the amendment that there should be a local inspector carried? Yes.

652. Was that resolution of the Board of Directors carried out? No; it has been rather set at defiance by the Engineers.

653. Then are you enabled to state for the information of the Committee whether there has been any improvement in supervision in those works? There has been an improvement; Mr. W. B. Hull and Mr. J. E. Day, Civil Engineers, who had been engaged on the Main Line Survey, have been placed on the 1st and 2nd sections respectively; but in my opinion the supervision now is not sufficient, there is a want of resident Inspectors.

654. How was that improved supervision brought about; was it by the Commissioners refusing to sign the cheques? No; but by the services of those gentlemen being taken from the Main Line Survey.

655. Was that subsequently to the stoppage of supplies? Yes.

656. Then was the stoppage of payment a primary cause of the improvement in the supervision? I cannot say that it was.

657. Are you aware that Messrs. Conway & Tidey in the employment of the Contractors have been acting as supervisors over the works? There has been no one else but those gentlemen, and they being in the pay of the Contractors I have always looked on them as Contractor's men, not as supervising on the part of the Engineers.

By Mr. Swan.—658. Do you consider Messrs. Doyne & Co. have any authority over Messrs. Conway and Tidy? The paragraph in letter of 24th April, 1869, would infer such.

659. What do you consider? I must say they have no direct control, for the reason that "no man can serve two masters." If you will allow me, I will read the paragraph in the letter 24th April, 1869, where the Engineers refer to those gentlemen. "We may mention that, in addition to the inspection by ourselves and our assistants, Mr. H. Conway as inspector of brickwork, and Mr. Tidy as inspector of earthworks and excavations for foundations, on the part of the Contractors, have been directly placed by the Contractors under our own personal control and direction in every respect; and have been instructed by them, in Mr. Doyne's presence, to obey in every respect every order given by the Engineers without reference to Messrs. Overend & Robb: and we feel bound to say that they have given a prompt and willing attention to all our orders, which has claimed from us the fullest confidence in their integrity, and desire to obtain credit by the result of their exertions."

By Mr. Swan.—660. Did not the Engineers, Messrs. Doyne, Major, and Willett, claim to have authority over them: how do you reconcile it with the words, "Mr. Conway as inspector of brickwork, and Mr. Tidy as inspector of earthworks and excavations for foundations, on the part of the Contractors, have been placed by the Contractors under our own personal control and direction in every respect?" Such would lead me to the belief that they claimed the control.

661. Then the Engineers do claim a control: are Messrs. Conway and Tidy servants of the Contractors? They are in their pay, so far as I know.

By the Chairman.—662. I refer you to Mr. Doyne's evidence (88). Mr. Doyne says Messrs. Conway and Tidy officiate as Inspectors, which was for the Contractors, but he was personally supervising himself? With reference to this, I may say Mr. Doyne has always contended—and I believe he is upheld by a legal member of the Directory—that his Contract states he shall by himself, or by the aid of properly qualified assistants, supervise the Railway works; and he says he has elected to do it by himself—maintaining that he does it himself—he has no right to employ qualified assistants.

663. Did you oppose this system of supervision from the first? I may mention that I had some delicacy in reference to this matter, knowing I always stood in a minority; and I had consultation on the subject with my colleagues, and have spoken of it indirectly on many occasions; but the first record in the Minutes was when Mr. Innes moved his Resolution of the 16th March, 1869.

By Mr. Archer.—664. Are the engineering works in the adjoining Colonies being carried out by contract or by the departmental system? I may mention that in Queensland such a system was adopted; but it has since been abandoned, and they have gone back to the departmental. In New South Wales, New Zealand, and South Australia they always had the departmental system.

665. Are you aware whether in Queensland the Engineers were allowed to employ the servants of the Contractors as supervisors of their work? I am not aware.

By the Chairman.—666. Will you explain to this Committee what are your powers as a Commissioner: to what do you consider they extend? Our powers are very limited: we have little or no power.

In proof of that, extra works have been ordered from time to time, and the Directory and Commissioners have not been called on to sanction these extras until they had actually been completed, or nearly so. This is in direct opposition to a resolution of the Board. From the minute book it appears that Mr. Scott moved, and Mr. Kemp seconded, on the 13th October, 1868,—"That any alterations which the Engineers may think it desirable to make in connection with the Launceston and Western Railway, or in the ordering of any materials for such works, be submitted to the Board for their approval before any action is taken.—Carried." This resolution was communicated to the Engineers on the 15th day of October last. This also has been set at defiance.

667. Have you any power as Commissioner to call on the Engineers to give you certain information with regard to the number of persons employed, for instance, to supervise? None whatever.

668. Do you think that powers such as to ask for information from Engineers with regard to those matters already refused should be vested in the Commissioners? I think so, or in the Government.

By Mr. Swan.—669. Do you consider, by your own interpretation of the power conferred, you had any right to ask Doyne and Company what supervision they exercised? I don't think we had. Taking the Act as I read it, I must admit we have arrogated those powers to ourselves.

670. Then you think that, having arrogated to yourselves those powers, your conduct would be impertinent? No, I didn't think that, for we had advice, and on the strength of such advice I acted as I have done.

671. If you exercised on your own authority powers which were not conferred by the Act, is not impertinent the proper term to apply to your interference? We referred to the Law Officers of the Crown as to the interpretation of certain conditions, and they have decided the matters which should be within our power.

By the Chairman.—672. Will you favour us with your opinion whether you have any power to inspect the works as they proceed, as Commissioner? I have no power to inspect the works, and I have felt every time I have been on the works as a trespasser, and I believe if it came to a legal point the Contractors have power to put me off; in fact, I am almost certain they have, for it has been determined I am not a Director except at the Board, and as Commissioner there is no such power to visit and inspect the works.

673. Do you not think that powers of supervision and inspection as the works proceed should be vested in the Commissioners? I think the Commissioners should have a recognised power, and that where they find the supervision inadequate, their recommendation should be attended to.

674. Are you enabled to give the Committee any information as to the state of the works as they progress in consequence of your answer? Only from personal inspection; I go once or twice a week.

675. Can you give us your professional opinion as to the progress of the works, and the way in which they are generally constructed? That is a very general question, and I can only answer it in a general way; I believe, on the whole, the works have been faithfully carried out: that is my opinion. If I knew that there had been proper supervision, such opinion would be considerably strengthened by such knowledge.

676. Then, from the opportunities you have had, can you give any information to this Committee about the bricks and mortar and other material used by the Contractors; and if so, what? During my visits I have seen many things that have occurred that had I been personally supervising I should have objected to.

677. I am anxious to understand as to the stability, nature, and quality of the bricks, mortar, and materials? I could not speak of them except as before.

678. What was the quality of the bricks, mortar, and cement, and other materials? I have not had an opportunity of examining and testing, and can only judge from my personal visits.

679. Can you give us no opinion on those points? Only generally.

680. Have you objected, or could you have objected, to the use of any of the materials if you had had the power to do so? Certainly. I should have objected to some of the bricks and cement mortar used at many localities on the Line,—more particularly at Longford Viaduct; but, under the existing law, I had no power whatever. Had I raised this question before the Directory, it would have made matters more unpleasant still. I have a sample of cement mortar that I took out of the wing wall of the abutment of the Viaduct on 16th September, 1869, which I produce. I am speaking of the Viaduct over the river.

681. What is the quality of that cement? I should pronounce the quality to be very questionable; it has set a little more than when I took it out of the work.

682. What is the cause of that crumbling? On account of there not being the proper proportion of cement in it to the sand, and that arises from the want of proper supervision. I will read to you the provision of the Contract bearing on that. (Specification, 130th Condition, as specified in Clause 29.)

683. Does that cement mortar produced contain in your opinion the necessary quantity of cement to render it durable, and a proper material to use? It is not in my opinion in accordance with the description given in Clause 29 of the specification.

684. Then, had the Commissioners been invested with such power as you think they ought to possess, this material would not have been used? No. I may say that during my experience on Victorian Railways I had a Resident Inspector on every work under my supervision, whose duty it was to see that the conditions in the Contracts were faithfully carried out, and more particularly to judge of cement and materials, and my duties were then very arduous. I had works of 200 miles extent under my supervision. I refer the Committee to Mr. Higginbotham's evidence, Victoria Parliament, par. 60. Julian Danvers, Esq.'s Report on Indian Railways, 1867 and 1868.

685. Can you tell us now what sum was estimated for supervision in this Contract? Mr. Doyne's Contract provides for £17,600 for supervision, including surveys, preparation of plans, and everything, about £400 per mile.

By Mr. Archer.—686. Is it usual in using sand for cement work to have it washed, or to simply use it as it is taken from the ground? When you get it from the pit the sand requires to be washed, but if from the river the sand is washed already.

687. Do you know where the sand is procured from that is used with the cement for the South Esk Viaduct piers? No. I do not. Generally speaking it would be necessary that pit sand should be washed before being used or mixed with cement, but there are exceptions in which sand does not require washing.

688. What length of time elapses before mortar will be thoroughly hard? There are differences of opinion on that. It takes a long time before it arrives at maturity. From my experience in these Colonies I have found it sets more readily here on account of the dryness of the climate, and the absence of frosts. Cement mortar usually sets in 24 hours.

689. Did you inspect the Perth Viaduct during its construction? Yes, repeatedly.

690. Should cement have been used in the entire construction of that work? I don't think it's absolutely necessary; the Contract only provides for cement in certain portions.

691. Was cement used in that portion of the work throughout the arches? To the best of my belief, yes.

By Mr. Whyte—692. Have you seen the statement of estimates and cost put in by Mr. Dowling? Yes.

693. Did you examine that document very carefully? I did.

694. That differs materially from the one you handed in? It does.

695. Have you formed your estimates on what you conceive to be absolutely and necessarily required? I have, irrespectively of this estimate.

696. In your estimate you put down £6000 for extra station accommodation and extra approach roads,—do the Committee understand that to be absolutely necessary? I think mine amounts to more than that.

The Witness withdrew.

Friday, 1st October, 1869.

Present—Mr. Davies (Chairman), Colonel Hutchins, Mr. Kennerley, Mr. Maclanachan, Mr. Swan, Mr. Whyte, Mr. Lewis.

The Hon. F. M. INNES, *Esq., M.L.C., called in and examined.*

By the Chairman.—697. Your name is Frederick Maitland Innes? Yes.

698. You are President of the Legislative Council of this Colony, and you are also a Commissioner under the provisions of "The Launceston and Western Railway Acts?" Yes.

699. Have you held your appointment as Commissioner since the time the Launceston and Western Railway Acts came into operation? I have been Commissioner from the period that the Act took effect. I was one of the first Commissioners.

700. What instructions did you receive on being appointed Commissioner under the Launceston and Western Railway Acts? I received no written instructions. I had copies of the Acts placed in my hand, and had verbal communications with the head of the Government at that time, the effect of which was, that I was looked to to protect the interests of the Government where these were involved in the operations of the Company.

701. By the Government you mean the Country? Yes.

702. Will you inform the Committee what duties have been performed by you in the capacity of Commissioner? I have made myself acquainted with all the business transactions of the Company of any moment from the time of my appointment. I have taken my place at the Board of Directors. I have from time to time visited the works. I have maintained a constant correspondence with the professional Commissioner, who has referred to me in all matters of a discretionary character; and have been in constant personal communication with the Government on all matters affecting the Railway and its interests therein.

703. Have the powers of the Commissioners been acknowledged by the Board of Directors? Perhaps the powers of the Commissioners as they could be legally established have been recognized; but the powers of the Commissioners under the law do not certainly correspond with those which Parliament contemplated when passing the law, and I may add that the disposition encountered by the Commissioners from the Company has been to reduce them to ciphers and make their appointment a nullity.

704. Their powers then, in your opinion, have not been sufficient? Certainly not for the object intended by their appointment.

705. Have you arrived at any conclusion from what you have detailed as to what the powers of the Commissioners should be; and if so, will you favor this Committee with your views on the subject? Considering that the interest of the Government in the Railway amounts to $\frac{5}{7}$ths of the original capital of the undertaking, I think that the Government should have reserved through the Commissioners a more perfect control over the expenditure of the Company: a course for which there are precedents in respect to the Indian Railways, as well as others.

706. Do you refer to those precedents: have you them with you? Yes; in connection with the Indian Railways there is a control which commences with the very first proceeding in respect to the

construction of railways. The Committee may be aware that in India the railways are constructed by Companies under a guarantee of interest from the Government. The plans of every railway are not accepted merely as they come from the engineers of the Companies: they are subject to the revision of engineers on the part of the Government, and no deviations are allowed unless by the sanction or approval of the latter; and in a Board which presides over the Indian Railways there sits an Official Director on the part of the Government, who has a veto on the proceedings of the Board. I may add to the evidence which appears in a letter from myself, 11th June, 1869 (Paper 24), condemnatory of confiding entirely in the surveys and in the supervision, of contract Engineers, that in the Report from the Select Commitee of the Legislative Council on Railways in Queensland, dated 4th October, 1866, appears the following resolution:—"Your Committee, whilst believing that the Colony may be fairly satisfied with the engineering skill of Mr. Fitzgibbon, clearly perceive that a decided mistake was committed in allowing the surveying and engineering superintendence to be contracted for, instead of being conducted by a department." I would refer also to the practice in England where the plans of all railways must be approved by the engineers employed under the Railway Committee of the Board of Trade, and no deviation from the plans which have been approved or sanctioned excepting on the authority of that independent staff. This applies to all railways. I lay on the table a Railway Report, Board of Trade, for 1867 (marked U.). On the point I have spoken to, I refer the Committee to the following heads in the Regulations of the Board of Trade.

If Company contravene statutes, Board of Trade to certify same to the Attorney-General, who shall proceed against them.
Obligation as to the description of third-class carriages.
Power reserved to Lords of the Treasury to revise tolls, fares, and charges.
Objection to make returns to Board of Trade (Hodges, p. 481).
Notice of accidents to the Board of Trade.
Inspectors of Railways. Appendix, p. 21-2.
See Memoranda of Important Desiderata, Appendix, p. 269.

707. Having given us the explanation now received, will you express your opinion as to what should be the powers with regard to the Tasmanian Commissioners, and how should they be brought about? I may have a clear view as to what it might be expedient to do supposing there were a clear field, but while I think a great mistake was committed in reposing this work in the Company, and that that arrangement will inevitably be proved to be only temporary, that it must cease, that it will be brought to an end by circumstances, I also think it would be inexpedient to precipitate a termination of the present arrangement; but that a power should be reserved in the general Government, if not in the Commissioners themselves, of vetoing resolutions of the Directors, more particularly where Contracts and expenditure of money are in question. On the defects of the present system I may express myself in better language than I have now used, which has been applied to a Company similarly circumstanced to the Launceston and Western Railway Company, that "a Railway supported by State subsidies, and not checked by Government control, is a sort of chartered libertine." Obviously it must be seen that the natural restraints on expenditure are in the difficulty of getting money; but if you have a facile means by which money is to be got, you will have a facile system in its expenditure.

708. Then do I understand you would recommend an alteration in the Railway Act of this Company embodying those powers? I do not see how the Legislature could with any propriety place additional means at the disposal of the Launceston and Western Railway Company (and in this I intend no reflection on the Directory of that Company, I speak of the theory of its position) without retaining more effectual checks than it has hitherto held over its expenditure.

709. In the Railway Correspondence (No. 24) you are represented to have held the opinion that the appointment of an Engineer as a Commissioner was not desirable. Are you still of that opinion? In my communications with Sir R. Dry relative to the appointment of Commissioners I expressed my apprehension that the appointment of two professional men (the professional Commissioner and the Company's Engineer) would result either in jealousy and misunderstanding between them, or in such a mutual good understanding as would defeat the end of the appointment of a professional man as Commissioner; but from the experience I have had I am perfectly satisfied that it would have been impossible for the unprofessional Commissioners to discharge their duty unless they had had the advantage of the experience and knowledge of a professional associate.

710. Has not Mr. Kemp's professional knowledge been of acknowledged advantage to the Directory? Not of acknowledged advantage by the Directory,—speaking of the Directory as represented by its majority,—because the utterance by him of a professional opinion to the Board of the Company has always been met as if it were an impertinence,—a thing he had no business to give. Mr. Doyne was the professional man of the Company, and Mr. Kemp's professional opinions were an intrusion.

711. Was the contract with Mr. Doyne for his services as Engineer entered into with the approval and consent of the Commissioners? The contract was entered into in May, 1867: the Commissioners did not take their seats at the Board of the Company until early in 1868. That contract is divided into two parts, one providing for the survey on which the plans and specifications of the Railway were to be framed in such a manner that they could be carried out by some other Engineer than Mr. Doyne. It was assumed that the first part of his contract had been fulfilled when the Commissioners had to make their first Report to the Government. Perhaps it would be desirable for the Committee to have access to the Articles between Mr. Doyne and the Company. (Articles handed in and marked V.)

712. Are you aware that the plans and specifications to which you have referred are missing? I am aware that some documents are missing. I believe certain data put before the Commissioners originally are missing, for I wrote or prompted an application for these documents to be furnished to the Commissioners, to which the reply made was that some of them had been destroyed and others were in Melbourne, and they have not since fallen into the hands of the Commissioners.

713. Are the papers and documents you refer to, or were they considered by you as, original docu-

ments on which you were to draw your conclusions? They were among the bases on which the Report of the Commissioners was made that the Line could be made for £350,000.

714. Were the Commissioners parties to the Contract with Overend & Robb? The question is a legal one, and in that point of view I am not prepared to give an opinion upon it. But if the question means were we present, and assenting parties to the Contract with Overend & Robb when their Tender for the construction of the Line was accepted by the Directory, I say "No;" and I fortify that statement by referring to the published correspondence (Paper 16, p. 39, Letter 100), from which it will be seen that exception was taken by Mr. Kemp and myself, in a letter of 18 July, 1868, to a condition in that Contract on which the opinion of the Attorney-General was not elicited until the 21st July, after the Contract had been entered into. It is therefore not to be presumed that the Commissioners were, simultaneously with the Directory, parties to the Contract while a question was in suspense, and referred by them to the Law Officers of the Crown, affecting that Contract. That letter of the 18th July, 1858, is signed only by Mr. Kemp and myself; but I hold in my hand a letter from Mr. Bartley, of July 22nd, in which, in reference to that letter, he writes :—

As you and Mr. Kemp signed the letter you refer to as transmitted by you to the Colonial Secretary, I think it is hardly worth while to intimate my concurrence by a separate letter; but, if convenient, and you approve of such a course, you might let your signature appear to the letter as for yourself and T. Bartley, which I hereby authorise you to do.

Furthermore, I have before me a Minute Book of the Proceedings of the Commissioners kept by Mr. Bartley, from which I will read the following extract :—

July 15th, 1868.—This being the day appointed for the opening of Tenders for the construction of the whole of the Line in one Contract, 9 (nine) Tenders were sent in and opened in the presence of the Board of Directors and all the Commissioners, a list of which, setting forth the names of the respective Tenderers and the amount of each Tender, was made by Mr. Kemp as they were opened. The Tender of Messrs. Overend & Robb, of Melbourne, amounting to £207,325, was found to be the lowest, and was by the Board referred to the Engineers of the Company, Mr. Doyne, who attended at the Board and handed in their Estimate for the whole of the Works comprised in the Tenders, the amount of such Estimate being £ . The Engineers, after conferring with Messrs. Overend and Robb as to making certain alterations in the specifications which reduced the amount of their Tender to £200,671 8*s.* 8*d.*, reported to the Board upon such amended Tender and recommended its acceptance, which report and recommendation was adopted by the Board, the Commissioners *taking no part in* such recommendation and adoption.

July 18.—A duly executed Contract entered into between the Directors and Messrs. Overend & Robb.

The words "taking no part in" being underlined by Mr. Bartley. I may add that, as a *general* rule on questions coming before the Directory in which I had a separate action as a Commissioner, I have abstained from taking any action as a Director.

715. Was any objection made at the date of the Contract with Overend & Robb to the form of the Certificate provided therein for progress payments? None whatever.

By Mr. Kennerley.—716. Were objections taken afterwards by the Commissioners to the sufficiency of that Certificate? Yes.

By the Chairman.—717. Did any dispute arise in consequence? Yes; and that was the ground on which a fuller certificate, and one more satisfactory to the Commissioners, was called for. It was not on the provisions of the Contract with Overend & Robb, but the provisions of the Contract between Mr. Doyne and the Company that the Commissioners took their stand. I will explain :—Under the Contract of Mr. Doyne it was provided that he should act as the Company's Engineer-in-Chief; and it was contended by the Commissioners that among the duties of an Engineer-in-Chief was this, that if it were demanded of him by the Company that he should furnish a Certificate more ample than the one he was willing to give, he should furnish it. If reference were made to the correspondence originated by myself—which was transmitted by the Colonial Secretary to the Governments of the neighbouring Colonies, and the answers received,—it would be seen that the demand of the Commissioners was based on the obligations of any Engineer, whether employed by the Government or by a Company.

718. In the Correspondence published by order of Parliament there is a letter from Mr. Dowling, in which he states that you suddenly refused to sign cheques,—have you any explanation to make on this statement? I lost no time in contradicting that statement: I did so on the evening that it appeared. I signed cheques for a month or two, while I was in doubt on the question. I then consented to do so provisionally until I should receive satisfactory answers from the neighbouring Colonies. Mr. Dowling fully understood that arrangement—fully assented to it—and I can produce a letter from him, if required, in which he acknowledges that to be the understanding. As to the subscribing Colonists' money being all expended at the date of my getting the replies from the neighbouring Colonies—that was an accident, and had no influence whatever on my proceedings in the matter; but I deny that the subscribing Colonists' money had been all expended at the time.

719. Can you inform the Committee what is the present state of the Company's accounts, and has the £50,000 been paid up? The £50,000 had not, on the 31st August of the present year, been paid up. There are two accounts kept—one of the Commissioners and Company, and one of the Company,—by which it appears that on the 31st August the Company's account was upwards of £11,000 overdrawn. I hand in that Account.

Cash Statement Company's Account, 31st August, 1869.

	£	*s.*	*d.*
To Bank, 1st and 2nd years, as per balance-sheet	32,790	10	0
Amount paid in from 16th March to the 31st August	6074	12	5
	£38,865	2	5
Balance due to Bank as per Bank Book	£11,134	17	7
Amount of credit	£50,000	0	0

Company and Commissioners' Account, as per Bank Book, 31st August, 1869.

	£	s.	d.
Balance to credit of this Account for expenditure, after covering overdraft on *Company's* Account	58,018	19	8

720. In one of your letters you quote evidence given before the Queensland Legislature by Mr. Doyne,—can you produce that? I find I made a mistake: the minutes of evidence were printed by order of the Queensland Parliament, but the evidence was evidence taken before a Commission.

(Evidence put in.)

721. By whom were you made acquainted with that evidence? By no one: I had been reading on Railways and nothing else for a considerable time, so as to inform me on questions I was likely to meet with, and I alighted on that evidence. Perhaps I may add, in justice to Mr. Kemp, that he never saw it until I showed it to him.

722. From the experience you have had in the discharge of your duties as Commissioner, have you come to any conclusion of the course desirable to adopt for the completion of the Launceston and Western Railway? With respect to the completion of the Railway, I think it would be very inexpedient to withdraw it from the Directory of the Company; but I think the Commissioners should be invested with powers to accomplish the end of their appointment: I say the end of their appointment, for Parliament meant to invest the Commissioners with more power than they have.

723. Did you or your Co-Commissioners concur in the appointment of Mr. Dowling as Secretary at £600 per annum? I did so actively: when there was a question in the Directory as to one or other rate of salary to Mr. Dowling, I contended warmly for the larger rate; and, in doing so, I referred to the importance and laboriousness of the office he had undertaken, and to his acknowledged zeal and ability in discharging its duties; but I did so also on another ground, which led, when brought forward by others, I think, to the ultimate decision of the Directory. Mr. Dowling at that time claimed from the Company the fulfilment of a promise or resolution of the *Provisional* Directory which preceded the mature formation of the Company, that he should receive a certain number of Shares for past services. When the present Directory was formed, (the Members of which were not all Members of the previous one), at its first or second Meeting a general Resolution was passed affirming the Resolutions of the preceding body, in which was of course included, but without being specifically mentioned, the Resolution in favour of giving Mr. Dowling so many Shares. I did not think the transaction was one that should be recognised, but that it was dubious in character, and if acknowledged it might entail upon the Government, in contingencies liable to occur, the obligation of buying up his Shares the same as if they had been actually paid for. In granting a liberal salary it was understood that the Company would hear no more of the claim to Shares on the part of Mr. Dowling.

724. You certified in January, 1868, with your brother Commissioners, that a Line could be opened for public traffic at £350,000? Yes,—basing that Certificate on the professional Estimates.

725. Are the Committee to understand that when you signed that Certificate to the Governor in Council, and from enquiries you made, that you were under the impression that the Line was to be opened in a substantial and proper manner for that amount? Yes, certainly,—including rolling stock and everything necessary to the efficient opening of the Line, and not the mere formal opening. I had no conjecture of any distinction between mere formal and efficient opening of the Line.

726. Then you wish the Committee to infer that you were deceived into giving that Certificate? No, I am disappointed; but deception implies that some one had intentionally deceived. I don't wish to imply that. From all I have learned of antecedent proceedings in framing estimates of what the Railway would cost, I believe the Company had arrived at the mature conviction that the work could be done in an efficient manner for £350,000.

727. The basis of your certificate that you speak of,—was that brought to bear on you by any certificate from the Company's Engineers? Certainly; and it is so stated in the joint letter of Mr. Bartley and myself in January, 1868.

By Mr. Kennerley.—728. Had the Company arrived at that conclusion, in your opinion, on the Engineer's certificate? In my opinion they had; not on the certificate but on his report (estimate and plans) to the Company. By the Company I mean the Shareholders and Directors, at least the majority of them.

By the Chairman.—729. But Mr. Doyne gave a certificate that a Railway could be opened for public traffic for £350,000? Yes.

730. Are you aware that Mr. Doyne never relinquished his original position that £400,000 was indispensable to finish the work? I have heard Mr. Doyne has said so, but I expected nothing of the kind. He never said so to me.

731. But were the Commissioners acquainted with these views of Mr. Doyne at the time they gave their certificate that the line could be opened for traffic for £350,000? I can speak for myself, and I think for Mr. Bartley with whom I was much in communication: I am morally satisfied that very many of the Directors had no suspicion that the work would not or could not be executed for £350,000. I am morally satisfied, and don't hesitate to say as an unprofessional Commissioner, that the moral satisfaction on their part was an element in the satisfaction of my mind on the question.

732. Have you seen the estimate forwarded to the Parliament by the Directory for the increased expenditure, signed by the Hon. Secretary? I have seen it.

733. And have you seen also the estimate of the Official Commissioner on the same subject? Yes.

734. Have you taken the trouble to make yourself acquainted with the details of those estimates? Yes.

735. Will you favor the Committee with your views on the relative documents? I draw attention to the paper by Mr. Dowling, and point out to the Committee the difficulty which the form of this account gives to any one who desires to compare it with the estimate of Mr. Doyne in 1868 (No. 16 Paper, p. 46).

In the estimate for completion of the Railway in 1868 there is a different distribution of items, and it is embarrassing to any one to compare the one statement with the other, because the elements appear under different denominations in the two. But I point out one or two things in this explanatory report of Mr. Dowling. In the second page under "London Contracts" it says: "The Engineers' estimate for contracts for girders, their *erection*, freight, &c., was given at p. 46 Correspondence at £59,650." Now, I don't admit the correctness of this. I beg the attention of the Committee to p. 46, Paper No. 16, by which it will be seen there is not one word to be found in p. 46 about "erection" of the bridge. Had the erection been really introduced into the elements of calculation accepted by the Commissioners on 16th July, 1868, they would have been compromised in respect to a question which subsequently has arisen in respect to the cost of erection of that bridge: in other words, it is made to appear that in July, 1868, the Commissioners had before them an estimate for the cost of "erection" of the Longford Bridge. I draw attention to the estimate of slope of cuttings, the latter part: "The principal works in this condition are between Launceston and Longford, and most of these being finished,—at least, to the extent the Engineers propose to *flatten* them,—it appears safe to take this extra at £12,000." The signification of that is, that the cost incident to the mistake in respect to the slopes estimated by Mr. Dowling at £12,000 is an estimate which ignores the subsequent expenditure required on those slopes. I draw attention to the estimate of "additional rolling stock," in which it is said, in reference to the proposed additional rolling stock, "This arrangement would therefore greatly diminish the *risk* of the districts being called upon to pay a Railway rate." I submit to the Committee my own opinion that there is no question about that risk at all, and scarcely can be: it is a moral certainty. I call attention to the note in these terms, that Mr. Kemp, the Professional Commissioner, in his Report, 24th July, 1868 (Paper 16, p. 45), said the cost of additional rolling stock and other items enumerated by him would involve an additional expenditure beyond £350,000 of an amount at least equal to, if not more, than that of £23,000, as estimated by the Company's Engineers. The inference is drawn: "The Government, therefore, in deciding to sanction the construction of the Line upon the Commissioners' Report with such addenda, must be supposed to have fully calculated upon such additional sum being required as would provide for such additional rolling stock, &c.:" in other words, the Government is represented to have committed itself in receiving the Report of Mr. Kemp on the Railway to the further expenditure of £23,000, whereas the law gave no power to the Government to withhold its sanction, affords no power to the Commissioners to approve; the sole power of the Commissioners being to "report." I desire to refer to the history of the legislation which resulted in the Government placing itself in its present disadvantageous position. The original Act provided that the Commissioners should report on the plans, estimates, and *Contract* for the Railway, and the Government was to give or withhold its approval. But in 1865, I think, a correspondence was opened with the Whyte Administration, by the Promoters, for the purpose of getting amendments in that Act. Ministers left the question to be initiated by these parties in Parliament, where among other amendments carried was one by which the Commissioners had to certify upon *estimates*, and not upon a *Contract or Tender*, at what cost the Line could be constructed. By this change in the law Government was deprived of all power of vetoing the construction of the Railway at that period when, but not sooner, reliable data in respect to cost would come before it.

736. With reference to the estimate of Mr. Kemp, have you examined it sufficiently to say whether you believe that the sums mentioned in his estimate are sufficient to complete the work in a substantial, proper, and satisfactory manner? I believe so,—but I am an unprofessional person,—from the care which I know he has bestowed on the matter; for there has been constant communication between himself and myself for several weeks before he matured the estimate which was sent in to Government last week: but, in giving this opinion, I desire to guard myself against accidental expenditure which may arise in the future working of the Railway. The Works executed may or may not be found good. I do not qualify as respects the estimate drawn up by Mr. Kemp, but as regards defects of original plan or its execution.

By Colonel Hutchins.—737. Can you indicate how the powers of the Commissioners can be enlarged under the operation of the existing Acts? By giving them a veto on expenditure on the part of the Company,—a veto, if necessary with an appeal to the Executive Government.

By the Chairman.—738. But is there no such power now? No; in fact, they have no power.

739. What you propose is, that the Law be amended conferring those powers? The position of the Commissioners under existing Acts is that of Inspectors without power. I don't hesitate to add that I have not been nice as to what I construed my legal powers in relation to the Company to be. I thought the public interests required that, pending a reference to Parliament, we should assert powers which Parliament intended to confer.

740. Have the Engineers of this Company sent to England orders to expend m oney without the knowledge or concurrence of the Commissioners and Directors? My answer to that is,that expenditures, not understood beforehand or calculated beforehand either by the Commissioners or Directors, at least many of the Directors, have been incurred at home in consequence of an unbusiness-like arrangement by which the Engineers were entrusted with the duty of transmitting Orders to the Engineers at home instead of the correspondence passing through the Board. On this point, I desire to call the attention of the Committee to pp. 152, 153 (Paper 24). Mr. Bartley, under date 17th July, 1869, impugns a statement in my letter of 11th June to the effect that an unbusiness-like arrangement for the transmission of Orders to England through the Engineers of the Company, which had been sanctioned by the Directory, was opposed by Mr. Kemp and myself, and he refers to the meeting of the Directory on July 21st, 1868, when the Orders *for the Bridge* were assented to, as an occasion on which I was not even present at the Board, and when Mr. Kemp was a "consenting party" to the proceedings adopted,—as disproving my representation. In rejoinder to this contradiction I refer to the Minute Book of the Directory for 20th July, from which it will be seen, in the first place, that I was present at the Board on that day; and, secondly, that on that occasion the iron-work for the Permanent Way was ordered. The iron-work being the first material authorised to be sent for, naturally it occurred before transmitting that first Order, that the business arrangements in connection with it, and with future Orders, should be then considered, and

having been determined, that such arrangements should continue in force. It was then, when the iron-work for the Permanent Way was authorised to be sent for, that Mr. Kemp remonstrated against Orders being sent otherwise than direct from the Board, either through the Secretary or Chairman, the Engineer supplying details in the first instance, and I seconded him in the views which he urged. I have as vivid a recollection of the circumstance as if it occurred yesterday, and of Mr. Dowling deprecating having the duty imposed upon him, his duties already being as much as he could get through. I have to add, that I did not defer till my letter of June to bring before the Government the unbusiness-like arrangement in question. I did so in a letter to the Colonial Secretary on the 29th April, in the first and final passages of that letter (pages 71 to 73). Moreover this letter, as it now stands, word for word, was the greater part of it read over to Mr. Bartley in presence of Mr. Kemp, before it was sent, as he himself acknowledges (page 84 of the Correspondence); and although he arrested the reading of other portions of the letter to express his dissent, he never questioned the correctness of the statement on which he has since sought to throw discredit as to the "unbusiness-like arrangement." Nay, more, the letter of 29th April was on the 30th sent by the Colonial Secretary to Mr. Dowling and by him handed to Mr. Bartley, who replied thereto in a letter of three pages and a half (pages 84–7) in which, from beginning to end, is not one word impeaching the statement,—which, in the most insulting terms, he has impugned in his letter of the 17th July written in vindication of the Secretary, Directory, and Engineers of the Company. It is not immaterial that I should add, that this letter of 29th April, which I have already said was forwarded on the 30th to Mr. Dowling, provoked no contradiction from him at that time, although his promptitude in questioning inconvenient representations is manifest on the face of the published correspondence. He reserved his denial till the 2nd of July (page 127), when, in a letter which purports to be "a *further* acknowledgment" of the Colonial Secretary's of April 30, he "positively" denies the statement of Mr. Kemp and myself. By the 2nd of July, my letter of June 11th, in which the disastrous consequences of the "unbusiness-like arrangements" are stated, was before Mr. Dowling.

741. You are aware that Mr. Doyne, the Chief Engineer of this Company, repudiates the power of the Directors, including the Commissioners, to interfere with him in giving orders for materials? I was not aware.

742. But you are aware that all orders for materials have been given without the sanction or knowledge of the Directors? Without their passing through the Directory.

743. But deviations have been made in the orders first submitted to the Directors without their authority or knowledge? Without the authority and knowledge of the Commissioners and the Board of Directors—many of them: yes, I may say the bulk of the Directors, on the ground that the Directors have, on two different occasions, passed Resolutions directing the Engineers to give an explanation as to discrepancies between the orders sent Home and the data placed before the Directors, in respect to rails, and material of the Longford Bridge. On that matter of the Bridge Mr. Bartley accuses me of making a statement "in every respect at variance with truth" in alleging that the Directors were in ignorance of Mr. Doyne's instructions in regard to the Longford Bridge until the answer to them arrived from England, I willingly correct an inadvertent inaccuracy on my own part. I should have said that the purport of Mr. Doyne's instructions was not known till the instructions were irrevocable. I expressed myself in more strict accordance with the facts of the case in letter (p. 71) of 29th April, 1869, in these words:—

"The result of the arrangement (that is the unbusiness-like arrangement) decided on has been, that on two occasions the Board, surprised by finding orders in course of execution in England involving a departure from the Plans, and considerable additions to the Estimates to which they had given assent, have passed Resolutions enquiring of their Engineers how this came about? In one case, for rails of 65 lbs. weight they have found the Company saddled with the cost of rails of 72 lbs.; and, instead of an iron bridge estimated to weigh 204 tons, and to cost £6600, that they were required to meet the expense of one which would weigh from 700 to 800 tons, and likely to amount to or exceed £22,000."

Upon which statement, under date 7th May, 1869, (p. 84, Correspondence), Mr. Bartley wrote to the Colonial Secretary:—

"I entirely concur with Messrs. Innes and Kemp in stating that the alterations in the weight of rails, and in the designs and cost of the Longford Bridge, were not brought under the notice of the Commissioners until after the orders for such alterations had been forwarded by the Engineers to the Company's Agents in London; and that therefore it was altogether out of the power of the Commissioners to prevent the additional cost occasioned by such alterations, whatever may be the amount, and that they are not in any way responsible for the same."

For what purpose, after the above ample admissions, Mr. Bartley in his letter in vindication of the Directory and Engineers proceeds to state that at a weekly Meeting on 6th October, *all the Commissioners being present*, (these words are italicised by Mr. Bartley), a copy of the letter dated 12th September, of instructions from the Engineers to the London Agents, including the specification for the iron-work of the Longford Bridge, was read, fully deliberated upon and approved, I do not understand. On the 6th October it was too late to recall orders which had been sent by the September mail: these orders are duly reported by the London Engineers, under date 23rd November, as having been already executed. If therefore there be a distinction between my statement,—acknowledged as inaccurate,—that the Board did not know the purport of Mr. Doyne's instructions Home till the answers to those instructions reached the Colony, and the more correct statement of the case, namely,—that the Board did not know till after the instructions had gone Home and could not be cancelled,—I submit that there is only a distinction, not a practical difference—nothing to justify the imputation of a departure from *truth*, to which the attention of the Government, the public, and the Legislature should be invited by Mr. Bartley!

By Mr Whyte.—744. As Commissioner and Director you have had occasion to call in question the sufficiency of the supervision provided by the Engineers Messrs. Doyne, Major, & Willett? In visiting the works I was much struck by the circumstance, that while there were minute conditions in the Contract of Overend & Robb, there was no one on different portions of the works to see that those conditions were

enforced. I refer to some of the conditions in the Specification of Works. Wrought timber used in certain places was to be painted *three* times; bricks were to be laid and bonded, the work grouted, &c. in a manner which is minutely set forth; the character of the stone and the uniformity of it are specially provided for, also the character of the mortar, cement, and the concrete used in the foundations. "In closing up an embankment to a bridge, or in carrying it over a culvert, the greatest possible care both in filling and pounding was to be observed so as to avoid any injury to the masonry." The timber work in bridges or viaducts was to be "wrought perfectly true at all surfaces which are in contact, and all mortices and tenons, housings, houselets, &c., to be well and truly formed and fitted, and made with white lead and oil." A portion of each pile was to be charred to a depth of three-eighths of an inch, &c. These conditions, it appeared to me, if of any value, as they undoubtedly were, required the presence of overseers, quite independent of the Contractors, to enforce them, but there were none. Finding this, I brought the circumstance under the notice of the Secretary. I asked him, who supervises the details of the Contract; he said, why do you ask, because I will speak to Mr. Doyne. Some time elapsed; I saw the same thing going on, and I then brought the question under the notice of the Directory at the Board. Some of the Directors thanked me for what I did, and communication was opened with Mr. Doyne upon it. The unsatisfactory results are shown in the Correspondence published by order of Parliament this Session. The Engineer of the Company had engaged the paid *employées* of the Contractors to supervise the execution of their employer's Contract. I was particularly struck in visiting Longford Bridge by the absence of supervision; that being a portion of the work where it was of the very greatest importance, as defective work there would be hid, while the consequences would be the most serious. I subsequently applied to the Government on the question, and pressed, irrespective of considerations of cost, that the Government, considering its large interest, should sanction the employment by Mr. Kemp of additional hands to supervise the execution of the work.

745. Are you aware that Mr. Doyne insists that himself and partners supervise their own work, and that there is no other supervision of the work excepting that which I mention? I am aware the Engineers contended for the sufficiency of their supervision; but I am aware also that their supervision, as regards details, is not of a character with which the Commissioners on the part of the Government ought to be satisfied, and in saying that, I would quote to the Committee that all opinion wherever Railways have been constructed attaches very great importance indeed to the efficient supervision maintained in the construction of Railway Lines. I will quote the view expressed in the last Report of Mr. Julian Danvers, the principal Government Director of Indian Railways, where, notwithstanding the utmost care in supervision, works of the most costly and gigantic character have suddenly collapsed. There is one instance which he quotes of a bridge which fell at a crash:—

"While describing what is being done it is necessary to refer to some works on which, instead of progression, there has unfortunately been retrogression. On the 19th July last, without any immediate apparent cause, the great viaduct on the Bhore Ghat incline of the Great Indian Peninsular Railway, consisting of eight arches of 50 feet span each, suddenly collapsed, and in a few minutes became a heap of ruin. Happily, no loss of life or personal injury ensued. A careful examination, which was at once ordered, of similar structures, both on the open and unopen lines, showed that several of them were insecure. * * * * *

These failures appear to be due chiefly to the faulty character of the masonry. To what extent this has resulted from an unwise economy, from imperfection of design, from the failure to secure the proper adaptation of the materials of the country to the purposes for which they were intended, or from lax superintendence, will be better known when the inquiries now in progress are completed. The lesson to be learnt from these disasters is, that true economy in the laying out of important works of this kind consists in using such materials and adopting such principles of construction as will produce the strength and solidity suitable for the permanent performance by the railways of the services which they are intended to render; also, that too much thought cannot be bestowed upon the preparation of plans, or too strict an inspection established while the works are in course of execution."

The Witness withdrew.

Thursday, October 7th, 1869.

Present.—Mr. Davies (Chairman), Colonel Hutchins, Mr. Lewis, Mr. Kennerley, Mr. Maclanachan, Mr. Archer, Mr. Whyte, Mr. Swan.

MR. SAML. V. KEMP *recalled and examined.*

By Mr. Whyte.—746. You made an estimate of what you considered necessary to finish the Railway? Yes.

747. An estimate in detail? I handed in such an estimate.

748. I find in that estimate £20,000 for alterations in slopes? Yes.

749. Do you feel quite confident it will take that amount? It will eventually, to flatten the slopes in a perfect manner, so as to render them perfectly safe. I may say I brought the flattening of those slopes under the notice of the Directory after one of my visits to the works, and they determined on examining Mr. Doyne on the estimate he made, and he informed them the contemplated expense would be trifling; to which I replied, that if the slopes were carried back from ½ to 1 to 1 to 1 such an alteration would involve an outlay of several thousands. That statement was pooh-pooh'd by the Engineers, but they subsequently admitted to £5000, then £8000, then £12,000: and I am fully convinced they will come round to the same as mine £20,000, because there is now in reality only £5000 difference between Mr. Doyne's estimate and mine.

750. And the item of £22,483 for Station accommodation, is that absolutely necessary? Absolutely necessary; and I have not arrived at that estimate by any hasty conclusion, but from actual detail, worked out and come to that amount. If you refer to Statement K.S. you will see a detail of each Station as given of what I conceive necessary to meet the requirements after opening the line for public traffic.

751. You estimate in all that £107,000 will be required to complete the Railway now? Yes, without interest on the £300,000 Debenture capital, and on the extra amount required, which will make £407,000.

752. Do you think any important saving might be effected in any of the works now in course of construction? I believe some thousands might be saved by reducing the quantity of ballast between Longford and Deloraine. If you desire it I will make out a statement and hand it to the Committee. The ballast is specified to be wider than in my opinion is absolutely necessary, and I think the depth might be reduced by an inch. This carried out in that portion of the line would effect a saving of some thousands without interfering with the efficiency of the line.

753. Do you think any saving might be effected in the viaduct over the South Esk at Longford? I am afraid the works are too far advanced for any suggestion of saving to be of any practical avail.

754. Did you apply to the Directory or Engineers to be furnished with a list of alterations, substitutions, and concessions that had been ordered by the Engineers? I did not apply to the Engineers, for they decline by letter to have intercourse with me, directly or indirectly, and repudiate my authority to ask for information; but after the recent dead-lock and my return to Launceston I demanded to be informed what extras had been ordered, and it was granted with the accompanying statement. I will also read two letters, one from me to the Secretary, 22nd June, 1869, and the reply of the 9th August.

[Put in, marked respectively W. X. Y. Z.]

755. I call your attention to a letter of the 7th May, 1869, from Mr. Bartley to the Colonial Secretary (No. 205, Paper 24, p. 84), in which Mr. Bartley inferred that you were acquainted with the extraordinary slope of ¼ to 1, and put all responsibility on you,—will you give some explanation regarding it? Yes. Mr. Bartley is in error when he comes forward as my accuser for not having expressed any doubt as to the increased slope to the cuttings of ¼ to 1 standing, when the Commissioners had to frame their report to the Governor in Council in reference to the practicability of constructing a Line of Railway from Launceston to Deloraine for £350,000. He might as well accuse me of not informing him that the Viaduct at Longford was to cost £33,000 instead of £6600, as estimated by the Engineers. The schedule of quantities and other data put before the Commissioners no more suggested that an "experiment" of a slope of a ¼ to 1 was proposed than no slope whatever, and the extravagance of the proposal precluded suspicion. The first time that I learned that such a slope was projected was when the Contract with Messrs. Overend & Robb was brought under the notice of the Directory, when the only power left to the Commissioners was to "report" upon it to the Governor in Council (see Clause No. 7, 30th Vict. No. 28), which I did by expressing my doubt as to the slopes standing at such an inclination. It would be a waste of time to enter into controversy with Mr. Bartley as to the purposes of the Government in appointing a Professional Commissioner. If, however, as he represents, a Professional Commissioner was appointed for the special purpose of his judging of the Engineering feasibility of Messrs. Doyne & Company's plans, specifications, and estimates to be submitted to him by them, I can only say that the conditions attached to that appointment by the Act of the Legislature under which it was made are such that no man of common prudence would have accepted it. Not one farthing was to be paid to any Commissioner unless the Railway was proceeded with; and the Professional Commissioner could not have qualified himself to pronounce any but a superficial opinion as to the feasibility of the most expensive portion of the plans, &c. submitted to him, unless his examination of the country to be traversed by the Railway was about equal to that of the Engineers who framed the plans and estimates, and without incurring the cost of the prosecution of such an Engineering Survey. It was, however, quite practicable for any one who possessed professional experience, *if he had reliable* data put before him, to estimate approximately what a Line planned on such data would cost: and this I endeavoured faithfully to do. For excesses, the consequence of the adoption of plans which have proved not feasible,—because not consistent with actual conditions, which Mr. Doyne should have properly ascertained,—I repudiate the responsibility which Mr. Bartley seeks to fix upon me; and while I concede to Mr. Bartley the right as a Commissioner to his own opinion on all questions which the Railway Act refers to us, I deeply regret that in these instances, in which he has been in a minority among his fellow-Commissioners, he should have thought it befitting to proclaim his dissent, and urge his opposition to them in the Directory, so as to aggravate instead of removing difficulties. And further: I have some difficulty in understanding the views propounded by Mr. Bartley in such letter, when taken in connection with the statement made in the printed estimate furnished by the Directory of the 1st September, 1869, which Mr. Bartley is the author of, and is to the following effect; viz.—"With reference to this estimate of the Company's Engineers that to provide such additional rolling-stock, &c., as above enumerated, will require a further sum of £23,000, particular attention is directed to the fact that the Professional Commissioner, Mr. Kemp, in his report to the Governor in Council of 24th July, 1868, that the Line could be opened for public traffic for the sum of £350,000,—upon which report the unprofessional Commissioners based their reports of that date to the same effect,—stated in a memorandum appended to his said report that he considered 'it would be indispensable to meet the requirements after opening the Line for public traffic,' that certain rolling-stock and other items enumerated by him should be provided. The cost of such additional rolling-stock and other items so enumerated by Mr. Kemp will involve an additional expenditure beyond the £350,000 of an amount at least equal to if not more than that of £23,000, as estimated by the Company's Engineers. The Government, therefore, in deciding to sanction the construction of the Line upon the Coinmissioners' report, with such addenda, must be supposed to have fully calculated upon such additional sum being required as would provide for such additional rolling-stock, &c." I mention this to show the inconsistency of Mr. Bartley's allusions, for Mr. Bartley himself was the author of that paragraph.

756. Can you inform the Committee who is the author of the conditions of the Contract? The principal portion of the Conditions are a reprint from the Conditions used in Victoria, with alterations and amendments to meet the requirements of this Colony. The conditions for ordering extras and omissions were prepared by the Engineers, and submitted to Counsel, Mr. Wilberforce Stephen, in Melbourne, for his opinion. And the Engineers have, with the consent of the Directory, arrogated all the extraordinary powers in such Conditions to themselves.

757. Will you inform the Committee whether the works of Overend & Robb's Contract were advertised in one or two sections? Before the works were advertised I, with two or three members of the Directory, advocated advertising the works in two or more sections, as a test only, leaving to the Directory the power of determining the best and cheapest mode of letting the works. This was opposed by the Engineers and Secretary, and the majority of the Directory decided in their favour, and thus shut themselves out from some valuable information. Had the work been let in sections, or advertised in sections, it would have been let at lower rates.

By the Chairman.—758. In your examination you stated that there was a departure from the original Contract, and that 2 ft. iron piping had been substituted for 3 ft. brick culverts? Yes, 2 ft. iron pipes have been substituted for 3 ft. brick culverts.

759. Has this deviation materially altered the expense of laying down these culverts, benefiting the Contractors or the Company? It is benefiting the Contractors.

760. Does it in any way deteriorate the stability of the work? I maintain that 2 ft. iron pipes are not so lasting and durable as 2 ft. brick culverts.

761. Then do I understand the alteration is a disadvantage? Yes, a slight disadvantage.

762. Were the Directors and Commissioners consulted with regard to this deviation? No, I knew nothing whatever of it.

763. Are the Committee to understand from this statement dated 25th September, 1869, that the sum named will finish the work in a substantial, complete, and proper manner, providing sufficient rolling stock, station accommodation, telegraph, and every thing necessary to render it a safe and complete Railway? I have estimated for all that you have stated, and in my opinion such sum would be required to complete the line and render it efficient to meet all the requirements after opening the line.

764. And you think that sum is not in excess? I am certain it is not; if any thing it is rather under.

765. Do I understand from that that another application is likely to be made? No, I should think not. I think with that sum at their disposal they should complete the works in an efficient manner, and render them perfect in every way for the requirements of the traffic.

766. In this sum of £107,000 that you have submitted to the Government for the completion of the work you have not provided for the interest? No, I have not.

767. Then the additional £107,000 will add to your estimate £6420, making £113,000 in round numbers? And adding interest for twelve months on the £300,000 will make my estimate £131,420.

768. Can you inform the Committee how it is your estimate is so far in excess of that Mr. Dowling submitted to the Directory? No, I cannot; nor can I give an opinion as to the great discrepancy.

By Mr. Archer.—769. Speaking of the alteration in the amounts stated as likely to be required for rendering the slopes safe, can you show by written data that the several sums you mention were asked for at different times, first at £5000, then £8000, then £10,000 or £12,000, and now £15,000? I think there are written statements for some of the amounts, and others were verbally mentioned at the Board.

By the Chairman.—770. Are you aware that some of the culverts and timber bridges are not in strict conformity with the specification, and that the arches and culverts in some cases are built in mortar instead of cement? I believe there are some deviations of that kind.

771. Does that materially affect the durability of the work, mortar being substituted for cement? The durability is not materially affected; but where a substitution of that kind is made, a corresponding reduction should be made from the bulk sum of the Contract. But all these alterations and substitutions have been incurred by the Engineers without any authority or permission by the Directory or Commissioners.

772. But is this deviation of material profit to the Contractors? Undoubtedly, the difference between lime and cement is considerable.

773. Are you aware that there is a difference in the carrying out of the Contract with regard to the timber bridges as well as the culverts? No, I am not.

774. The Director of Public Works points out that the culverts and timber bridges are not in strict conformity with the specification? There are some instances in the bridges where they have made local adjustments, such as a bridge of one span less in one locality and increased span in another.

775. That is bringing the specification, as far as quantities are concerned, to the same thing? To the same thing; but I always maintained that these adjustments should have been made known to the Directory and the Commissioners.

776. The head stocks and timber bridges, can you give an opinion on that point: whether there is not a great deal of heart in the wood? Yes, a great deal; and that might have been prevented by proper supervision.

777. Are you aware that those head stocks are in some cases rent, split? In some cases where shrunk by the sun.

778. To what do you attribute that? It is on account of the timber not having been properly seasoned, and then exposed to the sun.

779. Would a large quantity of heart in this timber be in any way the cause of those rents? It would; the principal cause.

780. And are those rents of a character to affect in any way the durability of the work? They are, to a certain extent.

781. Explain what you mean by a certain extent? Where heart timber is used it is not so durable as where timber is used without heart.

782. Are you aware that the use of timber containing heart is interdicted by the specification? Yes, it is one of the conditions in the Contract (Clause 7, specification), "That all timber used for the purposes of this Contract shall be of the description specified for each particular work, and shall be thoroughly seasoned where possible, sound, and straight, free from sap, large or dead knots, or other imperfections; all sawn or split timber must also be free from heart wood."

783. Did you observe during the course of construction that this heart wood was being used? I did.

784. Did you take any steps to draw attention to this departure from the specification? No, I did not, as I knew I was perfectly powerless under the law; and even if I had done so, no notice would have been taken by the Directory.

785. The Government were, of course, equally helpless in the matter? Yes, the provisions in the Act are of the most slender character. There's nothing that would imply that it was within my province to supervise or find fault with any material or work.

786. Can you say whether the head stocks of the timber bridges are made out of sawn timber? They are either sawn or hewn; some of them of large logs are hewn, not sawn. No word is mentioned in the specification of hewn. The whole of these head stocks are scarred with heart left in.

By Mr. Kennerley.—787. Do you consider that kind of timber is according to Contract? It is not; because there are round logs that have been scarred, and all the hearts retained in them. Had these timber structures been carried out in strict conformity with the conditions it would have added materially to the cost of them, as some of the said timber is specified as 12 × 12, and had they to cut these out without heart wood large trees would have had to be used.

By the Chairman.—788. The using of timber in the way you describe must have effected a large saving to the Contractors? Certainly.

789. Has there been any drawback or allowance made by the Engineers for the benefit of the Company in consequence of this departure from the specification? Not to the Commissioners' knowledge; if there has been an adjustment of that kind it is only known to the Engineers and the Contractors.

By Mr. Archer.—790. Is it not of great importance in the construction of a line of railway that ballasting should be well and sufficiently provided? Yes, it is, more particularly in the curves for keeping the road in line; but the road and gradients and curves between Longford and Deloraine are very light, and, in consequence, a considerable saving may be effected by reducing the quantity of ballast as before stated.

791. Without any chance of impairing the efficiency of the Line? Yes, I consider it may now be effected.

By Mr. Lewis.—792. Do I understand there is the some quantity of ballast throughout the Line, depth and width, heavy gradients and light ones? Yes, the same quantity. The width of the ballast is specified on the top at 12 feet by 1 foot 6 inches depth; that would make the bottom 13 feet 6 inches the width of the ballast at the bottom.

By the Chairman.—793. You wish to qualify an answer to a question at the former examination as to mortar? Yes. When I handed in the sample of cement mortar taken from the abutment of the viaduct over the South Esk River at Longford, I did not wish to convey the impression that I condemned the whole of the Works because I discovered a portion of the work had not been carried out in strict accordance with the specifications; and I should be sorry to blame Messrs. Overend & Robb, who have, in my opinion, endeavoured to carry out the Works faithfully, for an act that might have happened through the carelessness of their workmen. But I maintain that if proper supervision had been given from the first, not only on this part of the Works, but throughout the Line, it would have had a very salutary effect in keeping all workmen up to the mark, and establishing greater confidence in all concerned.

794 And you have a statement to make as to the Longford Viaduct? Yes. The estimate of 204 tons for the iron work of the South Esk River Viaduct was supplied to the Commissioners in October, 1867. (See copy of Schedule handed in and marked .) And I maintain that it was again referred to by the Engineers in their estimate of July, 1868; and the amount estimated by them was £6600: and as such amount so closely approximated to my estimate I could not suspect any change of plan. Of course, with the public generally, I had an opportunity of viewing the plans when they were exhibited by the Engineers in the Town Hall, Launceston; but plans framed for exhibition appeared to me not to supersede the basis of my report I had made and the data furnished to me expressly with the signature on each page of Mr. Doyne to enable the Commissioners to comply with the conditions of the Railway Act. And if the Engineers' proceedings were of the open and ingenuous character which they seek to make it appear, how came it that not the Commissioners only were misled, but the Directory were taken by surprise when the discrepancy between the estimate furnished by the Engineers for the cost of such ironwork, &c. and the actual liability incurred on such item became known? The journals of the Directory's proceedings show by resolution that they were taken by surprise, and that they demanded an explanation from their Engineers which has not to this day been satisfactorily answered. And this leads me to advert to the unbusiness-like character of the arrangements of the Directory in respect to the orders for materials, &c. from England. Supported by my colleague, Mr. Innes, at an early stage of the proceedings of the Directory I contended that all orders from home should pass through the Board, and we transmitted by the Secretary an arrangement under which the Engineers would have framed their requisitions,—and these would have been checked by the Board. To this, however, objections were urged on the score of the Secretary's time being fully occupied, &c.; and the result has been that, on two occasions, the Board has stood in the inconsistent position of having to demand—too late for the information to be of any practical avail—the circumstances under which orders have been given by the Engineers largely in excess of their estimate sanctioned or known of by the Directory or Commissioners. And in one of these instances, that of the Longford Viaduct, has been incalculably enhanced by the introduction of a condition which at the same time relieves the Contracting Engineers, Messrs. Doyne & Co., of one of the most critical re-

sponsibilities undertaken by them,—the condition of making the Contractors in England for the Viaduct responsible for its erection in this Colony,—indeed, four out of the ten manufacturers declined to tender under such unusual conditions. And the result of this has been, that the Company has been saddled with an additional cost to meet such conditions; which I think was not warranted, considering the limited means at their disposal.

The Witness withdrew.

MR. FRANCIS BUTLER *called in and examined.*

By the Chairman.—793. Your name? Francis Butler.

796. You are Director of Public Works of this Colony? Yes.

797. You proceeded, by direction of the Executive Government on behalf of this Joint Committee, to inspect the works of the Launceston and Western Railway? Yes.

798. And in consequence of that inspection you have furnished this Committee with a Report? Yes.

799. The first reference you make in that Report is to the Hunter's Mill Bridge? Yes.

800. And there you say "the whole of these works, except the pointing the fossics, are finished;" will you explain what the pointing means? The filling up the outer points with cement, as always has to be done after the centres are struck.

801. Then do you wish the Committee to understand that there's a deterioration in the value of the work from the fact of these fossics not being completed? No; they are in progress of completion.

802. You speak as to the culverts and timber bridges in this Report? Yes.

803. And you make a reference to the fact that mortar has been substituted for cement? Yes.

804. And to the fact that it is a departure from the original specification? In my opinion it is so; but I think the specification in that particular might be read both ways; the Contractors consider they have built them according to the specification, and I consider they are described to be built in cement, as one clause of the specification says "all arches are to be built in cement," and the rings of culverts are decidedly arches.

805. Would the substitution of mortar for cement deteriorate the stability of the work in any way? The cement would be better work, more lasting, stronger, more durable.

806. In your Report you speak of the head stocks of the timber bridges containing heart in the centre? Yes.

807. Does that exist to a considerable extent? I think it is universal; I did not notice any that had not heart wood in them.

808. Is the substitution of heart wood for sawn timber of material consequence to the construction of the works? The timber would certainly be superior if free from heart.

809. Do the Contractors benefit to any extent by the substitution of the timber you speak of for sawn timber free from heart? Oh! yes, certainly; timber free from heart would be more expensive, as it must have been cut out of large logs.

810. You also describe the head stocks of the timber bridges to have been rent? Yes.

811. And you describe that as having been occasioned by a departure from the specification? It is from the fact of the heart being used it always rends in drying.

812. Do these rents deteriorate from the stability of the work? It is less lasting, certainly.

By Mr. Swan.—813. For such work as you speak of is it not usual for the Contractors to use such wood? It depends upon the specification; of course the Contractors would use it if allowed.

By Mr. Lewis.—814. Is the timber you speak of hewn logs? No; sawn timber.

815. Then the log is cut into four? No; the heart is in the centre of the scantling.

By the Chairman.—816. Is it usual for professional engineers to pass work of that description, where the material is so contrary to the specification? If the Engineer considered it contrary, he certainly would not have passed it: this is an instance in which I think the specification and drawings may be read in two ways; but still I think my reading is correct. The specification says, "The whole of the sawn timber is to be free from heart, sap, and defects." This is part of sawn timber and has heart in it but no sap: it cannot be according to specification. The drawings, on the other hand, show this particular timber as having heart in them.

817. Do the Contractors work from the drawings? They work from what they are told to work from, either drawings or specifications.

818. Do you think it likely that the Contractors would be misled by the drawings? Not if they had read the specifications carefully.

819. You state in your report that "the mortar, the cement more particularly, in the South Esk Bridge, is of good quality, and I believe in exact conformity with the specification; the bricks are first-class, the stone of good quality," &c. You see that specimen of cement mortar before you,—I want to ask your opinion with respect to that, and if that is the description of mortar you refer to as being of good quality? This is lime-mortar, I should not say this is cement-mortar; but I should not think it is of good quality. I would wish the Committee to understand that my report is taken from the exterior of the work only. I should say this is not the description of mortar I should certify for.

820. Is it probable that there may be some small quantity of that thrown aside as *debris*, or that it has been used, escaping your observation? It was impossible for me to try every joint of brickwork; all I did try was hard as a rock—not only the finished but the unfinished portions,—nothing could be better than the mortar I did try, where it was dry.

821. What period of time does it generally take for cement-mortar or common mortar to become rigid and dry? It depends entirely on the body of the work done; in the case of piers and abutment walls of the South Esk Bridge there is a large thickness of work; the whole of the bricks were well wetted previously to being used, and would take a long time to dry; I don't think the interior work is dry now.

822. You had no opportunity of inspecting the interior of the work? No.

823. You examined the bricks and pronounced them to be first class? Yes, the best bricks I have seen in this Colony.

By Mr. Swan.—824. What is the effect on the quality of the bricks when green wood is used in the burning, and when coal is used? I don't know.

825. Do you think it is merely prejudice on the part of brickmakers that induces them to reject green wood? No, I think bricks would get more thoroughly burnt by using dry wood, but I should judge of the bricks after they had been burnt.

By Mr. Lewis.—826. At such a place as Longford, don't you think it would cost more to burn bricks with wood than coal? I don't know the relative value of wood and coal at Longford.

By the Chairman.—827. But you are quite clear these were good bricks? Perfectly, as good bricks as ever I have seen in this Colony.

828. Taking your inspection as a whole you pronounce the works to be generally of a satisfactory character? Yes.

829. Such works as you, in your capacity of Inspector of Public Works, would have no objection to certify to? I should have no objection if called on, but as I said before, I have had no means of judging of the interior works.

830. But if you had had the supervision of the work would you object? I should not give a certificate till those points were remedied that I speak of,—the timber and the culverts generally.

831. Had you had the supervision of these particular works would these defects have occurred? No. Certainly not.

By Mr. Swan.—832. You have judged and reported on the works from external appearances only? Yes, all my observations are from the external appearance of the works. In reference to a previous question, I may say that another person reading the specification differently might pass the work as it is.

833. Then those qualifications you have made are very important? I should consider them important, more especially as regards the culverts.

The Witness withdrew.

MR. W. T. DOYNE *recalled and examined.*

By the Chairman.—834. On your last examination you said you would produce the estimate on which the £350,000 was based in detail, do you do so? I have not got it. I have nothing except what is in print.

825. Have you seen the estimate of Mr. Kemp and Mr. Innes for the completion of the Railway Works? No.

836. Looking at that estimate now handed to you, No. 1, you see that Mr. Kemp's estimate to complete the work of the Launceston and Western Railway is £107,000? Yes, but it would require some consideration before I offered any opinion on it.

837. The estimate sent in by Mr. Dowling, are you enabled after looking at that Statement No. 1 and this document to explain to the Committee wherein lies the large discrepancy, can you explain it in any way? I have not studied it; I never saw it, nor any of the particulars it contains.

By Mr. Whyte.—838. Do you consider £67,000 will complete the Railway? It's my own estimate and I should not have put it down if I did not think so. I am responsible for the engineering portion of it.

839. Do you think that estimate is sufficient for the purpose of finding sufficient rolling stock, telegraph, stations, and generally to render the line complete and efficient in every possible manner for the purposes intended by the Colony, an efficient Railway in every respect? I cannot answer that question, it's a very wide one; a Railway is never complete; it would be sufficient to complete it in a most efficient manner for all present purposes. It will be opened effectually, but in a very short time will require more outlay to supply things necessary.

840. Are you aware that the head stocks of the timber bridges on the line contain a certain amount of heart wood, or has the timber for the bridges generally been in their construction in accordance with the specification? It has.

841. Are you aware that in this specification there is a prohibitory clause against using heart wood, or wood containing sap? I am; I wrote the specification myself.

842. Then if you wrote it are you prepared to say there is not a large amount of heart wood used in the construction of these bridges? There is a very large amount.

843. And that is not contrary to the specification? Not on my reading of the specification; wherever whole timber is used there must necessarily be heart: piles, girders, and wherever whole timber is used.

844. But does not the specification contain a proviso that all sawn timber shall be free from heart? Yes.

845. Is that the case? Wherever it is possible in our opinion heart is not allowed, but where timber is of large dimensions it's impossible to escape it.

846. Are you aware that in the construction of culverts there's a departure from the original specification, and that lime mortar has been substituted for cement mortar? I am not aware of it; it has not been done.

847. Then do you adhere to the statement that arches of culverts have been built with cement in accordance with the specification? I am not aware they are specified to be cement, I don't think they are. Without looking at the specification I could not say.

848. There has been a departure in the drainage, 2 ft. iron pipes substituted for culverts? I cannot say without referring to an exact case.

849. Has there been a substitution at all of iron pipes for culverts? Yes, on several occasions.

850. That's an alteration from the original specification? Yes.

851. Is that alteration a benefit to the Contractors? Not that I'm aware of.

852. Is it adverse? That is a most extensive question, I cannot answer it.

853. Has there been any adjustment between the Contractors and the Company with regard to the alteration of these culverts, this drainage piping? I don't know what you mean.

854. You have said there's a departure from the original specification, and that on several occasions iron pipes have been substituted for culverts? Yes.

855. I have asked you whether that is of pecuniary benefit to the Contractors, Overend & Robb, and you replied you cannot say? Pecuniarily it is of no advantage to them, on the contrary it is a loss.

856. Then has there been any adjustment of the difference between the original specification and the alteration so as to recoup the Contractors for its loss? There has not been.

857. Nor any demand made? None whatever; it is a matter of agreement for the accommodation of both parties. We found in several instances that it would cause great loss of time to build these culverts of bricks, as they had to be carted over bad roads, and the Contractors had the pipes on hand, and we allowed them to use them instead of bricks. We obtained from the Contractors the invoices of the pipes which showed to us that it was a loss to then pecuniarily instead of a gain, but it was indirectly a benefit to them as a matter of mere convenience, and therefore they were satisfied to pay the difference.

858. Would a 2 ft. iron pipe, such as laid down, be an efficient substitute for a 3 ft. culvert? Yes, in the places in which they have been used.

By Mr. Kennerley.—859. I presume in such cases 3-feet culverts were unnecessary, and 2-feet pipes would answer; who decided the point? My firm,—the Engineers did.

860. Then the Engineers incurred that responsibility? Yes.

861. No reference to the Directors of the Company? None whatever.

862. Then it was a matter of detail on which the Engineers consider they had power to act? Yes.

By the Chairman.—863. Can you produce the original plans and specifications on which the Contract was taken? It is in possession of the Secretary.

864. The original plans and specifications on which the quantities were taken,—those submitted to the Commissioners? Yes; they are attached to the Contract.

865. I mean the original ones, on which the Commissioners' certificate was based? I have not got them.

866. Can you say who has them? I believe they are not in existence; a portion of them has been torn up and used as waste paper.

867. Then do I understand you to say those original plans were of no use whatever after the Commissioners had given their certificate on them? Not any that I know of. I attached no value to them; but I will explain the circumstances under which they were made. There were no specifications and no estimate, but there were plans on which the Commissioners gave their certificate.

868. No estimate of quantities: how else did the Commissioners certify,—that is, on what data did the Commissioners give their certificate? We did give an approximate estimate of quantities to Mr. Kemp, but I have not got it with me—nothing but the contract. Once the contract drawings were completed, I attached no importance whatever to the documents; they did not in any way affect the value of that Contract, and consequently they have not been preserved: a portion of them only, I believe, are in existence.

By Mr. Whyte.—869. The Contract, in fact, was not taken on the plans submitted to the Commissioners? No; our plans were not all matured at the time they were submitted to the Commissioners; we intended alone to convey approximate plans which could be carried out by varying the details according as our views on each question became matured.

By Mr. Lewis.—870. Was one set of plans provided for the approval of the Commissioners and another for the Contractors? There was a set of plans made to enable the Commissioners to make an approximate estimate, pending the preparation of working drawings, which were not made for several months afterwards; and those drawings, when complete, were submitted to the Commissioners before the Contract was let.

By Mr. Archer.—871. With or without information to the Commissioners that the original plans had been altered, or that the plans submitted to the Contractors differed in any way from those originally submitted to the Commissioners,—was it, in point of fact, with the knowledge of the Commissioners that

these alterations took place? Mr. Kemp had every access to all the drawings, and was acquainted with all the circumstances; and with regard to the alteration of the plans, the approximate plans were put aside altogether, and new plans made.

By Mr. Whyte.—872. Did not you offer to let Mr. Kemp see the plans on which the Contract was taken as Director, but not as Commissioner, and he declined it? I refused to submit them to him officially as a Commissioner, but he was in and out the office while they were being made. I had no authority to submit them to the Commissioners or any one else; he saw them every day: was constantly at my office, and saw what was going on. Every thing was thrown open to him, but I declined specially to submit them to his approval.

By the Chairman.—873. But did you not write a letter inviting Mr. Kemp as a Director to inspect the plans, but declining to permit him to do so in his capacity of Commissioner under the Railway Act? Yes; I wrote some such letter.

874. Can you say, after writing a letter of that description, whether Mr. Kemp ever visited your office to inspect those plans? I cannot establish any date, but Mr. Kemp was exhibiting the plans at the Town Hall, Launceston.

By Mr. Lewis.—875. Were the plans you furnished to the Commissioners in the first instance handed back to you at your request to enable you to complete the Contract, and were they withheld although Mr. Kemp repeatedly asked you for them, on the ground that they were worthless and partly destroyed? They were not intentionally destroyed, but we did not think it worth while to preserve them, and we have not done so.

By the Chairman.—876. Then you did not strictly adhere, in carrying out the working drawings, to the plans and specifications you had originally prepared? We did not attempt to adhere to the plans strictly, they were merely approximate.

877. I understand you to say there was no estimate originally submitted? No detailed estimate, only in parts as Mr. Kemp asked for them: we supplied to Mr. Kemp as fully as possible all the information he asked us for.

878. Looking at Mr. Kemp's examination, Question 592, can you say after reading Mr. Kemp's answer whether Mr. Kemp had the opportunity of seeing the plans at your office in Melbourne, in his official capacity as Commissioner? I cannot say, but he did see them when they were hung up in the Town Hall, Launceston, subsequently, and previous to the Contract being let. It is not corectly stated that he was not in my office more than once or twice; he was frequently in my office during the time the working plans were being prepared, constantly looking at them.

By Mr. Lewis.—879. Was the 7th Section of the 30th Victoria, No. 28, where the Commissioners are instructed in reference to the obligation of the Company and the Engineers to the Government, fully complied with? Fully.

The Witness withdrew.

Friday, October 8, 1869.

Present.—Mr. Davies, (Chairman), Mr. Maclanachan, Colonel Hutchins, Mr. Archer, Mr. Lewis, Mr. Kennerley, Mr. Swan.

MR. HENRY DOWLING *recalled and examined.*

By the Chairman.—880. There were one or two questions at your former examination that you undertook to answer? Yes.

881. Do you now produce an answer to the interrogatories of the Hon. Mr. Whyte? I do; with reference to the cost of the South Esk Bridge, and state of the Shareholders' Accounts:—

Cost of Bridge.—Estimate of July, 1868.

	£
Iron-work, exclusive of freight and all other expenses	6600
To which has to be added—	
Cartage to Longford, say	1000
Staging, the timber to be the property of the Company	2915
Contract price of piers and abutments	6000
London freight, insurance, and commissions, and cost of erection of the iron-work in the Colony, which would have been incurred had the iron merely been shipped to the Colony, say	7000
	£23,515

Actual Cost:—

Iron-work, including freight, commissions, insurance, and erection in the Colony by the manmfacturer	18,400
Company's Agents' fees in London	650
Cartage to Longford	1000
Staging, as above	2915
Contract price of piers and abutments	6000
	£28,965
Difference	£5450

The fair commercial view to be taken of estimates in my opinion, as I have stated in evidence, is to have regard to the total estimated sum, and results arrived at by actual contracts; and by this test the Company have exceeded their estimate for rails, South Esk girders, locomotives, rolling stock, &c., bought in England, by only £5083.

Shareholders' Account.

On the 14th September, 1869, they had paid £39,153; the promissory notes are not all due until December and March next.

At the date of the Commissioners' Certificate and payment of £50,000 into the Bank, I do not find that any moneys had been paid by Shareholders.

882. Do you also furnish the information requested by Mr. Archer? Yes; I produce the London invoices as desired.

883. Have you seen the estimate of the Official Commissioners in regard to the completion of the Launceston and Western Railway? I have seen it just now.

884. Will you state upon what data you base your estimate for the completion of this work, in the paper put in by you? I don't know that I can add anything to the paper, the paper explains that.

885. That is the only information you can afford to the Committee on that subject? That is the only general explanation I could offer. I have stated in my evidence I was assisted in that by some men of business at the Board.

886. Do you believe that sum is sufficient to complete the Railway in an efficient and proper manner, including rolling stock, stations, telegraph, and all other matters pertaining to a Railway, that is for the purpose of opening it for traffic with safety and convenience to the public benefit? Yes, I do; but I must ask the Committee to bear in mind the fact that I take the total sum named as sufficient, but I don't pledge myself to say that each item is correct, and I guard myself, for I find a disposition to confine an estimate of one item strictly to that item, but we may be wrong in one item. I may just explain that the £1000 put down for cartage to Longford may in part be saved, but the saving on that may be redistributed. In the paper put in I have stated that the object of the statement is to show that the total sum will be necessary to the Railway being opened and safely and economically worked from the commencement, but not limiting in any case the appropriation of the several sums to the item represented, as some may cost more and some less than stated.

887. You see the estimate of Mr. Kemp before you? Yes.

888. And you see the amount, without the interest, stated at £107,000? Yes.

889. I presume you cannot give us any reason for the great discrepancy between that and your own? No; I cannot.

890. Can you say whether the 7th Section of the 30 Vict. No. 28, respecting deviations and alterations has been strictly complied with by the Directory and the Engineers? I think so.

891. And will the records of the Colonial Secretary's Office bear out that statement? I don't know anything of the records in the Colonial Secretary's Office.

892. Is it not part and parcel of the proceedings that the same should be submitted; namely,—"No deviation from the terms of any contract in which the said Commissioners have reported shall be lawful without the consent of the Governor in Council?" I am not aware that any breach of the 7th clause has been committed by the Directory in any case.

893. Do you produce a copy of the Contract between Overend & Robb and the Company, as you undertook at your last examination to do? The Committee will find, by reference to my examination, that I was asked to produce the conditions of the Contract, and they will be found printed at pp. 76 to 80, No. 24 Parliamentary Paper.

By Mr. Kennerley.—894. Have you a copy of the Contract with you? Yes, I have a copy of the form of Contract, but I will furnish an exact copy to the Committee.

By Mr. Archer.—895. On your former examination you were asked (Question 382) who were the Mercantile Agents of the Company, in London and you replied, Sharp & Terry; and you mention Mr. Hemans as being Engineering Agent, was not that the case? Yes, but the proper designation of Mr. Hemans is Inspecting Engineer.

896. Then are we to understand that Mr. Hemans receives 2½ per cent. on the whole of the plant, bridges, &c. imported here from England? Mr. Hemans has received 2 per cent. on all goods inspected; but a question has arisen between the Directory and Mr. Hemans as to this charge, and correspondence is now in course upon it with Sharp & Terry; that is as to Commission incident to commercial charges. Mr. Hemans claims that the professional practice entitles him to 2 per cent. on all commercial transactions, inasmuch as, in addition to his inspection, he is made a party to the credit with the Bankers, and the responsibility attaches to him mutually with Sharp & Terry on the commercial items of the transactions.

897. By the whole of the transactions you embrace rails, locomotives, and the South Esk Viaduct, I suppose? The invoices will show that every business transaction of the Company in London is embraced by the commission.

898. Then in reality the Company pay 3½ per cent. on all orders sent to England? Yes, and this was by a special arrangement by which Mr. Hemans' commission was reduced from 2½ to 2 per cent., and Sharp & Terry's from the ordinary commercial commission to 1½ per cent. on account of the largeness of the mercantile transactions. The Directors thought they had made a very economical arrangement by this agency.

By Mr. Lewis.—899. The usual commission is 5 per cent. is it not? The usual commission on ordinary transactions is 5 per cent.

By Colonel Hutchins.—900. Has the arrangement for the erection of the South Esk Bridge by the manufacturers the approval of the Board of Directors? Yes, I think they do fully approve, but I will refer to the minute book.

901. Is it considered an economical arrangement? Yes, in every respect, not only with regard to the cost of commission, but with regard to the permanence of the work, as the builder is bound to have it subjected to the usual test adopted in Europe before final payment.

By Mr. Lewis.—902. Do I understand that the plan and specification of the Longford Viaduct was sent through you to the Agents in London, or were they sent by the Engineers to the Agent in London for execution? Not through me, but by the Engineers.

903. Was not that transaction of the Engineers a very irregular one? It was the practice of the Company. The drawings were submitted to the Board and their consent asked to send forward the orders; that was done by the Engineers, who reported the orders in due course to the Board. The papers I put in the other day show that.

904. And was the same course adopted in reference to the alterations in the weight of the rails? I stated before that I never heard of any communication as to the weight of the rails; the drawing of the rails was submitted with a request that they might be allowed to send forward the order; on the day, I think, that Overend & Robb's Contract was taken. Mr. Doyne applied for consent of the Board to order the iron for permanent way, that is the rails, and it will be found in my former evidence he was instructed to send it by the mail to-morrow.

905. But did the Engineers inform the Directory that it would involve them in such a very large amount of extra cost? No. I have stated before no information came before the Board on that subject.

906. When did this information come before the Board? Information came before the Board when the Engineers reported copies of his instructions to London, and on the motion of Mr. Green the Engineers were required to explain the circumstances, which they did to the satisfaction of the Board.

By the Chairman.—907. Have you the Minute by which that approval was expressed? There is no Minute that I remember, I speak from general recollection.

908. Can you state or give any information to this Committee, any matter or thing respecting the original plans and estimates on which the Commissioners were called on to furnish their Certificate before the Contract was taken; can you say what has become of those documents? No. I recollect Mr. Kemp leaving a portion of one of the plans with me, but I presume I must have sent it on to Melbourne.

909. Can you say whether there was any important alteration made in the plans and estimates on which the Contract was taken from those submitted to the Commissioners to obtain the certificate? I could not speak from my own knowledge; but I could explain to the Committee my knowledge as far as it goes with regard to these plans and the object of them,—what I call the Commissioners' plans. I have no doubt that considerable alterations in details were made, because Mr. Kemp himself told me that they would be required.

910. Can you say whether the alterations you speak of from what you call the Commissioners' plans involved any additional expense? Not of my own knowledge.

The Witness withdrew.

[A letter from Mr. Doyne put in explanatory of portions of his evidence.]

The Hon. F. M. INNES, *Esq., recalled and examined.*

By the Chairman.—911. Do you wish to add to or explain any matter given by you in your previous evidence? In answer to question 703, "Have the powers of the Commissioners been acknowledged by the Board of Directors," I stated that "Perhaps the powers of the Commissioners as they could be legally established have been recognized." I wish to qualify that by referring to the correspondence of this Session (No. 24), where it will be seen that on different occasions the legal powers of the Commissioners were questioned; but on reference to the Attorney-General they were sustained. I refer to their powers as Directors, and of withholding their assent in certain cases from expenditure. In answer to questions 705 and 706, by which I was requested to state my views on what the powers of the Commissioners should be, I perceive, on reading over my evidence, that I introduced two matters on which I wish to hand in a more detailed answer. I refer to Railways in India, article *Quarterly Review*, July, 1868:—

Conditions of Government Aid.—The Contracts with the East Indian and the Great Indian Peninsular Companies were signed in August, 1849. The salient points in these first contracts, which became the model of those subsequently concluded with other Companies, may be thus briefly stated:—The Government made a free grant of the land required for the rail and the works and stations in a lease for the term of ninety-nine years, and guaranteed interest at the rate of five per cent. for the same period on the capital raised with their concurrence, to commence from the date on which the sums were successively paid into the Treasury. * * * * * *

In return for these important concessions, the following arrangements were accepted by the two Railway Companies:—The mails and post bags, and post-office servants, were to be conveyed free of charge. European Military Officers were to travel in first-class carriages at second-class fares; and troops and European artizans on the public establishments in second-class carriages at the lowest fares. All public stores, civil and military, guns, ammunition, carriages, waggons, camp equipage and equipments, were to be conveyed at the lowest rates, and Government was to have a priority over the public for the carriage of them. Government was also to be invested with power to regulate the route and direction of the lines, the weight and strength of the rails, the number of trains, the period for starting, the rate of speed, and all the conveniences and accommodation deemed necessary by its officers. The rolling-stock was to be made adequate to the services of the line to the satisfaction of the officers of the state. The fares for passengers and the tolls for goods were in the first instance to be fixed by Government; but no subsequent reduction could be made without the concurrence of the Company, until the net proceeds of the line exceeded ten per cent. The whole undertaking was, in fact, placed under the jurisdiction of the State by the following comprehensive provision:—

The said Railway Company and their officers, servants, and agents, as also their accounts and affairs, shall in all things be subject to the superintendance and control of the East India Company, as well in England as elsewhere; and, in particular, no bye-laws, contracts, orders, directions, proceedings, works, or undertakings, acts, matters or things whatsoever, shall be made, done, entered into, commenced, and prosecuted by or on the part of the said Railway Company, unless previously sanctioned in writing by the East India Company; and no money shall be raised, and no extension of the number of shares, or of the amount of its capital, shall be made unless sanctioned by the East India Company.

An *ex-officio* Director was to attend all the meetings of the Boards, with a right of veto on all proceedings whatsoever, except in regard to communications with the legal advisers of the Company. No expense was to be incurred in England or in India without the authorisation of Government. All sums received on both sides the water were to be paid, without any deduction, into the public Treasury, from which every farthing required for expenditure was to be drawn. When the returns were beyond four per cent., one-half the excess was to be passed to the credit of the State until the interest which had been advanced was repaid, and the other half was to belong to the Shareholders. At the end of ninety-nine years the whole Line was to become the property of the Government; but the Company could, intermediately, surrender it, and demand back their capital. After the lapse of twenty-five years the Government could claim to purchase the Line; or if default was made in raising funds, or executing the works, or managing the Line to the satisfaction of the Governor-General, he might assume possession of it, repaying the capital. In France, Belgium, Prussia, and other Continental States the Railways established by private Companies—both in their inception and subsequent management when completed—are subject to Government interference. In France, plans in detail are submitted to a public department which, if it approve, retains copies of the plans, and appoints an Engineer from time to time to see that the works are constructed in accordance therewith. Every bridge and all the details are submitted to the Government Engineer; and in case he finds the work is being carried on at variance with these plans, it is objected to and must be altered; unless, upon hearing what the Company's Engineers have to say upon the subject, the Government Engineer comes to the conclusion that the substituted plan is better than the original.

After a Line is in operation, Government functionaries can step in, if need be, and require repairs or improvements to be effected, or can have them executed at once and recover the cost by summary process. And the expense of such superintendence is defrayed by the Companies. The amount paid on this account by the Company, being the Paris and Rouen Line, a few years since, was at the rate of 207,526 francs, or £8300 per annum.

I hand in two Parliamentary Papers illustrative of the kind of interference which takes place under the Board of Trade in regard to Railways in England. These papers show proposed works of private Companies disallowed on the reports of the Engineers under that Board.

The system which has been so far allowed in connection with the Launceston and Western Railway of exemption from Government interference may have had a bad precedent in Queensland, but is quite an exception to general rule.

As regards the Directorial management of the Launceston and Western Railway Company, it has hitherto been so anomalous in principle that it is difficult to propound any change in it which is not liable to be misinterpreted as being an assent to that principle; or, on the other hand, so radical as to be inconsistent with the view I have already stated to the Committee; namely, that no radical change should be precipitated. When I say that the powers intrusted to the Company are anomalous, I mean that they are so considering the small sum contributed by the Shareholders compared to the total cost of the Railway,—a seventh only of the estimated capital, less than a ninth of the probable actual outlay. The necessity under which the Company now lie, of coming to Parliament to find means to carry on the Railway, recalls the nearest case to a parallel one with which I am acquainted, and the course therein adopted by the Government of New South Wales. The Sydney Railway Company found itself brought to a stand-still; it had to seek direct pecuniary assistance from the public funds, in addition to the guaranteed minimum dividend on the paid-up capital of the Company, which it had previously obtained; and the Legislature consented to an advance being made to the Company in the proportion of three-fifths to every two-fifths of that capital, on the distinct understanding that the Government should possess, and should exercise, an efficient control over the proceedings of the Company. For this purpose the Government was empowered to nominate one-half the number of Directors; and in the event of there being an equality of votes in the choice of a President, the appointment was vested in the Governor. Such an equality of votes happened,—Mr. Merewether, the Colonial Auditor, and Mr. Charles Cowper being the opposing Candidates,—representing respectively the Government and the Shareholders. The former was then appointed, in pursuance of a resolution on the part of the Executive previously announced to the Company; namely, "to maintain an efficient control over the direction so long as it continued to advance from the Public Treasury so large a proportion as three-fifths of the amount estimated to be necessary for the execution of the work determined upon."

In citing this case I merely intend to show the precedent which it affords to the Government here in the present juncture in the affairs of the Launceston and Western Railway Company, for requiring "an efficient control over the direction of that Company; but I do not think it would be advisable to seek to realize it, especially at the present time, in the same manner as it was done in New South Wales. I would, however, refer to the powers previously stated as reserved by the East India Company over the proceedings of the India Railway Companies, as, with some qualification, powers which should be reserved by the Government over the future acts of the Launceston and Western Company.

In answer to 739 I stated, that I have not been nice as to what I construed my legal powers in relation to the Company to be. I thought the public interest required that we should assert powers which Parliament intended to confer. I mean by that, I endeavoured, as far as I could, to enforce those checks on the proceedings of the Company which I knew to have been contemplated by Parliament in providing for the appointment of Commissioners; but which, as I previously stated, the law has not explicitly invested them with.

912. You have, in conjunction with Mr. Kemp the Professional Commissioner, handed in to the Government an estimate of the probable cost of completing the Railway, have you not? Yes.

913. Will you be good enough to state for the information of this Committee the grounds on which you base your estimate? In so far as this additional estimate represents the excesses which have already

been incurred, or are now in progress, such as the cuttings at the White Hills, the alteration of rails, the altered character of the Longford Bridge, and also the compensation for land, the amount is pretty well ascertained; that represents the excess incurred, amounting to about one half the total estimated excess. The other half represents estimates for stations and material in respect to which I rely on the details as calculated by the Professional Commissioner.

914. Have you seen the estimate of the probable cost of completion put in by Mr. Dowling? Yes.

915. Can you in any way explain the large discrepancy between that and the one you just referred to? At once, by the principle that the estimate put in by Mr. Dowling postpones expenditure, whereas the other contemplates the expenditure. It postpones the expenditure on the slopes of cuttings. The letter which accompanies the estimate contemplated future expenditure not provided for here, but contemplated in the estimate sent in by the Commissioners; and at the present time, in respect to the actual expense already incurred, a controversy is going on between the Professional Commissioner and the Engineers of the Company: and it will be seen by the very first line of this paper of Mr. Dowling's it is given only as approximate; and I would refer to the previous estimates from the same source, which have been gradually augmenting, while in respect to the estimate given in by Mr. Kemp, I know that it was approximately calculated to the amount as now submitted by him many weeks since, although until further enquiry he would not finally commit himself to it. I may refer also to the last page of Mr. Dowling's statement in which it is said—"The object of the present statement being to show that the *total sum* named will be required to open the line, not merely for public traffic, but also to ensure it being safely and economically worked from the commencement; but not limitiug, in any case, the appropriation of the several sums to the items represented;" which shows that the estimate, as a whole, cannot have been a very carefully framed estimate.

916. Then do I understand you by the expression "postponed expenditure" that the estimate contemplates a further application to Parliament for money? I believe it involves that as a necessary consequence; for I do not think that any one's faith in the income to be derived from the Railway, especially in the first instance, amounts to this, that it will be adequate to meet any extraordinary demands on it.

By Mr. Lewis.—917. Were you present at the Board of Directors when the plan for the 72 lb. rails and the Longford viaduct was placed before the Board? I may state that the first time that an estimate based on the 72 lb. rail was brought before the Board I was present, but that 72 lb. rail was represented in the total weight of the iron work, not in the details, and in the printed correspondence I report to the Government to that effect. (No. 24, page 14.)

918. Would that apply to the bridge? Yes. I never knew that it was to exceed £10,000 or thereabout till the receipt of the correspondence from home.

By Mr. Archer.—919. Did you understand that to embrace the erection, freight, &c.? The total calculated was something like £10,000; the items were partly blended with other items of expenditure.

By the Chairman.—920. Have you any further explanation to make to the Committee? I hand in the clause providing for the report to be furnished to the Commissioners that the Railway could be constructed for a certain sum, as contained in the original Act, and the clause as it was amended in the second Act under which the Commissioners made their report:—"Provided always, that, before any Bonds are issued and interest guaranteed thereon by the Government, Commissioners shall be appointed by the Governor in Council, who shall be empowered to examine the Plans and Specifications and the Contract for the construction of the said Railway and Works, and shall report thereon to the Governor in Council, upon whose approval the Works may be commenced and proceeded with; and the said Commissioners shall subsequently ascertain if one-fourth of the Contract cost of the said Railway and Works has been paid up to the Treasurer of the said Company, or actually expended upon its construction." Sec. 67, Act 29 Vict. No. 24. "Before any such Guarantee is given, such Commissioners shall examine the Plans, Specifications, and Estimates of the said Railway and Works, and such Commissioners shall report thereon to the Governor in Council, * * * * * * * Provided, nevertheless, that before any such Works are commenced or proceeded with, the Contract or Contracts for the construction of the whole of the said Railway and Works so far as the same are to be constructed within the Colony, and the Estimates for Rails and other portions of the said Railway and Works so far as they are to be imported from abroad, shall be submitted to the said Commissioners for inspection, and they shall from time to time report thereon to the Governor in Council; and no deviation from the terms of any Contract on which the said Commissioners have reported shall be lawful without the consent of the Governor in Council." 20 Vict., No. 28, Clause 7.

The Witness withdrew.

MR. JOHN SCOTT *called in and examined.*

By the Chairman.—921. Your name is John Scott? It is.

922. You are a Member of the House of Assembly? I am.

923. And you are also a Director of the Launceston and Western Railway Company? Yes.

924. And have been so since the formation of the Company? Yes.

925. Have you been regular in your attendance at the meetings of the Board? I have been as regular in my attendance as the nature of the official duties I had to perform in other public positions permitted.

926. Have you had ample opportunities as a Director of observing the manner in which the business is transacted at that Board? Yes.

927. Have you, as a general rule, been satisfied with the method adopted at the Board? No.

928. Will you, as concisely as possible, state to the Committee the causes of your dissatisfaction? I considered that the business of the Company, the details of management, and the carrying out were placed too much in the hands of the Secretary and Engineers of the Company, and in support of that I refer to my opinions placed on record in the Minutes.

929. Will you read them? Yes. I found it necessary in consequence of important correspondence having been replied to at different times without consulting the Board, that it was desirable that some opinion should be placed on record; and I moved the following resolution at a meeting of the Board 15th December, 1868, "That the Secretary shall refer all correspondence in connection with the Launceston and Western Railway Company to the Board of Directors at their weekly or special meetings before replying thereto." That was not seconded, but it placed on record my opinion that the mode of conducting the business of the Company was irregular.

930. Have you any other matter to state in connection with this subject? My opinions are recorded in the Minutes on general questions, but I wish to hand in a paper sent in, in the form of a protest I made at the outset as to the construction of this Line on a motion with respect to advertising for tenders for the works, on which I moved as an amendment that the works be tendered for in two sections; the amendment was put and lost. I then gave notice of protest, and handed it in. This document I now put in.

PROTEST against Decision of the Board of Directors, Launceston and Western Railway Company, with reference to advertising for Tenders for the Construction of Main Works of the Line.

1st. I consider the Works ought to have been tendered for in Two Sections, the responsibility of making such division of the Works to have rested with the Engineer-in-Chief.

2nd. That Advertisements should have been issued inviting Tenders for construction of Work in Two Sections, and as a whole.

3rd. The supposed object in advertising for Tenders is, that competition may be created among contractors. The decision of the Board to advertise for the construction of the whole Works in a lump sum contract defeats that purpose to a certain extent, as it reduces the number of competitors by shutting out contractors of moderate capital, and placing the Company in the hands of large capitalists: whereas if Tenders had been called for in the mode referred to, it would have acted as a check upon the large contractors, and tended very much to lessen the cost of construction.

4th. The advertising for Tenders in Two Sections would have given the Directors an insight into the relative cost of the different portions of the Line reliable for present action and future guidance; they therefore ought to have had this information before them in order that they might have been in a position to judge for themselves as to which in the interest of the Shareholders would have been the wisest course to have adopted, either letting the Works as a whole or in Two Sections.

For the reasons stated, I beg respectfully to place on record my Protest against the decision of the Board with reference to advertising for Tenders for Construction Main Works, Launceston and Western Railway, in one lump sum Contract.

JOHN SCOTT,
14*th April*, 1868.

H. DOWLING, *Esq., Hon. Sec. Launceston and Western Railway Company.*

I also call attention to proceedings at the Board with reference to opening Tenders, and a resolution proposed by me and carried. At a subsequent meeting a motion was brought forward to rescind it, and a proposition that a Sub-Committee should be appointed to co-operate with the Engineers, but my resolution was adhered to. I tabled that resolution because it followed up what I conceived to be the right mode of proceeding for the interests of the Company. October 6th, 1868, there was the motion on furnishing a Progress Report. On the first progress payment, involving some thousands, a bare certificate was produced, not accompanied by any Progress Report informing the Directory as to the method by which the works were being carried out. I felt it necessary to submit a resolution to require the Engineers to furnish the Board with a Progress Report to accompany the Monthly Certificate. Mr. Scott moved, and Mr. Kemp seconded, "that the Engineers be instructed to furnish to the Board the Progress Report, with quantities of all works, on giving a Certificate to the Contractors." That was carried. At various times during the progress of the business of the Board discussions arose on questions in connection with the action of the Engineers of the Company; and I refer to a resolution, 20th October, 1868, when Mr. Green moved, and Mr. Crookes seconded, "that Mr. Doyne be requested to attend and make those explanations he had been previously requested to make." Mr. Scott moved, and Mr. Tyson seconded, "That whatever verbal explanations may be given by the Engineers to the Board on questions affecting the Launceston and Western Railway be reduced to writing for the information of the Directors, and as a record for after reference." A division took place. Ayes: Scott, Dodery, Tyson, and Grubb. Noes: Sherwin, Webster, Robertson, Green, and Crookes. That resolution with reference to the quantities, after a considerable amount of correspondence, was not complied with by the Engineers. I call attention to the question of alteration of slopes. On the 1st December, 1868, Mr. Doyne having submitted a report comprising various matters, Mr. Scott moved a resolution referring to the alteration of slopes, "that that portion of the Engineer's report referring to alteration of the slopes does not give the full information necessary, and the Company is being committed to a large expenditure without knowing under what arrangement the extra disbursement is being carried out, and that therefore the Engineers be requested to report further on this subject at the next meeting of the Board." I wish to show by the Minute Book of the Company that records the whole proceedings of the Directory, that action has been taken from time to time to arrest the unbusiness-like proceedings by which the affairs of the Company were being carried out.

931. Have you had an opportunity to make observation as to whether the powers of the Commissioners were sufficient? Ample opportunity.

932. Will you favor the Committee with your opinion as to whether you think they have sufficient powers for the protection of the public interests? They have not.

933. Do you think it necessary that the powers of the Commissioners should be extended, and if so, can you say to what extent? I think the question you put involves large consideration, and it will be necessary for me to explain. I can reply to the first part, I think the powers of the Commissioners should be enlarged.

934. You made a statement to the House of Assembly with regard to the cement used by the Contractors on the Railway Works at the Longford Viaduct? I did.

935. As to the general character of the material? I made a statement with respect to the character of the mortar being used in the construction of the brickwork, cement mortar.

936. Are you possessed of sufficient knowledge of material of that character to favour the Committee with anything like what may be considered a reliable opinion on it? Not being an Architect or Engineer I cannot give what might be called a reliable opinion, but simply what common sense points out; that from observation, and from testing it by removing some of the bricks, I found a quantity of the material at the piers of the Bridge at Longford, in my judgment, very defective in quality, inasmuch that I removed the bricks very easily, and on enquiry I ascertained that those bricks were supposed to be laid in cement mortar. I produce a sample of the cement mortar I took from beneath one of the bricks that I removed. The same has been in my possession for a month. I took it from what I considered the works that were completed. I removed half a dozen bricks and this is the result.

The Witness withdrew.

ADDENDA TO MR. W. T. DOYNE'S EVIDENCE.

1.

Hobart Town, 27th September, 1869.

Sir,

On the last occasion on which I had the honor to be examined before your Committee, I was requested by one of the Committee (Mr. R. J. Archer) to furnish answers to the following questions on my next meeting the Committee:—

1. What is the total width of water-way in the Longford Valley between Mr. Clerke's hill and Wellington-street?

2. What is the elevation of the highest arch in the brick viaduct above the highest flood?

In endeavouring to answer the first of these questions, I must premise that the width of water way in the valley, at any time, depends upon the level of the surface of the water at that particular time. At ordinary summer level the water is confined between the river banks, and is, at the point at which we cross it, about One hundred and seventy (170) feet in width. As the water rises it overflows the banks, and flows down various channels, which are not, in the ordinary condition of the river, water carriers. As it increases in height it extends its width over the whole valley, until at the extreme elevation, of which I have a record, it covers a total width at the surface level of Two thousand nine hundred and seventy (2970) feet. At this level the total width of openings that we have provided for amounts to Seven hundred and twenty-eight (728) feet, and the obstructions by bridge piers and embankments to Two thousand two hundred and forty-two (2242) feet, making together the before-named total, Two thousand nine hundred and seventy (2970) feet.

I have endeavoured to answer this question literally as it has been put to me, but I fear that my answer does not convey any useful information on the point which I imagine was intended by the enquirer.

I presume that Mr. Archer sought to ascertain what were the relative proportions of water-way through the valley unobstructed by our works, and that which will obtain when our works are completed. With a view to giving that information clearly I venture to put the question in another form, viz.—"What relation exists between the hydraulic capacity of the valley in its natural condition, and that which will obtain when obstructed by the Railway Works? Or, in other words—What is the sectional area of the water way under the first and second conditions?" To this I reply that, when the works are completed, the hydraulic capacity will be in round figures about one half that which it would be without such works; and after repeated and careful consideration on all the information we have been able to obtain, we (Doyne, Major, & Willett) hope to find that this will prove ample.

In studying a problem of this description it must be remembered that the hydraulic capacity of any conduit depends in a very much larger ratio on the depth of the stream that passes through it than on the width over which it extends. In the former case the hydrostatic pressure increases in a large ratio with the increased depth, while the friction is also largely reduced.

In designing these works we have kept these axioms clearly in view, and have placed all the openings at the deepest points of the valley, and the obstructions at the highest points.

2. The question as put is not definite. "The height of an arch," without defining what point of that arch is meant, is an indefinite term; and, therefore, in endeavouring to give a definite reply which will convey a practical fact, I reply that the soffit of the highest arch is 8 feet above the highest known flood, and the average springing of those arches is at the level of the said flood.

If desired by the Committee, I can give further detailed explanations as to the character of the openings and obstructions which our plans have provided for.

I have the honor to be,
Sir,
Your obedient Servant,
W. T. DOYNE, *Engineer-in-Chief,*
Launceston and Western Railway.

The Honorable the Chairman of the Joint Committee appointed to enquire into all matters connected with the construction of the Launceston and Western Railway.

2.

Hobart Town, 7th October, 1869.

SIR,

SINCE my examination by the Committee to-day, it has occurred to me that some of the questions which were put to me (the bearing of which I did not understand at the time) indicate that there is an impression on the minds of some of the members that the culverts are specified to be built in *cement* mortar.

Such is not the case. The arches of *bridges* only are intended to be set in *cement,* the culverts in lime mortar; and the prices at which they are paid for differ accordingly, as can be seen by reference to the Contract Schedule.

I have the honor to be,
Sir,
Your obedient Servant,
W. T. DOYNE, *Engineer-in-Chief,*
Launceston and Western Railway.

The Honorable the Chairman of the Joint Committee appointed to enquire into all matters connected with the construction of the Launceston and Western Railway.

REPORT OF THE DIRECTOR OF PUBLIC WORKS ON THE LAUNCESTON AND WESTERN RAILWAY.

Office of Public Works, Hobart Town, 6th October, 1869.

SIR,

IN conformity with your letter of the 30th instant, as Chairman of the Joint Committee of both Houses of Parliament now sitting to enquire into all particulars connected with the management, &c. of the Launceston and Western Railway, I proceeded to Launceston and placed myself in communication with the Contractors, Messrs. Overend & Robb, from whom I received, in my inspection and examination of the Works, such information and assistance as they could possibly afford.

I have now to report for the information of your Committee the result of such inspection and examination.

Hunter's Mill Viaduct.

The whole of these Works are finished with the exception of the pointing to the soffits of some of the Arches. Three centres of the Arches were struck, and the fourth was eased. I could not detect any sign of settlement in them. They are well and substantially executed, and the whole is built with lime mortar, except the Arches and Coping, which are in cement.

Viaduct, South Esk.

This work is finished—the centres of all the Arches struck, and the soffits pointed. It is well and substantially executed, and in a manner similar to the Hunter's Mill Viaduct.

South Esk Bridge.

The Abutments and Pier are as yet unfinished. The work so far as it has progressed is well and substantially performed. Cement mortar has been used throughout.

The lime and cement mortar used is of good quality, and, I believe, in exact conformity with the Specification. The bricks are first class. The stone is of good quality, though not as provided for in the Specification, of an even and uniform colour.

I was enabled to make a general inspection and examination of the Line from the Liffey Bridge to Longford, and from Launceston to about 20 chains beyond the site of the Patterson's Plains Station, and I am of opinion the Works are well and substantially executed.

As to Culverts and Timber Bridges, they are not in strict conformity with the Specification. The Arches of the Culverts should have been built in cement instead of mortar, and the soffits are not pointed as provided for.

The head-stocks of the Timber Bridges, in my opinion, contain heartwood, though the Specification provides that they and all other sawn timber should be free therefrom. This departure from the Specification is the cause of their being rent.

I carefully examined the whole of the Culverts in the portions of the Works hereinbefore described, and in one instance only was there the slightest settlement discernible.

I am not able to say that the entire Works are (with the above exceptions) carried out in strict conformity with the Specification, the time at my disposal not being sufficient to enable me to make the requisite examination.

I have the honor to be,
Sir,
Your very obedient Servant,
FRANCIS BUTLER, *Director of Public Works.*

The Chairman Joint Committee Launceston and Western Railway.

ADDENDUM TO MR. DOWLING'S EVIDENCE.

THIS CONTRACT made the sixteenth day of July, in the year of our Lord one thousand eight hundred and sixty-eight, between John Robb and Best Overend, of Brunswick, in the Colony of Victoria, Contractors, at present of Launceston, in Tasmania, hereinafter and in the Documents forming the Schedule hereto called "the Contractor" of the first part, and the Launceston and Western Railway Company (Limited), Tasmania, hereinafter and in the said Documents called "the Company" of the second part:

WITNESSETH that the said Contractor, for himself, his heirs, executors, and administrators, hereby covenants with the said Company, and the said Company hereby covenants with the said Contractor, to perform, observe, and fulfil all and singular the conditions, stipulations, and requisitions expressed and contained in, or reasonably to be inferred from the Specification and General Conditions hereunto annexed, and by and on the part of the said Contractor and Company respectively to be performed, observed, and fulfilled, which Specification and Conditions, with the Tender of the Contractor and the Schedule of Quantities and Prices upon which such Tender was based or calculated, are the Documents forming the Schedule hereto. And it is also mutually covenanted that if the party hereto of the first part shall consist of two or more persons, the term Contractor herein and in the Documents forming the Schedule hereto shall bind such persons jointly and severally, and their respective heirs, executors, and administrators, and such persons shall jointly be entitled to the benefit of this Contract, and these presents and the said Documents shall be read and construed accordingly.

Signed, sealed, and delivered by the above-named John Robb and Best Overend (having been first duly stamped). In presence of George Collins, Solicitor, Launceston. } JOHN ROBB. (L.S.) BEST OVEREND. (L.S.)

The Seal of the Company was affixed hereto in the presence of the undersigned Chairman and two of the Members of the Board on the 16th day of July, 1868. (L.S.)

The Schedule to which the above Contract refers annexed.

W. S. BUTTON, *Chairman.*
ISAAC SHERWIN, *Director.*
ALEXANDER WEBSTER, *Director.*

We have examined this Copy with the Original Contract, and certify that it is a true Copy thereof.

Dated at Launceston, this 8th day of October, 1869.

WILLIAM COLLINS, *Solicitor, Launceston.*
W. J. NORWOOD, *Launceston.*

APPENDIX.

(A.)

(See Letter printed in Evidence, page 5.)

(B.)

RETURN of Owners of Lands taken; Amounts claimed for Purchase and Compensation; paid or awarded; and Law Costs, both Parties.

Name.	*Area.*	*Amount claimed.*	*Awarded.*	*Law Costs.*
	A. R. P.	£ s. d.	£ s. d.	£ s. d.
Atkinson, John	6 0 4	143 0 0	75 0 0	
Adams, J. & C.	2 0 2	259 17 0	140 0 0	31 8 0
Bonney, John	13 3 6	280 0 0	280 0 0	
Benjamin, Joseph, 1*a.* 1*r.* 23*p.* asked	—	100 0 0		
Company took 8 acres	8 0 0	—	120 0 0	12 11 6
Brooke, Mrs.	3 3 17	70 0 0	70 0 0	34 14 8
Bird, Joseph	2 1 13	100 0 0	70 0 0	11 2 2
Butler's Representatives	11 2 10	240 0 0	210 0 0	21 9 4
Brookes, Thomas	1 0 1	50 0 0	25 0 0	15 7 2
Cox, Olivia, Tract, (houses)	1 0 21	350 0 0	250 0 0	24 19 8
Croome, George	0 0 10	Gift		
Clerke, Alexander	16 1 32	1060 5 4	400 0 0	30 13 6
Clayton, Joseph	0 0 6	10 0 0	10 0 0	9 19 4
Clancey, George	1 0 7	166 2 6	35 0 0	22 7 0
Cooper, Charles	1 1 14	20 0 0	20 0 0	11 16 2
Cameron, Robert	8 3 34	132 0 0	132 0 0	13 17 1
Callaghan, Henry	0 2 39	60 0 0	60 0 0	19 14 2
College Trustees	18 3 37	250 0 0	250 0 0	33 5 6
Dyson, Jeremiah	0 0 14	10 0 0	10 0 0	
Duggan, Mrs.	12 1 16	1480 0 6	180 0 0	24 12 6
Dry, William	5 0 10	653 2 6	424 0 0	
Dry, Sir R.	6 2 13	210 0 0	210 0 0	
Duggan, Thomas	0 3 8	50 0 0	30 0 0	
Dunn, James	4 1 16	80 0 0	80 0 0	13 6 2
Duncan, Mrs.	0 0 20	15 0 0	15 0 0	
Dryden, John	2 1 27	25 0 0	25 0 0	24 4 11
Dodery, William	14 0 21	632 10 0	550 0 0	24 5 6
Douglas, R. H.	11 2 8	220 0 0	220 0 0	
French, Samuel, Trustees	1 3 22	200 0 0	130 0 0	
Fullerton, Ann	2 2 29	60 0 0	60 0 0	
Floyd, William (Perth)	0 0 13	50 0 0	35 0 0	10 11 3
Field, T. W.	21 0 8	1260 0 0	600 0 0	
Field, John	6 0 21	93 0 0	93 0 0	
Gillam, Mrs.	1 0 12	100 0 0	40 0 0	17 19 11
Gough's Estate	4 0 8	200 0 0	200 0 0	
Grant, Charles	2 0 35	183 5 5	120 0 0	
Greenhill, J. R.	4 2 20	150 0 0	100 0 0	31 3 4
Horne, Leslie	2 2 22	40 0 0	40 0 0	28 1 6
Horne, Robert	3 1 23	50 0 0	50 0 0	39 7 9
Halliday, J.	0 0 33	80 0 0	10 0 0	
Houghton, F. J.	1 1 23	187 0 0	20 0 0	11 7 4
Hingston, J. T.	1 2 23	23 0 0	23 0 0	18 15 10
Isaac, John	1 0 37	150 0 0	37 10 0	12 7 9
Judd, —	1 1 22	40 0 0	40 0 0	
Innes, Mrs.	4 1 29	178 0 0	75 0 0	
Keane, James	8 2 36	287 0 0	230 0 0	37 0 0
King, W. H.	6 0 21	220 0 0	220 0 0	17 8 0
Loone, John	4 3 21	217 13 3	150 0 0	32 10 8
Lawrence, O. V.	6 0 1	300 0 0	230 0 0	32 2 10
Milligan, A. M.	1 0 9	65 0 0	65 0 0	13 14 6
Martin, Edward, for 1*a.* 1*r.* 39*p.* asked	—	60 0 0		
Company took 2*a.* 2*r.* 0*p.* for	2 2 0	—	65 0 0	24 1 6
Maskill, John	1 0 8	60 0 0	60 0 0	9 10 2
Martin, John	0 1 29	Gift	—	18 14 2
Molloy, John	0 3 34	30 0 0	30 0 0	18 10 7
Martin, Thomas	5 2 37	410 0 0	320 0 0	13 1 6

Name.	Area.	Amount claimed.	Awarded.	Law Costs.
	A. R. P.	£ s. d.	£ s. d.	£ s. d.
Morris, Isaiah	0 0 11	15 0 0	10 0 0	11 0 8
Martin, Henry	5 2 17	84 0 0	84 0 0	27 9 1
Martin, John (Perth)	0 0 8	10 0 0	10 0 0	7 6 8
Martin, William	5 1 11	79 11 0	79 11 0	24 11 10
Martin, Francis	6 0 32	113 10 0	113 10 0	21 10 5
Nixon, Joseph	4 2 23	205 0 0	120 0 0	31 12 0
Ditto	0 3 10	139 15 0	80 0 0	
Noake, Eliza	2 2 12	46 0 0	46 0 0	16 16 9
Murray, David	0 1 28	25 0 0	25 0 0	
Murfett, D.	0 2 20	35 0 0	35 0 0	
Ozanne, Joseph (new buildings)	11 2 4	329 6 0	329 6 0	35 11 10
Parker, T. F. for 2*a.* 1*r.* 28*p.* asked	—	110 0 0		
Company took 10 acres for	10 0 0	—	85 0 0	12 11 2
Peck, Thomas	1 0 9	17 0 0	17 0 0	15 1 0
Ransom, J. D.	2 2 33	395 0 0	220 0 0	25 0 5
Rudd, Z. (cottage)	0 3 16	200 0 0	175 0 0	9 16 8
Richardson, Dr.	6 2 10	100 0 0	100 0 0	28 1 4
Russell's Estate, (gates)	0 0 3	15 0 0	15 0 0	
Ritchie, George	5 2 4	360 10 0	210 0 0	50 13 3
Roberts, T. W.	0 3 12	150 0 0	75 0 0	28 5 7
Reibey, James H.	17 3 20	213 13 0	213 13 0	30 14 11
Reibey, Ven. Archdeacon	6 0 23	100 0 0	100 0 0	32 3 2
Smith, John	0 1 34	15 0 0	15 0 0	12 19 10
Scott, James, (Selby)	4 3 17	513 16 3	300 0 0	33 14 6
Scott, James, (Perth)	2 2 29	280 8 9	100 0 0	
Stancombe, George	10 1 39	477 10 0	325 0 0	24 5 8
Scott, George, senr.	6 3 26	637 0 6	200 0 0	
Synod Trustees	6 0 26	175 0 0	175 0 0	31 3 2
Solomon's Trustees	4 0 13	70 0 0	70 0 0	
Thirkell, R.	..	Gift.		
Thirkell, R., (Perth)	1 0 11	35 0 0	35 0 0	17 7 6
Thomas, D.	1 2 10	40 0 0	40 0 0	
Thompson, Eliza	4 1 5	191 0 0	90 0 0	33 14 0
Williams' Trustees	0 1 8	25 0 0	7 10 0	14 16 10
Wentworth's Trustees	3 3 20	387 10 0	180 0 0	19 3 0
Wilmore, John	4 2 3	193 15 0	170 0 0	34 14 0
Whitmore, —	3 2 2	28 0 0	28 0 0	20 19 6
Westbury Municipality and exchange of land of equal extent	..	1149 7 6	260 0 0	
	396 2 11	..	11,823 0 0	1417 7 8
Claims unsettled.			*Estimated at—*	
Dunlop's representatives	0 2 14	..	35 0 0	
Longford Municipality	..	..	150 0 0	
Weston, Edward	3 3 29	980 0 0	300 0 0	

SUMMARY.

	£ s. d.
Amount of Claims awarded, 396a. 2r. 11p.	11,823 0 0
Amount of Claims not awarded, (say)	485 0 0
Amount of Law Costs paid	1417 7 8
Amount of Law Costs on further conveyances	450 0 0
Amount contingencies, (say)	550 0 0
Tenants' claims	1060 5 6
Travelling charges	19 18 0
Fees, references, &c.	160 13 0
General Law Costs, (additional)	225 18 2
	£16,192 2 4

(C.)

Launceston and Western Railway, Engineer's Office, Launceston, Tasmania, 12th October, 1868.

DEAR SIR,

WE have to acknowledge the receipt of your letter of the 7th instant, and the enclosed copy of resolutions.

We have noted the resolution having reference to the carriages and trunks, and we shall prepare the plans as the Board wish; but it appears to us that your Board need not delay advertising, asking for tenders until these plans are prepared, as contractors can inform themselves fully of all dimensions and quality of the rolling stock by examining those of the Melbourne and Hobson's Bay Railway.

In selecting the Melbourne and Hobson's Bay carriages we have had in view the avoiding of all unnecessary expense. The interior fittings of the carriages on that line are very plain, and much inferior to those of the same class on the Government line in Victoria.

Permanent Way.—The Schedule of Quantities which we supplied last year to Mr. Kemp to assist him in forming an estimate, in which 65 lbs. to the yard is mentioned as the contemplated weight of the rail, was, of course, merely an approximation, as we had not then fully considered the question. When we afterwards made the actual designs, a closer examination into all the conditions of the traffic to be carried induced us to increase the weight to 75 lbs., and this was the section submitted to the Board in March last. Subsequently we decided it might be safely reduced to 72 lbs., and the designs sent to England were altered accordingly. The weight of iron in the Permanent Way included in our estimate dated July 16th, 1868, is calculated on this section.

Certificate for Works.—We beg most respectfully to point out that by this resolution your Board is asking a more detailed Certificate than it is usual to give according to English practice, according to which practice Mr. Doyne took his contract. Your Board must be well aware that it cannot put any confidence in the quantities which we supply, if it refuses to accept the money value of these quantities.

We respectfully submit to you that we think it would be of advantage if your Board would permit the attendance of one of the members of our firm when any engineering question is under discussion.

We are,
Dear Sir,
Yours faithfully,

DOYNE, MAJOR, & WILLETT.

HENRY DOWLING, *Esq., Secretary.*

(D.)

Launceston and Western Railway, Engineer's Office,
Launceston, Tasmania, 28th May, 1869.

DEAR SIR,

WE have to acknowledge the receipt of your letter of the 26th instant enclosing two "forms" marked respectively A. and B., and furnishing us with a copy of a resolution passed by the Board on the previous day (25th May), which contains a demand that we shall, within ten days thereof, furnish to the Board the data required under Form A. in accordance with Form B.

In reply we have to observe that the points now raised have already been fully met by the explanation given in our letter of 26th October and our Memo. of 20th November, to which we respectfully call the attention of the Directors.

We need now only repeat that any pretence on our part to furnish detailed *quantities* of cuttings and many other works while in a state of progress, and importantly altering in amount every hour, would be to practise a deception, which we are sure the Directors would not desire.

Mr. Kemp's persistent demand that we shall provide these details proves one of two facts: that he is incompetent to judge in such matters, or that he wilfully determines to misrepresent facts, and to place captious difficulties in the way of the undertaking.

In our "Progress Report" of the 15th instant we stated that we were preparing to measure up all cuttings as they were completed, and would furnish the results to the Board as quickly as we could do so with accuracy: this promise we shall strictly perform as circumstances will permit.

Much of the information demanded under Form A. we shall be able to furnish to the Board shortly, and it is our anxious desire to do so as quickly as possible; but we respectfully submit that such mere "forms" are of less moment than the close supervision of the works in progress, which make such urgent demands upon our time and thoughts, and which if neglected or handed over to others may not be carried out in such an efficient manner as to secure to the Company and the Colony those permanent benefits they have a right to expect at our hands, and which we are confident we can secure to them if we are met with reasonable confidence, and are relieved from the systematic persecution and waste of our time to which we are subjected. We further respectfully submit that, pending our final report on the question referred to, the Colony and Company are—under the form of certificate that we furnish monthly, in conformity with the 27th condition of the Contract with Messrs. Overend & Robb—*perfectly secured* against the possibility of an over-payment to the Contractors, either by fraud or accident: and this fact must be patent to any business man who will take the trouble to study the principle of our Contract, and to comprehend the form of Certificate,—two conditions which Mr. Kemp appears to have neglected.

Under these circumstances, whilst recognising the difficulties of the position, we regret that any course of mere policy on the part of the Directors should have induced them to have made a demand upon us which prior knowledge of our opinions ought to have prevented, and thus force us to a refusal of compliance. This we respectfully now do; and beg, if the Directors are dissatisfied with the course we have taken, to refer them to the clauses of our Contract, which provide for any such differences of opinion as those now indicated.

We are,
Dear Sir,
Yours very truly,

DOYNE, MAJOR, AND WILLETT, *Engineers.*

HENRY DOWLING, *Esq., Secretary.*

(E.)

Launceston and Western Railway, Engineers' Office,
Launceston, Tasmania, 30th March, 1869.

DEAR SIR,

OVERLEAF we beg to hand you copies of our correspondence with Messrs. Overend & Robb, on the subject of payment for extra work and side-cutting, for the information of the Directors.

We are, Dear Sir,
Yours very truly,
DOYNE, MAJOR, & WILLETT.

HENRY DOWLING, *Esq., Secretary.*

1.

(Copy.)

Launceston and Western Railway, Engineers' Office,
Launceston, Tasmania, 19th February, 1869.

GENTLEMEN,

WE herewith furnish to you a copy of a Memorandum which we have sent to the Secretary of the Company, explaining the principle upon which we have acted in making you payments on account of side-cuttings therein referred to, the value of which will have to be deducted from the amount of extra works before we finally certify for them.

Our object in sending you this information now, is to assist you in forming an opinion upon your financial position, and to show the grounds upon which our final certificate will be framed.

We are, Gentlemen,
Your obedient Servants,
(Signed) DOYNE, MAJOR, & WILLETT, *Engineers.*

Messrs. OVEREND & ROBB, *Contractors.*

[1 Enclosure.]

(Note.—The enclosure here referred to, was a copy of our Memorandum dated 16th February, 1869, and attached to our letter to the Secretary of the same date.)

2.

(Copy.)

Launceston and Western Railway Contractors Office, Railway Wharf,
William-street, Launceston, 20th February, 1869.

GENTLEMEN,

WE have the honor to acknowledge the receipt of your letter of the 19th instant, with enclosure of copy of Memorandum sent to the Secretary of the Company explaining the principle upon which the payments on side-cutting forming items Nos.[266, 267, 268, and 269 in the Schedule have been made, and also stating in what form the final Certificate with reference to these items will be made out. In reply, we beg leave most respectfully to record our dissent in the strongest possible manner from the principle therein set forth, and also especially from the mode in which it is intended to make out the final Certificate on these items.

We have, &c.,
(Signed) OVEREND & ROBB.

Messrs. DOYNE, MAJOR, & WILLETT, *Engineers.*

3.

Launceston and Western Railway, Engineers' Office,
Launceston, 2nd March, 1869.

GENTLEMEN,

REFERRING to your letter of the 20th February, recording your dissent to the principle upon which the payments on side-cutting forming items Nos. 266, 267, 268 and 269 in the Schedule have been made, and also to the mode in which it is intended to make out the final Certificate on these items, we have to request that you will favour us, at your earliest convenience, with a statement of the grounds on which your objections are based, and with an expression of your views generally upon the subject.

We are, Gentlemen,
Your obedient Servants,
(Signed) DOYNE, MAJOR, & WILLETT, *Engineers.*

Messrs. OVEREND & ROBB, *Contractors.*

4.

(Copy.)

Launceston and Western Railway, Contractors' Office, Railway Wharf, Launceston, 15th March, 1869.

GENTLEMEN,

We beg leave to acknowledge the receipt of your letter of the 2nd instant, requesting us to state the grounds of our dissent from your views upon payment for side-cutting, items Nos. 266, 267, 268, and 269, and asking our views generally upon the subject; and in reply we beg leave to say :—

1st. We think it cannot be sustained that the contract gives the power to the Engineers to decide upon the position from which side-cutting shall be taken, the whole responsibility of procuring and purchasing land for side-cutting being thrown upon us.

2nd. The order for extra slopes to the cuttings mentioned was given on the 4th December, while the order to take the side-cutting from the extra material was not received until the 16th February, when a large portion of the Banks had already been made.

3rd. The extra material has been to the Banks at considerable additional expense, from increased length of lead, laying down greater length of rails, and certain disadvantages in working the cuttings, so that if the principle sought to be enforced could be carried out it would result in placing us in a far worse position than if we had procured land and excavated the side cutting.

4th. It is we believe clearly laid down in the Contract that we are to make all the cuttings and embankments shown on the Plans and Specifications for the bulked sum of the cuttings and side-cuttings taken together, the distribution of the material from cuttings, the quantity of side-cutting necessary, and the procuring of land for side-cutting and spoil, being entirely thrown upon us: if therefore the Engineers establish the principle that they have power to order the disposition of the material, the place from whence it is to be taken, and to make deductions at certain places, they would turn this part of the Contract into a schedule of quantities, and we should in that case be entitled to be paid for the exact quantity of side-cutting, &c. executed in the construction of the Line.

We have, &c.,

(Signed) OVEREND & ROBB.

Messrs. DOYNE, MAJOR & WILLETT, *Engineers, Launceston and Western Railway.*

(F.)

CASE

For the Opinion of MR. STEPHEN, *and* MR. FELLOWS.

The following Documents are forwarded herewith:—

1. 30 Vict. No. 28: Railway Act No. 2.
2. Conditions of Contract between the Launceston and Western Railway Company and Messrs. Overend and Robb.
3. Parliamentary Paper, No. 16, 1868.

LAUNCESTON AND WESTERN RAILWAY COMPANY (LIMITED).

The Legislature of Tasmania, by the Railway Acts 29 Vict. No. 24, 30 Vict. No. 28, and 31 Vict. No. 43, sanctioned the construction of a Railway from Launceston to Deloraine to be called the Launceston and Deloraine Railway, provided the said Railway could be opened for traffic for a sum not exceeding £350,000, of which £50,000 was to be subscribed by a Company.

The Company was formed under the Joint Stock Companies Act.

The sum of £50,000 was paid as required by *The Launceston and Western Railway Act,* 30 Vict. No. 28, Section 7, which is as follows :—

> "Before any such Guarantee is given, such Commissioners shall examine the plans, specifications, and estimates of the said Railway and Works, and such Commissioners shall report thereon to the Governor in Council, and shall also report whether the said sum of £50,000 has been subscribed and paid into a bank as hereinbefore provided, and whether the said Railway can be opened for traffic for a sum not exceeding £350,000; and in case the Governor in Council is satisfied by such report that such plans, specifications, and estimates as aforesaid are sufficient and reasonable, and that the said sum of £50,000 has been subscribed and paid into a bank as aforesaid, and that the Railway may be opened for traffic for a sum not exceeding £350,000, then the Governor in Council shall signify his approval of the said Railway and Works being commenced, and thereupon the Company may commence and proceed with the said Railway and Works; and the Governor in Council shall, at the request of the Company, guarantee the payment by the Company of the principal and interest secured by any such bonds as aforesaid; and such guarantee shall be given by endorsing on each such bond the words 'Guaranteed in pursuance of the Launceston and Western Railway Act,' and by the Governor signing such endorsement: Provided, nevertheless, that before any such Works are commenced or proceeded with, the Contract or Contracts for the construction of the whole of the

said Railway and Works, so far as the same are to be constructed within the Colony, and the estimates for rails and other portions of the said Railway and Works so far as they are to be imported from abroad, shall be submitted to the said Commissioners for inspection, and they shall from time to time report thereon to the Governor in Council; and no deviation from the terms of any Contract on which the said Commissioners have reported shall be lawful without the consent of the Governor in Council."

By Section 6 of the same Act the Governor in Council is empowered to appoint three Commissioners, whose duties are defined in Section 7 of the same Act as above set forth, and are further referred to in Section 11 of the same Act.

By these Sections it will be seen that the Governor in Council is empowered to appoint three Commissioners whose duties should be to report—

First.—Whether the said Railway could be opened for public traffic for a sum not exceeding £350,000, (Sect. 7.)

Secondly.—Whether the said sum of £50,000 had been subscribed and paid into a Bank to the credit of the Company and Commissioners.

Thirdly.—To see that the said sum of £350,000 was "expended upon the Railway and Works with their approval, and not otherwise."

And fourthly.—To have "the Contract for the construction of the whole of the said Railway and Works, so far as the same are to be constructed within the Colony, and the Estimates for the Rails and other portions of the said Railway and Works, so far as they are to be imported from abroad, submitted for their inspection, and to report thereon from time to time to the Governor in Council."

The Commissioners were appointed by the Governor in Council.

The Commissioners reported to the Governor in Council that the said sum of £50,000 had been so subscribed and paid into a Bank, and that the said Railway could be opened for public traffic for a sum not exceeding £350,000.

The Governor in Council, as authorised by the before-mentioned Act (30 Vict. No. 28, Sect. 7), signified his approval of the said Railway and Works being commenced.

The Tender of Messrs. Overend and Robb for the construction of the whole of the said Railway and Works within the Colony for the total sum of £200,671 8*s.* 8*d.* was, subsequently to such approval, submitted to the Directors of the Company,—all the Commissioners, in their capacity as Directors, being present. (See Section 6 of 30 Vict. No. 28.)

The Tender was carefully deliberated upon, and finally unanimously accepted by the Board; and a Contract, in accordance with such Tender, was likewise submitted to, deliberated upon, and unanimously approved of by the Board, and finally sealed with the common Seal of the Company, and executed by the Contractors,—the Commissioners, in their capacity as Directors, being present at the acceptance of the Tender, and at the execution of the Contract by the Company and Contractors, which Contract was subsequently submitted to their inspection, *as Commissioners*, in accordance with the provisions of the before-mentioned Act (Sec. 7), and respectively reported upon by Mr. Kemp, the Professional Commissioner, and by Messrs. Bartley and Innes, the other two Commissioners, as required by the before-mentioned Act.

Amongst the General Conditions of such Contract, Clause 27 is as follows:—"Payments will be made to the Contractors every month of the amount which the Engineers may certify *by estimate from the Schedule of Prices as the price or value of the work performed during the preceding month*, together with the *value* the Engineers shall place on any suitable material that shall be delivered upon the Works, less 10 per cent. upon such certified amount."

No exception was taken either by the Board of Directors or any member thereof, or by either of the Commissioners, to the foregoing distinct and definite condition, nor was any suggestion made by Mr. Kemp (the Professional Commissioner) that the Certificate so to be given should furnish Schedule of *Quantities*, or any other information than that required by such Condition.

Clause 28 of the said General Conditions terms such payments as "progress payments." It clearly regards them merely as payments on account of certain defined Works contracted to be performed for certain defined or fixed amounts, and accordingly provides "that, notwithstanding the giving of any Certificate that portions or the whole of the Works have been satisfactorily performed, the Engineers may require the Contractors to remove or amend at any future time, previously to the final payment on account of the construction or maintenance of the Works, any work that may be found not to have been performed in accordance with the Contract."

The Directors, relying with implicit confidence upon the professional and personal reputation of their Engineers, (Messrs. Doyne, Major, and Willett), have, as above shown, absolutely and unreservedly confided to them, and *to them alone*, the very onerous and responsible duty of estimating the monthly amounts due to the Contractors, and of furnishing such Certificates for the due payment of such amounts; and to this arrangement the Directors hold the Commissioners to have been consenting parties.

After such Contract was so accepted and duly executed as aforesaid, Mr. Kemp and Mr. Innes, (two of the Commissioners), without the knowledge of the Directors, applied for the opinion of the Law Officers of the Crown with reference to two Clauses of the said Conditions, viz.—6 and 6A of said Contract; and obtained such opinion, but did not then, or at any time thereafter, raise any question with reference to the said 27th Condition of the said Contract; but reported to the Governor in Council, in accordance with Section 7 of 30 Vict. No. 28, without raising any question as to the 27th and 28th Conditions; and, indeed, without any reference whatever to the said opinion on the said Conditions 6 and 6A of the said Contract. (See Commissioners' Report of 24th July, 1868, pp. 41 to 45, Parliamentary Paper No. 16, Session 1868.)

In the opinion of the Directors the Commissioners are bound to accept the Engineers' Certificates, and to unite with the Directors in fulfilling the provisions of the 27th Condition of the Contract as to the mode of payment to the Contractors, viz.—to sign the Cheques given by the Company for the amounts certified by the Engineers (in strict accordance with such provisions) to be due to the Contractors, as the 27th Condition of the Contract may be termed the mainspring upon which the fulfilment or repudiation of such Contract altogether depends.

The Commissioners were, as before mentioned, in their capacity as Directors, present at the Board of Directors when the Contract with Messrs. Overend and Robb was deliberated upon, approved, and finally unanimously assented to by the Board, and when the said Contract was executed as aforesaid.

If the Commissioners, or either of them, disapproved of the 27th Condition of such Contract, by which the Engineers were *absolutely and solely* entrusted by the Company to prepare and furnish Certificates of the monthly amounts payable to the Contractors, and by which Conditions the Company were legally bound to pay the amounts so certified,—irrespective of any other data or vouchers whatever than that furnished in such Certificate,—it was, in the opinion of the Directors, clearly the duty of the Commissioners, and more especially of the Professional Commissioner, previously to the Contract being unanimously approved of and assented to by the Board of Directors, of which they were then members—and certainly before the Contract was executed—distinctly to have intimated to the Directors and to the Contractors their disapproval of such 27th Condition; and that they could not unite with the Directors in accepting the Certificates thereby prescribed, and in paying the amounts so certified, unless other vouchers or data were supplied, which would in all respects satisfy the demands of the Professional Commissioner. No such intimation was, however, given. Had any such intimation been given by the Commissioners, the Contract would not have been entered into by the Company or the Contractors. Not by the Company: for they certainly would not have become legally bound to the Contractors to make, under certain prescribed Conditions, monthly payments amounting in the whole to upwards of £200,000, if any third party whatever, whether a Professional Commissioner or otherwise, could claim and exercise an arbitrary and absolute veto to their making such payments. And most certainly not by the Contractors: common sense, apart from any other guiding motives, would have determined them absolutely to refuse to enter into a Contract for the construction of a Railway for a sum exceeding £200,000, to be paid to them by the Company, by monthly payments under certain prescribed Conditions, if any third party could, under any circumstances whatever, arbitrarily prevent the Company from making any or all of such payments.

The Company, when they entered into a Contract by which they became legally bound to pay the Contractors the amounts certified to be payable to them upon the monthly Certificates, were fully cognizant of the fact that the funds from which such payments were to be made were at the *joint* disposal of the Company and Commissioners, and that such payments could *not* be made unless the Commissioners were approving and assenting parties to such Contract and to such legal obligation on the part of the Company.

One of the Commissioners (Mr. Bartley) entirely coincides with the views of the Directors, and has reported to the Governor in Council that he considers himself and fellow Commissioners to be approving and assenting parties to such Contract, and bound to unite with the Directors in signing the cheques to the Contractors, and, in pursuance of the terms of the 27th Condition of the said Contract, has always united with the Directors in signing such cheques for payments on account to the Contractors, and has further reported to the Governor in Council that he will continue to do so.

By Section 7 of 30 Vict. No. 28, it is provided, "That no deviations from the terms of any Contract on which the said Commissioners have reported shall be lawful without the consent of the Governor in Council."

Two of the Commissioners assert that any omissions in, additions to, or substitutions for the Works contracted for, "or any item or portion thereof" (see Conditions 5, 6, and 6 A of the Contract) found desirable by the Engineers, and carried out by the Contractors in pursuance of notice from the Engineers to that effect, as provided under terms of Conditions 5, 6, and 6 A of the Contract, come under the "deviations from the *terms* of the Contract" contemplated by Sect. 7 of 30 Vict. No. 28, as not lawful without the consent of the Governor in Council.

The Directors and one of the Commissioners entertain the opinion that such omissions, additions, or substitutions so carried out under the provisions of the said Conditions (5, 6, and 6 A) are not "deviations from the *terms* of the Contract," but are so carried out in accordance with the terms of the Contract of which the said Conditions form part.

Counsel is requested to advise:—

First.—Whether the conduct and proceedings of the Commissioners (1) by assenting as Directors to the acceptance of Overend & Robb's Tender, (2) and to the terms and conditions of the Contract founded on such Tender, and to its due execution by the Company and Contractors, (3) and by reporting thereon as Commissioners without raising any exception to or question upon any such terms and conditions, did not constitute them assenting parties to the said Contract so far as they could be under the provisions of the said Act, 30 Vict. No. 28, and that by such conduct and proceedings they did not absolutely signify their approval of the expenditure of the said sum of £200,671 8*s.* 8*d.* under the said Contract with Messrs. Overend and Robb contemplated by Section 4 of the said Act.

Second.—Whether the Contractors, upon the production of the Engineers' Certificate so furnished in accordance with the 27th Condition, are not entitled to payment, by the Company and Commissioners, of the monthly amounts so certified by the Engineers to be due to them *on account* of the total Contract sum, and whether the absolute right of the Contractors to such payment upon the production of such Certificate can in any way depend upon whether the Commissioners are or are not furnished by the Engineers with schedules of quantities or any other information whatever than that supplied by such Certificate in strict accordance with the terms of the 27th Condition of the said Contract, or whether the professional Commissioners' estimate of the amount due to the Contractors agreed with the estimate of the Company's Engineers or otherwise.

Third.—If the Commissioners refuse to sign the cheques for the monthly payments to the Contractors in accordance with the Certificate furnished by the Company's Engineers, what course ought to be adopted and proceedings taken to compel the Commissioners to sign such cheque?

Fourth.—Are such omissions, additions, or substitutions so carried out under such Conditions (5, 6, and 6 A) "deviations from the terms of the Contract" as contemplated by the 7th Sect. of 30 Vict. No. 28, and as such requiring the consent of the Governor in Council to their being so carried out.

Fifth.—Do not the Conditions (5, 6, and 6 A) form a portion of the terms of the Contract.

And generally upon the whole Case.

1. In my opinion the answer must be given without reference to the conduct of the Commissioners except so far as they acted in accordance with their powers under the Act. If they acted *ultra vires*, no rights or liabilities would be thereby created. But as far as I can see they acted legally and in accordance with the powers conferred upon them, and in the exercise of the discretion thereby given to them; and there is no reason why the Contract with Messrs. Overend and Robb should not be considered binding and valid in all respects.

2. I think the Contractors were entitled to payment of the monthly amounts as certified by the Engineers; and I do not think that the Commissioners had any right to require the Engineers to furnish them with Schedules of quantities or any other information beyond the Certificate. In my opinion the Commissioners were bound (in the absence of any fraud or collusion suggested) to act upon the Certificate given in accordance with the Contract, and in reliance upon the skill and competency of the Engineers.

3. I am inclined to think that the Commissioners may be considered as Trustees of the fund, and that they might be compelled to execute the trusts by a Bill in Equity, in which perhaps either the Company or the Contractors might be Plaintiffs. Perhaps a *Mandamus* might be obtained, but as to this I express no opinion.

4. and 5. I think that Clauses 5, 6, and 6A are already part of the contract as reported upon, that is I presume approved by the Commissioners; and the "omissions, additions, and substitutions" are not really deviations from the terms of the Contract as are contemplated by Section 7 of the Act—and which would require the consent of the Governor in Council. I think it is perhaps more open to doubt whether fresh Clauses ought in strictness to have been inserted in the Contract, having regard to the 7th Section. But on the whole I think it was a legitimate exercise of discretion, and within the powers of the Commissioners, permitting the introduction of those Clauses, which are certainly usual, and I should suppose necessary in such a Contract,—of course, they ought not to be abused. If under colour of them the whole nature of the Contract was to be altered, the Commissioners would certainly be justified in objecting to such a course.

J. W. STEPHEN,
32, *Temple Court*, 19*th August*, 1869.

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1. I do not quite understand what is meant by assenting "parties" to the Contract, as I do not suppose that there were any parties to it except the Company and the Contractors. If the Commissioners were parties and executed it, they were of course "assenting parties;" but if they were not parties they have nothing to do with the matter. It was submitted to them, as required by the 30 Vict. No. 28, Sect. 7, "for inspection," and as the Act was in that respect complied with there can be no question as to the validity of the Contract.

2. The Contract seems to me very clear: "Payments will be made every month of the amount which the Engineer may certify as the price or value of the work performed during the preceding month." The objection of the Commissioners amounts to saying that "Payments will *not* be made so." There is no Contract requiring the information as to quantities, &c.; and however usual and convenient such Returns may be, there is no pretence for withholding payment on account of their absence.

3. It appears to me that a Bill in Equity could be filed against the Commissioners, treating them as trustees bound to exercise their powers reasonably. (Robinson *v.* Chartered Bank, Law R. 1 Eq. 32.)

4. Unless "performance" of a Contract can be considered a "deviation" from it, it is impossible to contend that alterations, additions, or deductions which are expressly provided for by the Contract are deviations from it. I can, however, understand an Engineer using the expression "deviations from the Contract" when he means "deviations from the plans or specification." This, however, is not an interpretation which a Court of Law would adopt.

5. Most unquestionably yes. What else can they be?

THO. HOWARD FELLOWS.
34 *Temple Court*, 1 *Sept.* 1869.

(G.)

MEMORANDUM of Attendance of Members at Board Meetings, July, 1868, to July, 1869.

1868.

July 15. *Present.*—Button, Crookes, Tyson, Kemp, Dowling, Robertson, Bartley, Green, Harrap, Scott, Innes, Sherwin, Gibson, Webster, Dodery, Jos. Archer. (16.)

16. *Present.*—Button, Green, Robertson, Sherwin, Scott, Webster, Tyson, Bartley, Innes, Kemp, Crookes, Dowling, Harrap. (13.)

21. *Present.*—Button, Crookes, Gibson, Green, Sherwin, Robertson, Tyson, Scott, Dowling, Kemp, Webster, Bartley. (12.)

24. *Present.*—Button, Green, Robertson, Crookes, Kemp, Bartley, Sherwin, Dowling, Webster. (9.)

28. *Present.*—Button, Bartley, Kemp, Dowling, Green, Webster, Robertson, Sherwin, Crookes, J. Archer, W. Archer, Tyson, Dodery, Harrap. (14.)

Aug. 4. *Present.*—Button, Kemp, Bartley, Robertson, Green, Webster, Tyson, Dodery. (8.)

11. *Present.*—Button, Robertson, Kemp, Bartley, Tyson, Green, Webster. (7.)

18. *Present.*—Button, Green, Robertson, Tyson, Grubb, Webster, Scott, Bartley. (8.)

25. *Present.*—Button, Green, Robertson, Grubb, Tyson, Bartley. (6.)

Sept. 1. *Present.*—Button, Green, Robertson, Tyson, Gibson, Kemp, Grubb, Bartley. (8.)

8. *Present.*—Button, Grubb, Bartley, Kemp, Green, Robertson, Gibson, Dodery. (8.)

15. *Present.*—Button, Green, Harrap, Tyson, Dodery, W. Archer, Bartley. (7.)

22. *Present.*—Button, Bartley, Kemp, Scott, Green, Robertson, Dodery. (7.)

29. *Present.*—Button, Green, Robertson, Dodery, Scott, Kemp, Innes, Bartley, Tyson, Grubb, Sherwin. (11.)

Oct. 6. *Present.*—Button, Green, Tyson, Webster, Scott, Bartley, Kemp, Innes, Sherwin, Grubb. (10.)

13. *Present.*—Button, Crookes, Green, Dodery, Tyson, Robertson, Grubb, Scott, Kemp, Bartley. (10.)

20. *Present.*—Button, Robertson, Green, Scott, Kemp, Bartley, Tyson, Grubb, Sherwin, Webster, Crookes, Dodery. (12.)

27. *Present.*—Button, Crookes, Green, Sherwin, Dodery, Grubb, Bartley, Scott, Kemp, Innes, Tyson, Gibson, Robertson. (13.)

Nov. 3. *Present.*—Button, Crookes, Kemp, Bartley, Innes, Scott, Tyson, Robertson, Green, Webster. (10.)

10. *Present.*—Button, Green, Grubb, J. Archer, Scott, Crookes, Innes, Kemp, Dodery, Bartley, Robertson. (11.)

17. *Present.*—Button, Green, Tyson, Grubb, Scott, Dodery, Sherwin, W. Archer, Kemp, Bartley. (10.)

24. *Present.*—Button, Crookes, Green, Robertson, Grubb, Bartley, Tyson, Kemp, Scott, Webster, Sherwin, Dodery. (12.)

Dec. 1. *Present.*—Button, Green, Crookes, Gibson, Grubb, Scott, Kemp, Bartley, Harrap, Sherwin. (10.)

8. *Present.*—Button, Green, Kemp, Bartley, Scott, Dodery, Sherwin, Crookes, Grubb, Robertson. (10.)

15. *Present.*—Button, Green, Robertson, Sherwin, Grubb, Scott, Dodery, Bartley, Kemp. (9.)

22. *Present.*—Button, Crookes, Green, Dodery, Gibson, Bartley, Kemp, Sherwin, Tyson, Grubb, Scott, Webster. (12.)

29. *Present.*—Button, Green, Sherwin, Grubb, Dodery, Bartley, Kemp, Gibson, Robertson, Crookes, Tyson. (11.)

1869.

Jan. 5. *Present.*—Button, Green, Bartley, Innes, Kemp, Sherwin, Gibson, Crookes, Dodery. (2.)

19. *Present.*—Button, Green, Gibson, Bartley, Kemp, Sherwin, Grubb, Tyson, Webster, Dodery, Robertson. (11.)

26. *Present.*—Button, Gibson, Sherwin, Grubb, Dodery, Bartley, Kemp, Innes, Green, Webster, Robertson. (11.)

Feb. 1. *Present.*—Button, Green, Grubb, Innes, Bartley, Kemp, Tyson, Sherwin, Webster, Robertson. (10.)

8. *Present.*—Button, Bartley, Kemp, Green, Sherwin, Dodery, Gibson, Tyson. (8.)

16. *Present.*—Button, Green, Grubb, Gibson, Tyson, Bartley, Kemp, Robertson, Webster, Dodery. (10.)

23. *Present.*—Button, Sherwin, Gibson, Green, Tyson, Kemp, Bartley, Dodery. (8.)

March 2. *Present.*—Button, Sherwin, Green, Grubb, Dodery, Kemp, Bartley. (7.)

9. *Present.*—Button, Green, Kemp, Innes, Bartley, Gibson, Tyson, Crookes, Dodery, Webster, Sherwin, Robertson. (12.)

16. *Present.*—Button, Crookes, Bartley, Kemp, Innes, Gibson, Dodery, Robertson, Grubb, Sherwin. (10.)

23. *Present.*—Button, Crookes, Green, Robertson, Grubb, Kemp, Bartley, Innes, Sherwin, Webster, Tyson. (11.)

April 6. *Present.*—Button, Crookes, Gibson, Robertson, Green, Bartley, Kemp, Grubb, Dodery, Sherwin. (10.)

13. *Present.*—Button, Crookes, W. Archer, Gibson, Grubb, Kemp, Robertson, Bartley, Green, Sherwin, Tyson. (11.)

20. *Present.*—Button, Crookes, Gibson, Robertson, Grubb, Sherwin, Webster, Kemp, Innes, Bartley. (10.)

27. *Present.*—Button, Crookes, Gibson, Grubb, Robertson, Dodery, Tyson, Kemp, Innes, Bartley. (10.)

May 4. *Present.*—Button, Crookes, Green, Gibson, Webster, Dodery, Tyson, Kemp, Grubb, Bartley. (10.)

11. *Present.*—Button, Crookes, Gibson, Robertson, Green, Grubb, Tyson, Scott, Kemp, Bartley, Dodery, J. Archer. (12.)

18. *Present.*—Button, Crookes, Green, Gibson, Robertson, Grubb, Scott, Innes, Kemp, Bartley, Tyson. (11.)

25. *Present.*—Button, Crookes, Green, Gibson, Robertson, Dodery, Scott, Innes, Bartley, Kemp. (10.)

31. *Present.*—Button, Gibson, Green, Robertson, Dodery, J. Scott, J. Archer, Kemp, Bartley, Grubb, Webster, Crookes. (12.)

June 8. *Present.*—Button, Crookes, Grubb, Scott, Robertson, Kemp, Bartley, Innes, Webster, Green, Gibson, Tyson. (12.)

22. *Present.*—Button, Gibson, Crookes, Green, Grubb, Robertson, Scott, Kemp, Webster. (9.)

29. *Present.*—Button, Green, Grubb, Robertson, Crookes, Scott, Kemp, Bartley, Tyson, Gibson. (10.)

July 6. *Present.*—Button, Green, Crookes, Robertson, Scott, Bartley, Kemp, Webster, Grubb, Gibson. (10.)

13. *Present.*—Button, Crookes, Gibson, Green, Tyson, Dodery, Bartley, Kemp. (8.)

52 Meetings, average attendance 10 Members.

(H.)

LAUNCESTON AND WESTERN RAILWAY.

STATEMENT of Estimates and Cost, (actual or approximate), showing difference of Estimates, and the various Heads under which Extras have arisen or may arise during the construction of the Works.

Items.	*Estimate, 28th July, 1869.*	*Original Estimate.*	*Cost, ac. or ap.*	*Extra on original Estimate.*
	£	£	£	£
Contracts for materials from England, comprising rails, girders for Longford Bridge, rolling stock, &c., including freight, insurance, and commissions	85,000	—	—	—
To which add Melbourne expenses not included	3000	—	—	—
And purchases not yet advised from London, but included in original estimates	*1700	—	—	—
Same contracts, exclusive of freight, &c.	..	66,350	71,433	5083
Commissions, insurance, and freights	..	12,100	18,267	6167
	89,700	78,450	89,700	11,250
Lands taken, and Law costs thereon	15,000	5000	15,000	10,000
Engineering (£5000 to be paid in shares)	14,000	14,000	14,000	—
Stations	4000	4000	4000	—
Overend & Robb, contract, less maintenance	194,218	194,218	194,218	—
Maintenance first year by Overend & Robb, included in contract £200,761	..	6543	6543	—
Slopes in cuttings	12,000	..	12,000	12,000
Telegraph throughout	2000	..	2000	2000
Staging for construction South Esk Viaduct	2500	—	—	—
Add value of timber	*400	..	2900	2900
Cartage of iron to Longford from Launceston	1000	..	1000	1000
Extra agricultural crossings and gates	1000	..	1000	1000
Office management and Commissioners	5000	4000	5000	1000
Amount expended prior to letting contract, including £3600 for contract plans and drawings	6830	6719	6830	111
Additional rolling stock, stations, and workshops—say	23,000	..	23,000	23,000
Interest, two years	36,000	36,000	36,000	—
Contingencies £5452, estimate of July, 1869, partly taken in *£400 and *£1700 as above	3352	..	3352	3352
	410,000	348,930	416,543	67,613
Difference between estimate of July, 1869, and present estimate, is for maintenance	6543	—	—	—
Difference original estimate and approximate cost	..	67,613	—	—
	£416,543	416,543	416,543	67,613

EXPLANATORY REPORT.

	£ s. d.	£ s. d.
The total Estimate furnished to the Parliament in 1868, (p. 45, Correspondence), was in round numbers	342,387 0 0	
But this was exclusive of maintenance for one year after opening, deducted at p. 46, but included in Contract with Overend and Robb, at	6543 0 0	
Being a total sum of		£348,930 0 0
London Contracts.		
The Engineers' Estimate for Contracts for materials in England, including iron bridge girders, their erection, freight, &c., was given at p. 46, Correspondence, at	59,650 0 0	
And the making of carriages, then intended to be built here, was estimated in addition, at	6700 0 0	
Total	66,350 0 0	
But the actual Contracts are reported to have been taken at.... 69,733 0 0 (Including the building of carriages in England.)		
A few items, as turntables, 9 sets points and crossings, and water cranes and tanks not yet ordered, but included in Estimates, (see p. 46 also) (say) 1700 0 0		
	71,433 0 0	
Gives a total extra on this item, London Contracts, of	..	5083 0 0

	£ s. d.	£ s. d.
Freights, Insurances, and Commissions were taken at prices which the Directors, from past commercial experience, had reason to believe would be sufficient, putting dead weight at 30*s.* per ton, at a total of	12,100 0 0	
But from the high rates demanded for direct shipments, which were necessary to ensure early delivery, with scarcity of prompt vessels to Melbourne, as well as from an increase in weight of iron, it is now found that the cost must be put at (say)	18,267 0 0	
Causing an extra on this item of		6167 0 0
Total extra		£11,250 0 0
Land Claims.		
The purchase of Land and Law costs, the price being put at £12 an acre throughout the Line, was estimated at	5000 0 0	
But the large amount demanded for compensation, outside the cost per acre for land taken, swelled the "claims," by owners alone, to nearly £20,000: of which awards have been made and paid to the extent of £10,079, and to tenants amounting to £1060. Several Accounts have yet to be settled; and therefore, with the Law charges and other expenses on both sides, which all fall on the Company, this item of land will reach, say	15,000 0 0	
Forming an extra of		10,000 0 0
Slope of Cuttings.		
In consequence of the earthworks in some of the cuttings having proved bad, and not standing at ¼ to 1, which, from the nature of the soils taken out of the shafts, (one of which was sunk at the centre of all important cuttings), was thought by the Engineers might stand, it is now estimated that the sum of £12,000 will be required for extra slopes. The principal Works in this condition are between Launceston and Longford; and, most of these being finished—at least to the extent the Engineers propose to flatten them—it appears safe to take this extra at	..	12,000 0 0
There remain to be noticed some other items, omitted from former Estimate; namely—		
Telegraph wire and Instruments, by means of which the Line may be worked safely and more economically, estimated at the sum of	..	2000 0 0
Staging necessary for erection of girders at Longford, constructed on the drawings supplied by the Contractors for the iron-work: the timber in which remains the property of the Company, being taken down and stacked at the expense of the Contractors, and worth from £400 to £500, forms a present extra sum of	..	2900 0 0
Cartage of the iron-work of the girders, which the Company have to cart to Longford: the rails not being laid in time will necessitate cartage by ordinary conveyances, say	..	1000 0 0
Crossings and gates are required to meet extra demands of farmers and others, beyond the number provided by Contract with Overend & Robb, and included in the principal sum, say	..	1000 0 0
Office management and Commissioners' salaries, rent, and other expenses, were put down at	4000 0 0	
But, to prevent disappointment, it is deemed desirable to provide for this at the nominal sum of	5000 0 0	
Being an approximate extra of		1000 0 0
The amount expended prior to the Contract being let was put down at	6719 0 0	
But the actual sum expended was	6830 0 0	
Forming an insignificant discrepancy; but, for the purpose of this Report, assuming the nature of an extra of		111 0 0
Contingencies	..	3352 0 0
Total of all extras on the original Estimate	..	£44,613 0 0
Additional Rolling Stock.		
The Engineers recommend that further Rolling Stock shall be at once provided, to secure economy in working the Line: one of the principal features in which would arise from the "wear and tear" of engines, carriages, &c., being spread over a longer period, and not, therefore, falling altogether on the "working expenses" in the early existence of the Line, before traffic had been developed; and this arrangement would therefore greatly diminish the risk of the Districts being called upon to pay a Railway Rate.		
It is proposed to spend on additional Locomotives, Carriages, Waggons, Horse-boxes, &c., extension of Stations, Workshops, &c., a total sum of	..	23,000 0 0
Being the total of		£67,613 0 0

With reference to this Estimate of the Company's Engineers, that to provide such additional Rolling Stock, &c. as above enumerated will require a further sum of £23,000, particular attention is directed to the fact that the professional Commissioner, Mr. Kemp, in his Report to the Governor in Council, of 24th July, 1868,* that the Line could be opened for public traffic for the sum of £350,000, upon which Report the unprofessional Commissioners based their Reports of that date to the same effect, stated, in a Memorandum appended to his said Report, that he considered "it would be indispensable to meet the requirements after opening the Line for public traffic," that certain Rolling Stock, and other items enumerated by him, should be provided. The cost of such additional Rolling Stock and other items so enumerated by Mr. Kemp will involve an additional expenditure beyond the sum of £350,000 of an amount at least equal to, if not more than that of £23,000, as estimated by the Company's Engineers. The Government, therefore, in deciding to sanction the construction of the Line upon the Commissioners' Report, with such Addenda, must be supposed to have fully calculated upon such additional sum being required as would provide for such additional Rolling Stock, &c.

* *Vide* Parliamentary Paper, 1868, No. 16, p. 45.

A SUMMARY of Extras will show in which department they have arisen, and under what circumstances; and I desire especially to guard against the impression that the several items are to be accepted, as regards each work, as anything but approximate. The object of the present Statement being to show that the *total sum* named will be required to open the Line, not merely for public traffic, but also to ensure it being safely and economically worked from the commencement; but not limiting, in any case, the appropriation of the several sums to the items represented,—as some may cost more, and some less than stated.

The Extras on the Engineers' Estimates are—

	£	s.	d.	£	s.	d.
On the total purchases of materials in England	5083	0	0			
On the failure in standing of slopes at ¼ to 1	12,000	0	0			
On the staging for Bridge at Longford	2900	0	0			
On the cartage by common road	1000	0	0			
				20,983	0	0
The Extras in the Estimates of the Directors are—						
On land purchases, severance, and tenant compensation	10,000	0	0			
On freight, insurance, and commissions	6167	0	0			
On agricultural crossings and gates	1000	0	0			
On office and Commissioners' charges	1000	0	0			
On moneys expended before Contract	111	0	0			
				18,278	0	0
Contingencies	..			3352	0	0
And Extras arising from new recommendations by the Engineers—						
For extra Rolling Stock, &c.	23,000	0	0			
For Telegraph throughout	2000	0	0			
				25,000	0	0
Being the total of	..			£67,613	0	0

By Order of the Board,

H. DOWLING, *Secretary.*

Launceston, 1st September, 1869.

(I.)

(Copy.) *Melbourne, 10th July,* 1868.

LAUNCESTON AND WESTERN RAILWAY, TASMANIA.

DEAR SIR,

WE have to acknowledge your letters of April 24th and May (without date), and to thank you for the information contained in them. We have also received your book parcel containing photographs and tracings as specified in your last letter.

The box containing the gauges has not yet reached us; probably it will come by the next mail.

Our gauge will be that of Victoria, viz., 5 feet 3 inches (this was given in Mr. Doyne's first report in error as 5 feet 6 inches). We hope to gain some advantage by the adoption of that gauge in being able to supplement our plant from Victoria when we happen to be short in supplies; and as we shall have to commence with a very limited amount of rolling stock, this may prove very important.

We agree with you as to the desirability of having only one type of rails and engines. We have adopted a 72 lb. iron rail of the form you recommend, and shall send you our views in detail by the next mail. We go to Tasmania on the 14th instant to let the contract for earthworks, bridges, &c., all of which are to be completed and the line open for traffic in 20 months (twenty) from the time of signing the Contract.

We have but one iron bridge at Longford, and we have decided to have that on the "Warren" principle, all wrought iron, two spans each 200 feet on brick abutments, and brick central pier, continuous girders fixed on centre pier, and contracting and expanding on both abutments by Mr. Doyne's pendulum motion, of which you can see a model at the Institute, C.E. The details of this work we shall send to you by next mail, or the one following. We have given up the intention to use turned bolts as in the Charing Cross Bridge, and instead shall use rivets with drilled holes, as we find by experience that a very high class of workmanship at home enables us to erect the work here at a greatly reduced cost, labour being so very expensive. We have also decided that the ironwork shall be erected here by the English Contractor, as that gives us the best guarantee we can have for good workmanship; but we shall erect the staging, and send you every particular as to the cost of labour, &c. necessary to enable him to estimate the cost.

With regard to Messrs. Quick and Allsop, we shall send you instructions when we have had an opportunity of consulting the Board.

You will be left to exercise your own judgment in the letting of contracts under general instructions which we shall convey to you when we send you the orders.

Our traffic will at first be light, especially towards Deloraine; the main traffic will be agricultural produce, carried for shipment at Launceston, and ultimately a considerable mineral traffic in the same direction. We expect the passenger traffic will be important, and about equally distributed both ways, but more local than through. On the whole, we consider that we may safely commence with three locomotives, one more to follow each six months until we have a total of six engines. The breaks we spoke of in the long incline were not introduced for the purpose

of facilitating the working of the engines, but for stations and reduction of earthworks over one of the large ravines. We fear we may not be able to have a watering station half way up the main incline; but we shall have a good supply at the 4th and 11th miles. So we think we can work the traffic with ordinary tank engines with four wheels coupled, and thus save the weight of tenders.

On these points we shall write to you more fully when we have let the present Contract.

We consider the climate of Tasmania highly favorable to the adhesion of the locomotive wheels; snow is scarcely known, fogs are very rare, the atmosphere is eminently bright and clear, so that we may safely trust to moderate power.

The carriages and waggons we intend to build at Launceston, you sending us out the whole of the ironwork, which we shall specify shortly.

None of the long saloon carriages which have come out to these colonies have been satisfactory. They are too elastic in the framing, and are very dangerous in collisions and shunting. We have therefore determined to use the ordinary length of four-wheeled carriages, a mixture of saloon and first and second-class composite, so that the wheels and axles, springs, buffers, &c. may be sent out in sets to suit any form of carriage that we may on experience elect to use.

The sale of our Debentures has been so favorable as to place us in a very good financial position. The Government give us the product of £300,000 worth of these Debentures, the interest on them being a first charge on the receipts of the Railway after working expenses have been defrayed, and any deficiency which may arise is to be recovered by a rate to be levied on the property in the Railway District, assessed by Commissioners to be appointed by the Government. The Company—which is composed of the owners of property—has to subscribe a capital of £50,000. This has been done, and our bankers (the Union Bank of Australia) have agreed to advance us the amount on the security of bonds signed by the principal Shareholders. So we start on the sound basis of having our whole capital in hand, and being able to pay ready money for everything. We shall pay the interest during construction out of capital, and afterwards, if necessary, levy a rate. Our total capital now in hand exceeds £350,000. We estimate that the Contract for earthworks, bridges, laying permanent way, &c., to be let on the 15th instant, will not exceed £200,000. The purchase of materials in England and freight we put down at under £100,000. So you will see that, while we have enough to open the line for traffic, we have nothing to spare, and the most rigid economy must be exercised. We shall probably have, within two years after opening, to increase the capital by about £50,000; but this we can easily raise when the Railway is an accomplished fact. We expect to proceed with the surveys of the line to Hobart Town during the present year, but whether the works will be commenced at an early date is yet very uncertain.

We are,
Dear Sir,
Yours truly,
(Signed) DOYNE, MAJOR, & WILLETT.

G. W. HEMANS, *Esq.*, 1, *Westminster Chambers, Victoria-street, London.*

P.S.—When you send us any parcel, such as the gauges, please to send also a shipping note or bill of lading, as otherwise we have difficulty in getting the articles.

(Copy.)

Launceston, 16th July, 1868.

DEAR SIR,

WE have to inform you that a Contract for the construction of this Line of Railway has this day been accepted by our Board, and we have received instructions to order the ironwork for the permanent way.

By this mail we send you a tracing of the permanent way drawing, and have to request that you obtain tenders from (say four) manufacturers. We have informed our Board of your last quotation (£6 10*s.* f. o. b.), and it appears to us, in the present state of the iron trade, this price should secure us a good rail. We prefer to have the rails of Staffordshire manufacture, but on this point we rely on your judgment.

We shall require 47 miles of permanent way; fifteen per cent. of this quantity should be 15 feet rails, the remainder 18 feet and 21 feet in equal proportions.

We think at present 15 sets of points and crossings will be sufficient, the lead of these not to be longer than 75 feet.

We have to suggest that you call for tenders at once for the rails, so as to be in a position to accept an offer on the arrival of the October mail, by which we hope to send you full instructions on all the points raised in your last letter, and also on the manner in which funds will be made available.

We understand that you have been informed that Mr. Terry has been appointed the Commercial Agent, and we understand that he is a gentleman in whom you can place the greatest confidence, and who will be able to afford you much assistance in all commercial matters. Your powers as to the selection of the manufacturer, the mode of manufacture, the quality of material, and inspection will be absolute; but on all other points involving commercial considerations, such as negotiating, mode and time of payments and freight, you will co-operate with Mr. Terry.

We are,
Dear Sir,
Yours very sincerely,
(Signed) DOYNE, MAJOR, & WILLETT.

G W. HEMANS, *Esq., London.*

(K.)

Hobart Town, 25th September, 1869.

SIR,

WE have the honour, in compliance with your request, to furnish our estimate of the cost of excesses above the sum of Three hundred and fifty thousand Pounds which have been incurred or will result from the deviations of the Launceston and Western Railway Company from the data supplied to us, and on which we reported to the Government in January and July, 1868; also the excess in the purchase and compensation for land. And we forward at the same time our estimate of the expenditure required on account of station accommodation, &c.; also of the sum which, after opening the Line in accordance with the 7th Section of the Launceston and Western Railway Act, No. 2, it will be necessary for the Company to expend in the purchase of rolling-stock, &c., for the efficient working of the Line.

In forwarding our estimates, we desire to guard ourselves against future blame, should it be left in the power of the Company's Engineers or of the Directory to determine expenditure irrespective of the limits as to detail in these estimates, and without any restraint upon their discretion in that respect being enforced by the Executive Government.

We have the honor to be,
Sir,
Your obedient Servants,
SAML. V. KEMP,
FREDK. M. INNES,
Commissioners under the Launceston and Western Railway Acts.

The Hon. the Colonial Secretary.

STATEMENT No. 1, *showing the Amount that will be required to complete and work the Launceston and Western Railway Line after opening.*

	£	s.	d.
Amount brought forward from Statement No. 2	41,468	7	10
Estimated amount required for alterations to Slopes	20,000	0	0
Estimated amount required for Station accommodation, Workshops, and Approach Roads, as per accompanying Sheet of Particulars marked E.	22,483	0	0
Estimated amount for Rolling Stock after the Line is opened for traffic, as per Sheet of Particulars marked F.	14,554	8	0
Estimated cost for additional crossing and occupation Gates	1500	0	0
Alteration of incline at 38 Cutting	350	0	0
Estimated cost of Telegraph	2000	0	0
	102,355	15	10
Contingencies (say)	4644	4	2
Total	£107,000	0	0

SAML. V. KEMP.
25. 9. 69.

COMPARATIVE STATEMENT, No. 2, *showing the original and present Estimates of the Launceston and Western Railway.*

DESCRIPTION.	*Original Estimate.* £	s.	d.	*Present Estimate.* £	s.	d.	*Excesses.* £	s.	d.
Overend and Robb's Contract, £200,671 8*s.* 8*d.*, less maintenance for one year £6453 5*s.* 4*d.*	194,218	3	4	200,671	8	8	6453	5	4
Messrs. Doyne, Major, and Willett's Contract	17,600	0	0	17,600	0	0			
Amount spent in forming Company, &c., £6830 5*s.* 6*d.*, as per annexed Particulars marked G., less amount paid to Engineers, £3600	3230	5	6	3230	5	6			
Interest on borrowed Capital for 2 years	36,000	0	0	36,000	0	0			
Land taken, compensation, &c.	5000	0	0	15,000	0	0	10,000	0	0
Permanent Way, Rails, &c., as per Sheet of Details marked A.	46,181	12	6	53,703	7	0	7521	14	6
Two Locomotives, as per Sheet of Details marked B.	5151	0	0	5532	12	6	381	12	6
Ironwork for Viaduct crossing the South Esk at Longford, as per Sheet of Particulars marked C.	6165	4	6	23,277	0	0	17,111	15	6
Rolling Stock Ironwork, £7348 18*s.*; Bodies and Frames to be made in the Colony, as per Sheet of Particulars marked D., £5440	12,788	18	0	12,788	18	0			
Turntables, not ordered yet from England	774	3	3	774	3	3			
15 sets Points and Crossings, only 6 sets ordered	556	18	9	556	18	9			
Water Cranes, not ordered from England	938	3	6	938	3	6			
Commissioners' Salaries and Allowances	2600	0	0	2600	0	0			
Office expenses and Salaries	2704	0	0	2704	0	0			
Stations, as per printed Estimate (see Parliamentary Papers)	4000	0	0	4000	0	0			
Contingencies, as per printed Estimate	12,091	10	8						
	£350,000	0	0	£379,376	17	2	£41,468	7	10

SAML. V. KEMP.
25. 9. 69.

STATEMENT No. 3, showing the Excesses of Expenditure incurred or required, owing to departures from the original Data supplied to the Commissioners in October, 1867, and upon which their Reports of January and July, 1868, were based; also, the Excess on account of Land Purchases and Compensation.

	£	s.	d.
To extra Amount required to meet the Expenditure of substituting a 72 lb. Rail and Fastenings for a 65 lb. Rail and Fastenings - - - -	7521	14	6
To extra Amount required for the Longford Viaduct occasioned by the Engineers substituting the Iron-work of a Bridge weighing 744 tons for one of 204 tons -	17,111	15	6
To extra Amount required to meet the alterations of flattening the Slopes from ¼ to 1; as specified, to 1½ to 1; and 1 to 1 - - - - -	20,000	0	0
To alteration of Incline at Cutting 38 - - - - - -	350	0	0
To extra Amount required on account of Land purchased and Compensation, as per particulars furnished by Mr. Dowling - - - -	10,000	0	0
TOTAL - - - -	£54,983	10	0

SAML. V. KEMP.
25. 9. 1869.

A.

STATEMENT showing the detailed Cost of the Permanent Way, Materials, Rails, Fastenings, &c. ordered from England.

	£	s.	d.	£	s.	d.
Cost of Rails, &c. as per Statement furnished to the Directory by the English Agents, Messrs. Sharp and Terry and Mr. Hemans, March, 1869—						
5316 tons of Rails, 72 lbs. to the yard - - -	36,015	18	0			
108 „ Fang Bolts - - - -	1228	0	0			
72 „ Fish Bolts - - - -	810	0	0			
38 „ Spikes - - - -	384	15	0			
240 „ Fish Plates - - - -	1560	0	0			
5774 Total Weight.						
Add 10 per cent. error in price upon 218 tons of Fastenings	109	0	0			
				40,107	13	0
Insurance, (say) 3 per cent. on (say) £60,000 - - -		—		1800	0	0
Freight on 5774 tons, at 32s. average - - -		—		9238	8	0
				51,146	1	0
Bills of Lading, Entry, Clearing, Policy Duty, Melbourne Agents, and Wharfage, (say) - - - 1½ per cent.						
Mr. Hemans, 2 per cent.; Sharpe & Co., 1½ per cent. 3½ „						
5 per cent.						
5 per cent. on £51,146 1s. - - - -		—		2557	6	0
Total Cost of Rails and Fastenings - -		—		£53,703	7	0

SAML. V. KEMP.
25. 9. 1869.

B.

STATEMENT showing the Cost of Two Locomotives ordered from England.

	£	s.	d.
Cost in England as per latest advice from English Agents - - -	4000	0	0
Two Bogie Frames, £50 each - - - - -	100	0	0
Carriage to Shipping Port, £50 each, (say) - - - -	100	0	0
Freight and extras connected with (say) £300 each - - -	600	0	0
Insurance, (say) 2½ per cent. on £5700 - - - - -	145	0	0
Charges as detailed above, 5 per cent. upon £4945 - - -	247	5	0
Extra Labour and temporary Tackling for discharging from the Ship's side, (say)	200	0	0
Cleaning and erecting, &c., (say) £70 each - - - -	140	7	6
Total Cost of Two Locomotives - - -	£5532	12	6

SAML. V. KEMP.
25. 9. 1869.

C.

STATEMENT showing the Cost of the Iron-work of the intended Viaduct over the South Esk at Longford ordered from England.

	£	s.	d.	£	s.	d.
Messrs. De Bergue's Contract for the making, shipping, and erecting in the Colony - - - -	18,440	0	0			
Charges as detailed before, 5 per cent. on £18,440 - -	922	0	0			
				19,362	0	0
Scaffolding to erect the Iron-work upon, said to have been omitted by the Engineers - - - - - -	2915	0	0			
Carriage of Iron-work from the Shipping Port to the site of erection at Longford, also omitted by the Engineers -	1000	0	0			
				3915	0	0
Total Cost of Iron-work and erecting same -	..			£23,277	0	0

SAML. V. KEMP.
25. 9. 1869.

D.

STATEMENT showing the Cost of the Rolling Stock ordered from England.

	£	s.	d.
As per advices from England from the English Agents - - -	7000	0	0
Estimated freight on same (say) - - - - -	3000	0	0
Extras on ditto (say) - - - - - -	500	0	0
Insurance, 60s. per cent. on (say) £13,000 - - - -	390	0	0
Charges as before detailed, on £10,890 at 5 per cent. - - -	544	10	0
Landing, cleaning, setting up, erecting, and re-painting (say) - -	1354	8	0
Total Cost of Rolling Stock - - - -	£12,788	18	0

SAML. V. KEMP.
25. 9. 1869.

E.

DETAILED Estimate of Cost of Stations that will be required before and after opening the Line for traffic.

	£	s.	d.	£	s.	d.
LAUNCESTON STATION.						
Passenger Station to include Booking Office, First and Second Class Waiting-rooms, Ladies' Rooms, Refreshment Room, Guard and Porters' Room, Lamp Room, Station Master's Quarters (4 rooms), Secretary's Room, Engineers' Room, Board Room, &c., (all of wood), (say) - - - - - -	1100	0	0			
Wooden Passenger Platforms, &c. - - - -	1000	0	0			
Roof over Platform to answer as a Carriage-shed - -	1000	0	0			
Carriage and Horse Docks and Bumpers, (say) - - -	250	0	0			
Furniture, Water and Gas Fittings, (say) - - -	350	0	0			
Forming, metalling, and draining approach Roads to Passenger Station	350	0	0			
				4050	0	0
GOODS STATION.						
Goods Sheds and Platforms, 350 feet, at £6 - - -	2100	0	0			
Office Furniture and Fittings, Weighing Scales, &c., (say) -	200	0	0			
Outside Goods Platforms for heavy goods (say) - - -	200	0	0			
Semaphores, Advance Signals, Weighbridges, Traversers, Pointsmen Boxes, Tool-boxes, &c., (say) - - - - -	800	0	0			
Goods Cranes, £300; Gas and Water Fittings, £100 - -	400	0	0			
				3700	0	0
Engine and cleaning Sheds, Coal Platforms (say) - - -	500	0	0			
Ash-pits, £100; Laying on Gas and Water, £50 - -	150	0	0			
				650	0	0
Forming, metalling, and draining approach Roads to Engine and Goods Sheds - - - - - - -		—		500	0	0
Workshops, Smithy, Engine and General Storeroom, Steam Engine House, Boiler and Fuel Sheds (say) - - - - -	2000	0	0			
Machinery, Forges, and Fixing Benches, &c., (say) - -	150	0	0			
Tyre Furnace and Shed with Bending Apparatus - -	350	0	0			
Screw-cutting Lathe, £280; Double-wheel Lathe, £700 - -	980	0	0			
Planing Machine, £350, Shaping Machine, £100 - -	450	0	0			
Drilling Machine, £150; Screwing Machine, £80 - -	230	0	0			
Two small Lathes, £60; Boring Bars for Cylinders, £100 - -	160	0	0			
Solid Foundations will have to be made for all these Machines in the Swamp (say) - - - - - - -	1000	0	0			
				5320	0	0
Total Cost of Station requirements at Launceston - -	..			14,220	0	0

	£	s.	d.	£	s.	d.
St. Leonard Station.						
Passenger and Goods Platform, Passengers' Shed and Office, 3-roomed Cottage for Station-master and Gate-keeper (say)	380	0	0			
One Semaphore and Lamps, £80; Approach Roads, £40	120	0	0			
				500	0	0
White Hills Station.						
Same as the above	380	0	0			
Approach Roads (say)	100	0	0			
				480	0	0
Evandale Road Station.						
Same details as the St. Leonards	380	0	0			
Horse and Cart Shed, £20; Approach Road, £50	70	0	0			
				450	0	0
Perth Station.						
Same details as the St. Leonards	380	0	0			
Horse and Cart Shed, £20; Ladies' Room, £60	80	0	0			
Approach Road	50	0	0			
				510	0	0
Longford Station.						
Passenger Platform, Passenger Station Booking Office, Waiting-room, Passenger Shed, Station Master's Office, Residence, &c., (say)	650	0	0			
Goods Shed and Platform, Crane, Semaphore, Approach Road, &c., (say)	600	0	0			
				1250	0	0
Bishopsbourne Station.						
Same details as St. Leonards	380	0	0			
Goods Shed, £100; Approach Roads, £70	170	0	0			
				550	0	0
Oaks Station.						
Same details as St. Leonards	380	0	0			
Approach Roads	50	0	0			
				430	0	0
Glenore Station.						
Same as the Oaks Station	—			430	0	0
Hagley Station.						
Same details as St. Leonards	380	0	0			
Goods Shed, £200; Approach Roads, £100	300	0	0			
				680	0	0
Westbury Station.						
Same details as St. Leonards	380	0	0			
Goods Shed, £250; Approach Road, £50	300	0	0			
				680	0	0
Exton Station.						
Same details as St. Leonards	380	0	0			
Approach Road	50	0	0			
				430	0	0
Deloraine Station.						
Platform, Passenger Station, Booking Office, Waiting Rooms, Covered Sheds, Station Master's Office and Residence, 4 rooms, (say)	700	0	0			
Goods Shed and Platform, Crane, Semaphore, Lamps, Approach Roads, &c., (say)	600	0	0			
Engine Shed and Pits (say)	230	0	0			
Covered Roof over Platform to answer for a Carriage Shed (say)	200	0	0			
				1750	0	0
Miscellaneous.						
100 Tarpaulings, £900; Clocks, £100	1000	0	0			
Guards and Engine-drivers' Time-keepers, £30; Ticket Cabinets, £100; Dating Machines, £70; Signal Flags, £10; Lamps, £50	260	0	0			
20 extra Sets of Points and Crossings, £37 each	740	0	0			
Another Mile of Rails and Fastenings for Sidings	1123	0	0			
Stores of all kinds (say)	1000	0	0			
				4123	0	0
				26,483	0	0
Less amount provided for in former Estimate—see Parliamentary printed Papers	—			4000	0	0
				£22,483	0	0

SAML. V. KEMP.
25. 9. 69.

F.

DETAILED Estimate of cost of additional Rolling Stock and Engines required for the efficient working of the Line after opening.

	£	s.	d.	£	s.	d.
Two Locomotives (for details see original sheet)- - -	..			5540	0	0
One First-class Carriage, cost in England - - -	333	0	0			
All charges on same, erection in the Colony, (say 60 per cent. upon the English cost) - - - - -	199	16	0			
				532	16	0
Three Second Class Carriages, cost in England, each - -	269	0	0			
All charges, &c., on same, (say 60 per cent.) - - -	161	8	0			
Multiplied by three - - - - -	430	8	0			
				1291	4	0
One Composite class Carriage, cost in England - - -	336	0	0			
All charges, &c., on same, (say 60 per cent.) - -	201	12	0			
				537	12	0
One Brake Van, cost in England - - - -	188	0	0			
All charges, &c.. on same, (say 60 per cent.) - - -	112	16	0			
				300	16	0
Three Horse-boxes, estimated cost in England, each - -	150	0	0			
All charges, &c., on same, (say 60 per cent.) - -	90	0	0			
Multiplied by three - - - - -	240	0	0			
				720	0	0
Two Carriage Trucks, estimated cost in England, each - -	100	0	0			
All charges, &c., on same, (say 60 per cent.) - - -	60	0	0			
Multiplied by two - - - - -	160	0	0			
				320	0	0
Forty Goods Trucks, cost in England, each - - -	83	0	0			
All charges, &c., on same, (say 60 per cent.) - -	49	16	0			
Multiplied by forty - - - - -	132	16	0			
				5312	0	0
Total - - - - -	..			£14,554	8	0

SAML. V. KEMP.
25. 9. 69.

G.

LAUNCESTON AND WESTERN RAILWAY COMPANY (LIMITED.)

STATEMENT of Expenditure prior to letting Contract for Construction incurred in forming the Company, &c.

	£	s.	d.	£	s.	s.	d.
Cheque No. 1, for Sundry Payments, from 16th March, 1866 to 5th February, 1868; viz.— - - -	..			4025	4		1
For Printing and Advertising, "Examiner," 9*s.*; "Chronicle," 7*s.*; "Times," £3 7*s.* - -	4	3	0				
"Mercury" - - - - -	6	6	0				
"Times," 10*s.*; "Banner," £4 16*s.* 9*d.* - -	5	6	9				
John Stephenson, Printing - - - -	9	1	6				
"Examiner," £10 11*s.*; "Times" 2*s.* - -	10	13	0				
"Times," £5 1*s.*; "Chronicle," £1 1*s.* - -	6	2	0				
John Stephenson - - - - -	7	7	6				
"Examiner" - - - - -	2	8	0				
John Stephenson - - - - -	3	4	6				
"Launceston Times" - - - -	2	4	9				
John Stephenson - - - - -	4	2	0				
"Mercury," 10*s.*; "Times," 15*s.* 3*d.* - -	1	5	3				
John Stephenson - - - - -	1	6	0				
"Examiner," 13*s.* 6*d.*; "Chronicle," £2 12*s.* -	3	5	6				
"Examiner," £2 12*s.*; "Chronicle," £1 18*s.* - -	4	0	0				
John Stephenson - - - - -	6	11	0				

		£	s.	d.	£	s.	d.
	For Petty Cash Expenditure—						
	Car hire, 5*s.*; Institute £1 5*s.*		1	10	0		
	Sundries, £9 10*s.* 6*d.*; Smith & Poole, 4*s.* 4*d.*		9	14	10		
	Ditto, £3 3*s.* 8*d.*; ditto, £2 16*s.*		5	19	8		
	Ditto, £4 1*s.* 11*d.*; Smith & Poole, 3*s.*		0	3	0		
	Institute, Hire of Rooms		1	7	0		
	Irvine, 10*s.* 6*d.*; W. & E. Norwood, 2*s.* 6*d.*		0	13	0		
	E. Davies, Horse-hire		6	0	0		
	Telegrams		1	9	4		
	Davies & Rankin, Horse-hire		1	18	0		
	Bookbinding, 2*s.* 6*d.*; Carpet, £1 1*s.*		1	3	6		
	Institute Rooms		0	7	6		
	For Stationery and Stamps—						
	Hudson, 10*s.* 6*d.*; Walch & Co., £2 3*s.*		2	13	6		
	Hudson, £9 9*s.* 1*d.*; ditto, £3 1*s.* 3*d.*		12	10	4		
	Walch & Co., £7 6*s.* 6*d.*; Hudson, £2 2*s.* 3*d.*		9	8	9		
	Hudson, £12 7*s.* 9*d.*; ditto, £2 18*s.* 9*d.*		15	6	6		
	Sands & Macdougal, Books		11	13	0		
	Walch & Co.		7	19	3		
	Hudson		5	13	7		
	For Office Expenses—						
	Matting, Smith & Poole		2	13	9		
	Salaries		37	10	0		
	Travelling Expenses		28	7	6		
	Rent		30	0	0		
	Salary, £22 10*s.*; Coals, 16*s.*		23	6	0		
	Ditto, £30; Seal, £3 12*s.* 6*d.*		33	12	6		
	Registration of the Company		29	15	0		
	Salaries, £27; Duty, 11*s.*		27	11	0		
	Fares, Tasmanian Steam Navigation Company		10	10	0		
	Salaries		71	1	6		
	Messenger and Office cleaning		2	12	0		
	Coals, 18*s.* 6*d.*; Gas, £2 16*s.* 11*d.*		3	15	5		
	Rent, £30; Travelling Expenses, £7 3*s.* 9*d.*		37	3	9		
	Coals, £1 5*s.* 6*d.*; Salaries, &c., £70 1*s.*		71	6	6		
	Window-blinds		2	5	0		
	Travelling Expenses		11	9	0		
	Salary		65	0	0		
	Petty Expenditure		8	13	4		
	Fares, Tasmanian Steam Navigation Company		5	5	0		
	Gas Company		20	0	0		
	Rent, £30; Coals, 8*s.* 6*d.*		1	8	6		
	Sundries, £4 7*s.* 6*d.*; Rent, £30		34	7	6		
	Coals, 16*s.*; Salary, £30		30	16	0		
	Engineering.						
	On account of Contract for Resurvey, Plans, Setting out of Line, &c.	2600	0	0			
	Construction—Preliminary.						
	Trial Shafts in Cuttings		76	17	4		
	Titmus & Baker's Contract		251	4	0		
	Sadler		12	0	0		
	Davy		38	10	0		
	Conway		15	0	0		
	A. J. Green		3	15	0		
	Saunders		30	10	0		
	Marrison & Swift		2	11	6		
	Ackerman		11	12	6		
	Smith & Poole		15	5	9		
	Broadfield		0	16	0		
	Commissioners' Salary		172	13	4		
		£4025	4	1			
Feb. 5.	W. T. Doyne, account Surveys, &c.	500	0	0			
	Ditto, Travelling Charges	50	0	0			
	Commissioners' Salaries	315	6	0			
	Law Costs, Douglas & Collins	36	14	0			
					902	0	0
April 8.	Commissioner's Salary	..			125	0	0
	Office Expenses, ditto	..			65	0	0
	Petty Cash	..			11	11	2
	Petty Cash, expenditure	24	3	6			
	Ditto cheque for expenditure	25	0	0			
					49	3	6
May 29.	*Printing and Advertising.*						
	Chronicle	1	0	0			
	Examiner	1	6	0			
	Launceston Times	0	15	6			
	Argus	9	7	0			
	Sydney Herald	15	10	0			
					27	18	6

				£	s.	d.
	W. T. Doyne, balance of Survey Contract		..	500	0	0
	Launceston Times, Advertising		..	2	17	6
	Walch & Co., Stamps, &c.		..	3	16	6
	John Drysdale, Mounting Plans		..	3	18	0
July 7.	*Office Expenses.*					
	Rent	30 0 0				
	Gas	1 10 0				
	Salary	65 0 0				
	Clerical Assistance	9 0 0				
				105	10	0
	John Stephenson, Printing	..		1	2	0
	Walch & Co., Stationery	..		2	13	9
	Douglas & Collins, Law Costs	..		83	13	0
	Union Bank, ditto	..		15	5	2
	H. M. Government, Expenses of Polling Districts	..		564	19	11
	F. M. Innes, Travelling Charges	43 3 6				
	S. V. Kemp, Salary	187 10 0				
				230	13	6
15.	*Office Furniture, &c.*					
	Richards & Sons	34 17 0				
	Williamson & Thomas	21 5 5				
	Sundries	0 12 0				
	Cornwall Insurance Company	6 0 0				
	Iron Safe and Table, &c.	29 18 6				
	Wm. Hills, Drawers, &c.	3 7 0				
	Geo. Oliver, Table, &c.	2 0 0				
	W. Tyson, Doors, &c.	9 16 6				
	Walch & Co.	0 17 6				
	James Jones, Chairs	1 5 0				
				109	18	11
	TOTAL		..	£6830	5	6
	Less Amount paid to Mr. Doyne for Surveys and Plans		..	3600	0	0
				£3230	5	6

This Return was supplied to me by Mr. Norwood, the Accountant to the Launceston and Western Railway Company.

SAML. V. KEMP.
25. 9. 69.

(L.)

(Copy.)

26th April, 1869.

DEAR SIRS,

I SHALL be glad if you will, without delay, forward to this office all the sections, plans, and papers that were originally supplied to the Commissioners to enable them to make their calculations on which they had to report that the Line could be opened for the sum named in the Railway Act, No. 2.

Yours truly,
(Signed) H. DOWLING, *Secretary.*

Messrs. DOYNE, MAJOR, & WILLETT.

(Copy.)

Launceston and Western Railway, Engineers' Office,
Launceston, Tasmania, 30th April, 1869.

DEAR SIR,

WE fear that the plans referred to in your note of the 26th instant have been in part destroyed, as we attached no value to them after the *Contract drawings* were made. What remains of them is not in our office here, and, therefore, not available at present; but we will see what there is on our first visit to Melbourne.

We are, Dear Sir,
Yours very truly,
(Signed) DOYNE, MAJOR, & WILLETT, *Engineers.*

To HENRY DOWLING, *Esq., Secretary.*

(M.)

LAUNCESTON AND WESTERN RAILWAY.

ESTIMATE.

(Signed) W. T. DOYNE,
October, 1867.

3 miles Grubbing and Clearing.
3500 double chains of Fence.
348,397 cut yards Cutting to Embankments.
131,377 ditto to Spoil (40,000) (Ballast).
244,649 ditto Side Cutting to Embankments.
3500 double chains of Side Drains.
113 lineal yards Culvert, 8 feet diameter.
131 ditto ditto, 6 feet ditto.
8 ditto ditto, 5 feet ditto.
15½ ditto ditto, 4 feet ditto.
259 ditto ditto, 3 feet ditto.
94 ditto ditto, 2 feet ditto.
80 ditto ditto, 1½ feet ditto.
328 linear yards Cast Iron Pipe, 12 inch ditto.
20 Public Road Level Crossings.
30 Occupation ditto ditto.
North Esk Bridge, 11 spans, No. 1.
Ditto, 7 spans, No. 2.
Ditto, 150 feet span.
Hunter's Mill Viaduct.
4 spans, 110 feet each } South Esk Longford Crossing.
7 ditto, 50 feet each }
River Liffey, 300 feet Timber Gearing 6 feet high.
Quamby Brook.
47 miles Permanent Way.
Stations.
Rolling Stock.
Engineering.
Land.
Contingencies.
Maintenance.

Longford Viaduct. 50 *feet Span.*

Description.	Quantity.
Quantity in 4 Spans of 50 feet each.	
Total Ironwork in Superstructure	81·69 tons.
Total Timber in Platforms.....	367½ cub. feet.
Stone in Foundations	100 cub. yds.
Stone in Impost and Coping	600 cub. feet.
Brickwork in Abutments and Piers ...	1113 cub. yds.

Longford Viaduct. 110 *feet Spans.*

Description, 4 Spans.	Quantity.
Total Ironwork in Superstructure.....	204·40 tons.
Total Timber in Platform	365·2 cub. feet.
Total Stone in Foundations.....	100 cub. yds.
Stone in Impost and Coping	1600 cub. feet.
Brickwork in Abutment and Piers	700 cub. yds.

Launceston and Western Railway Culverts.

Description.	Length, yards.
1 ft. 6 in. diameter Culvert.....	24
2 feet ditto ditto.....	94
3 feet ditto ditto.....	260
4 feet ditto ditto.....	152
5 feet ditto ditto.....	11
6 feet ditto ditto.....	131
8 feet ditto ditto.....	113

	Lin. yds.
Cast Iron Pipes.....	328

Gates.

Description.	Number.
Public Road Gates	20
Occupation Gates	30

This Paper gives the total of the Culverts, Gates, and Pipes between Launceston and Deloraine.

Timber Gearing.

Total Quantity in One Span of 20 feet.

Materials.	Quantity.
Timber in Piles and Superstructure	426½ cub. feet.
Ironwork in bolts, straps, &c.	776 lbs.

MEMO.

Level Crossing.
Gates—15 feet opening, one pair of Wickets.

Fencing.
Three rails and one wire.

Side Drains.
One-third cub. yard per lineal yard.

Culverts—Description of Fronts.
1½ ft., 2 ft., 3 ft., and 4 ft. will have no wing walls; they will be faced square at the ends.
5 ft., 6 ft., and 8 ft. will have wing walls and a roughly pitched apron where necessary. The wing wall will only be small, as in every case where these Culverts are placed the water cannot overflow its banks.

North Esk Bridges.
Nos. 1 and 2 Crossings.—I sent you a plan (timber gearing) and quantity in one span of this.
No. 3 Crossing.—We have determined to use at this Crossing 14 spans of the timber gearing.

Hunter's Mill Viaduct.
Same as the 50 feet span iron girders plan of which you have.

Acreage, Town and Country.
Town..... 32 Acres.
Country..... 360 ditto.
This is a full estimate of the Land, as many of the Landholders have promised to give their Land. And also, the Company have only to purchase one Station Ground, the others having already been guaranteed by the Government.

South Esk Bridge { 4 spans. 7 ditto. Plan only shows 4 spans.
The extra three spans are on the Longford side of the river, and are of the same construction,—namely, 50 feet span.

River Liffey.
A Timber Gearing 300 feet in spans of 20 feet.

Quamby Brook.
Three spans of Timber Gearing, 60 feet.

Permanent Way.
Quantity of Ballast—2 cub. yards per yard forward.
Weight of Rail—65 lbs. per lineal yard.
Ditto of Fastening—4 tons per mile.
Ditto of Fish-plates and Bolts—4 tons 18 cwt. per mile.
Size of Sleeper—9 ft. × 9 in. × 4½ in.

Stations.
There will be four Stations, and there will be six Platforms for taking up Passengers at.

Rolling Stock.

No. of Engines	5
Ditto Carriages	10 mixed.
Ditto Goods Wagons	50
Ditto Brake Vans	4

EARTHWORK.

CUTTINGS.					BANKS.		
No.	Average Lead under 20 chns.	Average Lead under 40 chns.	Average Lead over 40 chns.	To spoil.	No.	From Cuts.	From Side Cut.
C 7	C 7	C 7	C 7	C 7		C 7	C 7
1	4604				1	4604	18,884
2	903				2	245	
3	284				3	658	3181
4	50				4	334	3146
5	6018			1210	5	6018	
6	2872				6	1115	
7	341				7	2098	7734
8	30	9027		130	8	9027	
9	539			130	9	30	
10	1053				10	539	
11	1984				11	3037	2306
12	802				12	800	38,929
13	244				13	246	
14	2241				14	2241	2033
15	2458				15	2458	3988
16	50				16	50	13,178
17	1781				17	1781	3862
18	85				18	883	16
19	1533				19	890	
20	1151	155			20	1151	
21	3284				21	642	
22	1405				22	4047	3891
23	118				23	4960	6161
24	1518	4566			24	1518	
25	1275		276		25	1275	
26	180				26	73	
27	1286			13,194	27	393	
28	1030			1426	28	1830	
29	131				29	1040	
30	1040			5357	30	194	
31	4674				31	137	
32	4732				32	9406	1839
33	19,855				33	963	
34	44,953				34	60,195	11,360
35	573				35	3650	
36	15,771				36	22,696	
37	705	518			37	705	
38	29,490		5834	12,364	38	29,490	
39	3641	624		9937	39	1318	
40	1038				40	2207	
41	49				41	1154	
42	152				42	825	
43	736				43	785	
44	123			128	44	23	
45	446				45	266	
46	248				46	327	
47	194				47	201	1429
48	741				48	194	5383
49	3599				49	2241	1021
50	48				50	2099	1834
51	609				51	48	202
52	1113				52	1128	1487
53	1003				53	594	
54	10				54	1013	38,511
55	18				55	18	1066
56	24				56	24	22
57	431				57	154	
58	6950				58	4277	2744
59	18				59	2968	3722
60	3021				60	496	
61	597			781	61	2738	
62	459				62	35	
63	508			701	63	808	
64			42,322	48,652	64	508	
65	97			(ballast)	65	42,322	
66	85				66	368	20,707
67	451		186		67	130	
68	170				68	321	
69	85				69	651	
70	785				70	142	

CUTTINGS.					BANKS.		
No.	Average Lead under 20 chns.	Average Lead under 40 chns.	Average Lead over 40 chns.	To spoil.	No.	From Cuts.	From Side Cut.
C 7	C 7	C 7	C 7	C 7		C 7	C 7
71	14,268				71	10,048	
72	2942				72	6706	3416
73	218				73	5910	
74	691	4988			74	441	
75	194				75	259	
76	643				76	185	
77		2926			77	3569	2155
78	648				78	231	
79	1603				79	1417	949
80	1698				80	2262	
81	2618				81	676	
82	2238				82	2146	
83	1294				83	2767	2406
84	867				84	900	2308
85	170				85	637	383
86	24				86	2093	17,341
87	677				87	1720	
88	362	418			88	362	
89	252				89	14	
90	225	625	1969		90	463	
91	1323		675		91	1029	
92	764				92	294	
93	73				93	1683	
94	181	1924	171	6339	94	1753	
95	267				95	181	
96	92			102	96	438	
97	807		244		97	92	
98	34	185			98	807	
99	833				99	34	
100	739				100	1562	3882
101	73				101	512	1748
102	483	3991			102	3991	
103	1575				103	583	
104	1269				104	1750	
105		1467			105	2461	941
106	160				106	356	
107	106	196		176	107	106	
108	46			735	108	46	
109	241			816	109	241	
110	872			246	110	872	
111	338			146	111	153	
112	848		1654		112	185	
113	911				113	848	
114	161				114	189	
115	1140				115	1604	
116	4962				116	6073	2609
117	296				117	962	824
118	842				118	1138	3563
119	885				119	502	
120	130				120	381	
121		5414			121	7191	
122		1884	2925	23,859	122	1884	
123	286			919	123	1280	
124	536				124	286	
125	1423				125	1672	
126	408				126	555	
127	719				127	670	
128	379	2956		25	128	3145	
129	2128			1756	129	379	
130	389			1416	130	2128	
131	502			1332	131	389	
132	580	81			132	502	
133	122				133	502	
134	320				134	200	
135	778				135	1179	148
136	350				136	350	350
137	1641				137	1641	492
	251,146	41,945	56,256	131,877		348,386	244,649

(N.)

COMPARATIVE STATEMENT showing the Original Data furnished by Messrs. DOYNE *and Company to the Commissioners, to enable them to estimate the Cost of crossing the South Esk River at Longford; also showing the Scheduled Details for the same Work, from Messrs.* OVEREND *and* ROBB'S *Contract; also the Cost of the Ironwork to be imported from England; and the acknowledged Omissions of the Engineers.*

Copy of the Original Data supplied to the Commissioners by Messrs. DOYNE and Company, and upon which they based their Report, in compliance with "The Launceston and Western Railway Act, No. 2."

VIADUCT OVER THE SOUTH ESK AT LONGFORD, 4 SPANS, EACH 110 FEET.

Description of Works.	*Quantities.*	*Rate.*	*Amount.* £ s. d.
No provision made for this item	..	..	..
Ditto	..	..	..
Brickwork in Abutment and Piers	700 c. yds.	60*s.*	2100 0 0
No provision made for this item	..	..	..
Ditto	..	..	..
Ditto	..	..	..
Stone in Impost and Coping	1600 c. ft.	6*s.*	480 0 0
No provision made for this item	..	..	..
Ditto	..	..	..
Stone in Foundations	100 c. yds.	£6	600 0 0
Timber in Platforms	365 c. ft.	4*s.*	73 0 0
Total quantity of Ironwork in Superstructure (For Details of this, see my printed Estimate, July, 1868.)	204½ tons.	..	6165 4 6
Estimated cost of the proposed Viaduct	..		£9418 4 6

Statement showing the total Cost of the Longford Viaduct occasioned by the alteration of the Design originally submittted to the Commissioners.

VIADUCT OVER SOUTH ESK AT LONGFORD, 2 SPANS, EACH 200 FEET.

Description of Work.	*Quantities.*	*Rate.*	*Amount.* £ s. d.
Details from Messrs. Overend and Robb's Contract,—			
Excavation	2418 c. yds.	10*s.*	1209 0 0
Concrete	236 c. yds.	20*s.*	236 0 0
Brickwork in mortar, altered to cement	2483 c. yds.	45*s.*	6396 15 0
Dry Filling (Walling)	114 c. yds.	8*s.*	45 12 0
Clay and Puddle	125 c. yds.	4*s.* 6*d.*	28 2 6
Stone Girders	1344 c. ft.	20*s.*	1344 0 0
Ditto Quoins, &c.	2649 c. ft.	4*s.*	529 16 0
1½ Chisel Draft	898 ln. ft.	1½*d.*	5 12 3
Contingencies	..	..	265 0 0
Total amount of Messrs. Overend and Robb's portion	..		10,059 17 9
	£ s. d.		
Cost of the Ironwork, as per Messrs. De Bergue's Contract (including erection)	18,440 0 0		
Agents' charges in England, &c., 5 per cent.	920 0 0		
			19,360 0 0
Scaffolding (omitted by the Engineers), according to Messrs. Overend and Robb's Contract	2915 0 0		
Cartage of Ironwork (omitted by the Engineers)	1000 0 0		
			3915 0 0
Total cost of the present Viaduct	..		£33,334 17 9

SAML. V. KEMP.
27. 9. 69.

(O.)

82, *Collins-street West, Melbourne, 2nd March*, 1868.

LAUNCESTON AND WESTERN RAILWAY.

My dear Sir,

I expect to go to Launceston by the *Tasmania* on the 10th instant, to submit the plans and draft conditions of the Contract for this work to the Board of Directors, with a view to receiving final instructions to prepare for letting the Contract for the main works.

These documents I shall be happy to go through with you before I leave for your personal information, with the clear understanding that I do not do so in your capacity as a Commissioner, but only as a member of the Board of Directors.

The Act does not require the Company to submit any Contract documents to the Commissioners until the works are about to be commenced, and therefore anything that passes between us on this question now must be held to be without prejudice to any action the Board may think right to take hereafter under the provisions of the Act.

If you can make it convenient to call at this Office at 3 o'clock on the afternoon of the 6th instant, I shall have every thing ready for you.

Yours very truly,

W. T. DOYNE.

S. V. Kemp, *Esq., C.E., Collins-street West, Melbourne.*

(P.)

COMPARATIVE STATEMENT showing the Quantities of Earthwork provided for in the original Schedule supplied to the Commissioners in October, 1867, *and the Quantities of Earthwork provided for in Messrs.* Overend & Robb's *Contract in July*, 1868.

Quantities of Earthwork scheduled in the original data supplied to the Railway Commissioners in October, 1867, and in which data no mention is made of the slopes of ¼ to 1.	cubic yds.	Quantities of earthwork scheduled in Messrs. Overend and Robb's Contract, and in which it was first discovered that slopes of a ¼ to 1 were provided for.	cubic yds.
Quantities carried from cuttings to embankments	348,397	Quantities carried from cuttings to embankments	456,819
Ditto from cuttings to spoil heaps	131,377	Ditto from cuttings to spoil heaps	—
Ditto from side cuttings to embankments	244,649	Ditto from side cuttings to embankments	117,509
Total cubic yards	724,423	Total cubic yards	574,328

	cubic yds.
Total quantity scheduled in October, 1867	724,423
Total quantity scheduled in Messrs. Overend & Robb's Contract in July, 1868	574,328
Total difference	150,095

Note.—This comparison shows that in the schedule estimate of 1867 a different slope was contemplated from that provided for in the Contract with Messrs. Overend & Robb in July, 1868.

SAML. V. KEMP.
27. 9. 69.

(Q.)

(Copy.)

Launceston and Western Railway, Engineers' Office, Launceston, Tasmania, 27th March, 1868.

Dear Sir,

With reference to our conversation yesterday on the subject of the cost of construction of the Line, I have no objection whatever to repeat in writing what I said to the Directors at the last Board Meeting, that I can open the Line for traffic for a sum of £300,000 (Three hundred thousand Pounds), and that this sum includes about £15,000 (Fifteen thousand Pounds) for contingencies; leaving, therefore, some £50,000 (Fifty thousand Pounds) towards interest and other expenses.

You must allow me to remind you that this can only be done, as I have always said, by cutting down the station accommodation to the lowest possible degree, and limiting the rolling stock to the smallest quantity consistent with the requirement of the Act. I shall be very glad to learn that eventually—by the premium on sale of Debentures, or from any other sources—a larger sum than £300,000 may be placed at my disposal, as I feel confident the trade of the Company will soon profitably employ more rolling stock, and require increased facilities for working. But I desire to remark that I feel it incumbent upon me, in the interest of the Company, to confine myself to this general estimate. It would be most injurious to those interests that I should give any details of my proposed expenditure. These, as I have always proposed, will be carefully prepared, and placed in a sealed envelope, for the guidance of the Directors after they have opened the Tenders.

I am, Dear Sir,
Yours faithfully,

(Signed) W. T. DOYNE, *Engineer-in-Chief.*

Henry Dowling, *Esq., Honorary Secretary.*

(R.)

Melbourne, Merchants' Chambers, Collins-street West, 11th March, 1867.

SIR,

HAVING learned, by a perusal of the Amended Bill for the Launceston and Western Railway Act, that Commissioners are to be appointed to see that the conditions provided for in the said Act are faithfully carried out; and from the nature of the duties that they are to perform I conjecture that one of their number must be a professional man and possess a practical knowledge of Railways. Under this assumption I beg to inform you that, in the event of any such appointment being made, I should be glad to accept the post, providing that there is a fair remuneration attached to it. I further beg to enclose copies of testimonials from Mr. Darbyshire, the late Engineer-in-Chief, and Mr. Thos. Higinbotham, the present one, of this Colony.

I have the honor to be,
Sir,
Your most obedient Servant,
SAML. V. KEMP.

To Sir RICHARD DRY, *Colonial Secretary, Tasmania.*

Temple Court, Melbourne, July 24, 1865.

MR. S. V. KEMP was employed as Engineer and Architect on the Victorian Railways, under my superintendence, from June, 1855, until May, 1860.

Mr. Kemp, in addition to being a thoroughly qualified professional man, is possessed of very superior business qualifications; and I have great pleasure in bearing testimony to his integrity in every capacity in which I had occasion to employ him.

In 1860 I resigned my position as Engineer-in-Chief, and therefore was not brought into professional communication with Mr. Kemp afterwards; but he continued in the employment of the Government Railway Department until the commencement of the present year, when, on the completion of the works on which he had been employed, he left the Public Service.

(Signed) GEO. C. DARBYSHIRE.

True Copy.
SIDNEY S. NUGENT, *11th March,* 1867.

Engineer-in-Chief's Office, Railway Department, Melbourne, 24th July, 1865.

MR. S. V. KEMP was employed in the Engineer-in-Chief's branch of the Victorian Railway Department from 20th July, 1855, to 31st December, 1864, and was engaged principally in superintending the very large station works that were carried out during that period on the Geelong and Ballarat and Melbourne and Sandhurst Railways. Mr. Kemp has a thorough knowledge of building operations in all their details, and has had much experience both in the arrangement and construction of station works.

Mr. Kemp showed great energy and ability in the performance of his duties, which were discharged to my entire satisfaction.

Previously to my connexion with the Railway Department Mr. Kemp had been engaged on the preliminary surveys for the lines, and in the construction of the general works of a portion of the Williamstown Railway.

(Signed) T. HIGINBOTHAM, *Engineer-in-Chief.*

True Copy.
SIDNEY S. NUGENT, *11th March,* 1867.

Tasmania, Colonial Secretary's Office, 12th April, 1867.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 11th ultimo, on the subject of the appointment of Commissioners to see that the conditions provided for in the amended Bill for the Launceston and Western Railway Act are faithfully carried out; and in reply to inform you that, in the event of the Government deeming it desirable to avail themselves of the services of a professional man as one of the Commissioners, your application will be promptly considered.

I have, &c.,
For the Colonial Secretary, B. TRAVERS SOLLY,
Assistant Colonial Secretary.

S. V. KEMP, *Esq., Civil Engineer, Melbourne.*

Colonial Secretary's Office, 25th July, 1867.

SIR,

I HAVE the honor to enquire if it will be agreeable to you to accept the appointment of Commissioner under the Launceston and Western Railway Company.

I enclose a copy of the Act and the Amendment for your information as to the nature of the duties which will appertain to the office; and fully appreciating your skill and ability, I shall be glad to hear that you are prepared to undertake their discharge.

The amount of salary has been fixed at £750 per annum.

I have, &c.,
RICHARD DRY.

S. V. KEMP, *Esq., Civil Engineer, Merchants' Chambers, Collins-street West, Melbourne, Victoria.*

Melbourne, 76, Collins-street West, 31st July, 1867.

SIR,

WITH reference to your letter of the 25th instant, wherein you enquire if it will be agreeable for me to accept the appointment of Commissioner under the Launceston and Western Railway Company, and in reply thereto, I have the honour to inform you that I shall have much pleasure in accepting the appointment; and beg to tender you my thanks, and to say that I shall endeavour, at all times, to carry out faithfully the duties that the Act imposes upon me.

I have the honor to be,
Sir,
Your most obedient Servant,
SAML. V. KEMP.

To Sir RICHARD DRY, *Colonial Secretary, Tasmania.*

Tasmania, Colonial Secretary's Office, 7th August, 1867.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 31st ultimo, and in reply to inform you that His Excellency the Governor has been pleased to appoint you a Commissioner under the Launceston and Western Railway Act, at a salary of £750 per annum.

The appointment to take effect from the 1st proximo.

I have, &c.,
RICHARD DRY.

S. V. KEMP, *Esq., Merchants' Chambers, Collins-street West, Melbourne, Victoria.*

(S.)

STATEMENT showing the Price of Rails from August, 1867, *to February,* 1869, *copied from the British Trade Journal and English Price Current.*

	£	s.	d.		£	s.	d.
August, 1867, Rails	6	0	0 per ton.	June, 1868, Rails.....	5	10	0 per ton.
September, 1867, Rails	6	0	0	July, 1868, Rails.....	5	10	0
October, 1867, Rails	5	15	0	August, 1868, Rails	5	10	0
November, 1867, Rails	5	15	0	September, 1868, Rails	5	15	0
December, 1867, Rails	5	15	0	October, 1868, Rails	5	15	0
January, 1868, Rails	5	15	0	November, 1868, Rails	5	15	0
February, 1868, Rails	5	15	0	December, 1868, Rails	5	15	0
March. 1868, Rails.....	5	15	0	January, 1869, Rails	5	15	0
April, 1868, Rails	5	15	0	February, 1869, Rails	6	0	0
May, 1868, Rails.....	5	15	0				

S. V. K.
29. 4. 69.

(T.)

PARTICULARS connected with the Supervision of the Launceston and Western Railway.

Mr. Innes moved a series of Resolutions having reference to the number of persons employed on Tuesday, 16th March, 1869.

A letter was sent by the Secretary demanding this information on the 18th March.

A letter was received from the Engineers in reply, dated 23rd March, 1869. Copy annexed.

Tuesday's Board Meeting, 23rd March, 1869.—"Mr. Innes' Notice of Motion."

"The information having been supplied as read in the correspondence, long discussion ensued."

Mr. Innes moved and Mr. Robertson seconded—"That, without designing to prefer any charge whatever against the Engineers, it will be satisfactory to the Board to know what Staff is employed under them for the purposes of supervision of the works."

This was communicated to the Engineers on the 24th March, 1869. On the 13th April, 1869, at a Board Meeting held on that date, Mr. Kemp called attention to there being no reply given to the letter from the Secretary of the 24th March to the Engineers. It was ordered that the Secretary request an immediate answer; and at the same time inform the Engineers that it has been brought under the notice of the Board by Mr. Kemp, and minuted at his request,—"that on visiting the works at Hunter's Mill Viaduct on Wednesday last, the 7th instant, he found no one that represented the Contractors or the Engineers upon the works."

This was communicated by letter to the Engineers on the 15th April, 1869. At a Board Meeting held on the 20th April, 1869, a letter from the Engineers of the 17th April was read (copy annexed). At the same meeting Mr. Innes moved and Mr. Robertson seconded—"That the Secretary be instructed to reply to the Engineers, that the information requested in the Secretary's letters of the 24th March and 15th April was requested by the unanimous vote of the Directory, and to repeat the request that the information therein desired may be supplied. This was communicated to the Engineers on the 27th April, 1869.

At a Board Meeting held on the 27th April, 1869, a reply was read from the Engineers, dated 24th April, 1869. Copy annexed.—

At which meeting Mr. Bartley moved and Mr. Gibson seconded—"That the Secretary be instructed to write to the Engineers in reply, informing them that the statements made to the Board of Directors, that there was a want of due supervision on certain portions of the Railway Works, were not so made by only one person, as seems to be assumed by the Engineers in the letter referred to, and that such statement, as it appears to the Board, did not emanate from any unscrupulous or vindictive opposition." Carried.

At a Board Meeting held 4th May, 1869, a letter was read from Messrs. Kemp & Innes with reference to the Engineers' letter on Supervision, 3rd May. (This letter has been forwarded to the Engineers, 7th May, 1869.)

Messrs. Kemp and Innes's letter on Supervision.

Mr. Bartley moved and Mr. Gibson seconded—"That the letter of the Engineers, of the 24th ultimo, having reference to the supervision exercised by them over the Railway Works throughout the Line, be taken into consideration next meeting in connection with the letter of the 3rd instant from Messrs. Kemp & Innes now read, in order that the Board then determine whether the nature of the supervision described in such letter from the Engineers is satistactory to the Board or otherwise."

At a Board Meeting held 11th May, 1869.—Consideration of Engineers' Supervision.

Mr. Green moved and Mr. Webster seconded—"That the statement of the Engineers as to their supervision exercised over the works is satisfactory."

Mr. Tyson moved an Amendment, and J. Archer seconded—"That it is the conviction of this Directory that no supervision can be satisfactory with reference to such important works as the water culverts, viaducts, and bridges, &c., which falls short of a resident Inspector stationed on the spot at all hours when the workmen are employed."

Mr. Dodery moved and Mr. Scott seconded—"That the Board is not in a position to decide whether or not a proper and sufficient supervision is maintained by the Engineers, until the information requested by this Board, as intimated to the Engineers in the letter from the Secretary of the 18th ultimo, be fully supplied."

After a long discussion, Mr. Tyson's Amendment was carried. The substance of this Amendment was communicated to the Engineers on the 12th May, 1869.

At a Board Meeting held 18th May, 1869, a letter was read from the Engineers, dated 17th May, in reply to the one from the Secretary of the 12th May, copy of which is hereunto annexed.

Supervision of Works.

After a long discussion on the Engineers' letter of the 17th May, 1869, Mr. Crookes moved, and Mr. Tyson seconded—"That Messrs. Green, Tyson, Grubb, Webster, and Mr. W. Archer, of Cheshunt, be a Committee to consider the whole question, and to report to this Board."

To which Mr. Scott moved an amendment, and Mr. Scott seconded—"That the reply of the Engineers to the Board, under date of the 17th instant, with reference to the supervision of the Launceston and Western Railway, is unsatisfactory; and in order to determine whether efficient supervision is being carried out in accordance with the terms of the Contract between Mr. Doyne and the Company, in connection with such works, it is desirable that the whole matter be referred to arbritration, as suggested by the Engineers in their said letter, without delay, as provided for in the agreement between the Company and Engineers."

The amendment was lost, and the original motion was carried.

This was communicated to the Engineers on the 21st May, 1869.

At a Board Meeting, held 25th May, 1869, a letter was read from the Engineers dated 22nd May, 1869, and which letter (a copy) was forwarded to you by last night's post.

No action was taken upon this letter, in consequence of the important matter of withholding my signature to the Contractors' cheque, which, when settled, the other matter will have to be brought forward.

SAML. V. KEMP.

Launceston and Western Railway, Engineers' Office,
Launceston, Tasmania, 23rd March, 1869.

DEAR SIR,

IN reply to your letter of the 18th instant, we desire to say that the course pursued seems a departure from the usual practice, but as you think an early reply will facilitate business, we hasten to afford it.

1. Return of persons in our employ.—We cannot admit the right of any person to demand such returns from us, and we must therefore decline to establish a precedent which might be construed into such an admission. If, however, the Board of Directors has any charge of neglect against us, as the motion would seem to imply, we shall be quite prepared to meet it when it ismade.

2. *Sub-Contracts.*—We have no official knowledge of any sub-contracts having been let, and none have been reported by us. We look upon all persons we find on the Works as the agents of the Contractors, and deal with them under Clause 25 of the General Conditions.

3. *Extension of Time.*—As a matter of course we should not take so important a step without first consulting the Board.

4. *Culverts.*—In most instances we require that the earthwork shall be carried over the Culverts immediately on their completion. We introduced the clause referred to into the specification to give us power to use our discretion. It is merely intended to enable us to prevent the embankment being unduly tipped upon the Culverts while they are green, and to empower us to have the earth carried over them in such a manner as to prevent them being injured by the blows received from earth thrown upon them from a great height. By laying gently upon them several feet in depth of earth by means of barrows and carts, they are materially supported, and protected from the action of the weather, as well as being relieved from the impact of the tip. We may add, the course we have pursued has been in every instance eminently successful, since none of the Culverts have sustained the slightest injury, but are all perfectly sound and good.

We are, dear Sir,
Yours very truly,
(Signed) DOYNE, MAJOR, & WILLETT.

HENRY DOWLING, *Esq., Secretary.*

Launceston and Western Railway, Engineers' Office,
Launceston, Tasmania, 17th April, 1869.

DEAR SIR,

WE regret the Directors should have had to call attention to your letter to us of 24th ultimo being yet unanswered.

We note your letter of 15th instant, and the new matter it introduces at the instance of Mr. Kemp.

We wish to observe, and particularly remind the Board of Directors, that we have always shown a desire, and endeavoured to meet their wishes on every point submitted to us by them, and even when not submitted to us, to advance the interests of the Company by every means in our power when this could be done consistently with the relations subsisting between us.

It was impossible, however, to conceal from ourselves the fact that the Notice of Motion stated in your letter of 24th ultimo was made at the instigation of Mr. Kemp, and your letter of 15th instant proves the correctness of that opinion.

We most respectfully ask the attention of the Board to our answer of the 23rd ultimo, which we now repeat; viz.—"We cannot admit the right of any person to such Returns from us, and we must therefore decline to establish a precedent which might be construed into such admission."

While we re-assert this determination, we wish it to be clearly understood that it has been arrived at solely in view of the attitude towards us adopted by Mr. Kemp, whose right of interference with our proceedings we absolutely repudiate, and deny his ability to become our censor in the professional questions into which he so recklessly plunges; we protest against his pretentions to superior knowledge in professional matters, and deny that his antecedents give him any claim to such pretentions.

In the Railway Act the duties of the Commissioners are very clearly set forth, and there is no doubt whatever of the meaning of the law in this respect: they have simply to see that the money placed at the disposal of the Company by the Government is not misappropriated, and any attempt on their part to interfere with the details of the Board's management amounts to an impertinence and an unlawful proceeding.

We are always prepared and are most desirous to show to the gentlemen representing the Shareholders in the capacity of Directors that our supervision of the works has been thoroughly efficient in every respect, and that the agreement with the Contractors is being honestly carried out by them under our directions; and for this purpose we are prepared to meet the whole of the gentlemen referred to, or any committee of that body they may appoint, either on the principal works or elsewhere, as may be most convenient to them, when we are confident that we can fully prove to them that our contract with the Company to superintend the Construction of the Railway in a thoroughly efficient manner is being most scrupulously fulfilled.

We take this opportunity of placing on record our opinion that Mr. Kemp constantly travels outside his legitimate duties as Commissioner, and that his whole course of action appears to indicate a desire on his part to grasp powers he has no right to, and to take the management of the Company's affairs out of the hands of the Company's Directors; and that not having been permitted to do so, he endeavours to avenge himself on their Officers and Contractors by a systematic course of obstruction, annoyance, and traducing of character: in fact, for reasons best known to himself, he appears to wish to make himself an element of discord and danger in the management of the Railway affairs.

In conclusion, we respectfully remind the Directors that our labours in superintending such important works are by no means light, and that it is absolutely necessary our time and thoughts should be kept as free as possible for close personal inspection, and not have them wasted by the necessity of constantly writing long Reports in our own defence, against the frivolous and groundless insinuations and accusations brought by Mr. Kemp.

It must be evident to the Directors, that the course pursued can only prove to be seriously detrimental to the interests of the Company; and we respectfully express a hope that they will support us in our desire to fully discharge our duties, and endeavour by a determined course of action to relieve us from the incubus we now labour under.

With these remarks we now express our determination to decline all further communications with Mr. Kemp directly or indirectly. We consider that under the Railway Act he has no right to correspond with us through the medium of the Secretary; that if he has anything to complain of it is clearly his duty to report in conjunction with his colleagues to the Government, and ours to reply to such Reports when they are referred to us.

We have the honor to be,
Sir,
Your obedient Servant,

(Signed) DOYNE, MAJOR, & WILLETT.

HENRY DOWLING, *Esquire, Secretary.*

Launceston and Western Railway, Engineers' Office,
Launceston, Tasmania, 24th April, 1869.

DEAR SIR,

IN reply to your letter of the 22nd instant, we have to state that we think we perfectly understood your letters to us of the 24th ultimo and 15th instant, and we thought we had made ourselves understood by our reply of the 23rd ultimo, and reiterated on the 17th instant.

Our Contract with the Company is most explicit: it provides that Mr. Doyne shall "superintend the construction of the said Railway and Works in a thoroughly efficient manner, either by himself or by properly qualified and competent assistants." This Contract we are in course of most scrupulously fulfilling.

The Directors must see how impossible it would be for us to meet the statements you refer to, statements wholly untruthful for the most part, circulated in all kinds of forms, and emanating from one unscrupulous and vindictive source of opposition.

But, as before said, if any of these could be put in a tangible form before the Government or Directors, we should then be afforded an opportunity to reply thereon, and we are willing and anxious to have such opportunity afforded to us.

We can now say generally, for the satisfaction of the Directors, that the principal works at Longford and the Viaduct at Hunter's Mill have never been committed to the charge of an assistant Engineer, much less to an ordinary Clerk of Works: they have had the almost undivided attention of Mr. Doyne or Mr. Major, either jointly or separately. The excavations, once opened out to their satisfaction, have never been left until the foundations have been securely got in, and the brickwork well advanced under their strict personal supervision, and then each work

has been visited, and closely inspected, by one or other of the members of our firm—and frequently by both on the same days—with a closeness of attendance not usually given to works of even greater magnitude, by the principal Engineers of Railways in England.

We are also in a position to prove that these works, as well as the culverts, timber bridges, &c. erected in the earlier portion of the construction of the Line, have been most closely inspected by ourselves, and have been, on the whole, carried out by the Contractors with a degree of faithfulness most creditable to them and to their workmen.

We may mention that, in addition to the inspection by ourselves and our assistants, Mr. H. Conway as Inspector of Brickwork, and Mr. Tidy as Inspector of Earthworks and Excavations for foundations, on the part of the Contractors, have been directly placed by the Contractors under our own personal control and direction in every respect; and have been instructed by them, in Mr. Doyne's presence, to obey in every respect every order given by the Engineers, without reference to Messrs. Overend & Robb; and we feel bound to say that they have given a prompt and willing attention to all our orders, which has claimed from us the fullest confidence in their integrity, and desire to obtain credit by the result of their exertions.

In the same way every timber bridge has had similar, though not equal, attention from ourselves, besides being under the close inspection of assistants who remain constantly on the works, and report progress to us weekly, and refer to us at any time that our personal direction is needed. The fencing and all other works have been similarly treated; indeed we are in a position to challenge the closest scrutiny of the works, and of our course of procedure and direction.

We respectfully take our stand on this fact,—that, in the manner we have described, we are thoroughly, we are thoroughly and efficiently superintending the construction of the Launceston and Western Railway works, in strict accordance with the terms of our agreement, and we have construed that agreement in a liberal manner.

We here wish to remark that, having found it impossible to supply a high class of assistants to superintend the principal works, and in view of the necessity for our honorably complying with the conditions of our agreement with the Company, we have had no alternative but practically to abandon our business prospects in the other Colonies, and for the present reside here. We have further to remind the Directors that, without any assumption of egotism, our own personal services may be considered of more value than those of ordinary Inspectors: that to place ordinary Inspectors over the persons employed by the Contractors—whom they would not recognise as having a right to exercise authority over them, whose qualifications they would possibly question—would probably produce serious dissensions and references to the Board and to us, which must prove dangerous to the undertaking.

We beg most respectfully to repeat that we are prepared and anxious to meet the wishes of the Directors in every way consistent with the business relations existing between us; and we point to the whole course of Mr. Doyne's services to the Company, and to his and our own deep personal and professional interest in the success of the undertaking, as forming no ordinary claims upon the fullest confidence and protection of the Directors in the prosecution of our really arduous duties.

We are, Dear Sir,
Yours truly,
(Signed) DOYNE, MAJOR, & WILLETT, *Engineers.*

HENRY DOWLING, *Esq., Secretary.*

Launceston and Western Railway, Engineers' Office,
Launceston, Tasmania, 17th May, 1869.

DEAR SIR,

IN reply to your letter of the 12th instant, enclosing a Minute of the Board passed at the Meeting on the previous day, expressing a conviction that our system of supervision is not satisfactory, we beg leave to remark,—

1. That such a mode of procedure on the part of the Board is most unjust and unreasonable; unjust because we are practically declared at fault without any fair investigation, notwithstanding our repeated requests that there should be one: unreasonable, because it is the decision of lay men on a professional question, of which professional men of large experience alone can rightly judge.

2. That to bring these general accusations, couched in innuendo drawn from rumours which have really no foundation in fact, is a most unusual and improper tampering with the characters of professional men.

3. On reference to our letter of the 17th April, the Directors will be reminded that we have sought enquiry by them into our mode of managing the works; and we now think that we have a right to complain that such a resolution should have been placed on record without any such enquiry having been made.

4. We reiterate that our inspection of the works is complete and efficient in all respects, and fully up to the letter and spirit of Mr. Doyne's Contract with the Company. If the Directors think otherwise, we beg respectfully to remind them that the Contract provides the machinery by which such difficulties must be settled.

A prompt determination of the vexed question will confer a benefit upon the Company, by allowing that portion of our time which is now absorbed in fruitless correspondence to be devoted to the real interests of the undertaking.

We are, Dear Sir,
Yours very truly,
(Signed) DOYNE, MAJOR, & WILLETT, *Engineers.*

HENRY DOWLING, *Esq., Secretary.*

(Copy.)

Launceston and Western Railway, Engineers' Office,
Launceston, Tasmania, 22nd May, 1869.

DEAR SIR,

WHILE acknowledging the receipt of your letter of the 21st instant, accompanying a resolution of the Board, passed on the 18th instant, to the effect that a Committee be appointed to consider the whole question of supervision, we feel bound to make the following remarks in our own defence as professional men:—

1. When it was first intimated by your letter of 18th March that it was thought we were in some manner neglecting the interests of the Company, we stated that if the matter were put in the shape of a distinct and definite charge we should be prepared to meet it. In reply we received an assurance that no charge of neglect was intended

2. We then respectfully requested that the Board would meet us, "either on the principal works, or elsewhere, as may be most convenient to them, when we are confident we can fully prove to them that our Contract with the Company to superintend the construction of the Railway in a thoroughly efficient manner is being most scrupulously fulfilled." (7 April, 1869.)

3. To this fair and reasonable request we received no reply, but were instead informed of an arbitrary minute passed on the 11th May, "That it is the conviction of the Directory that no supervision can be satisfactory with reference to such important works as the water culverts, viaducts, bridges, &c. which falls short of a resident Inspector stationed on the spot at all hours when the workmen are employed."

4. As we were quite prepared to show that our supervision had hitherto obtained the most satisfactory results (and we contend that by the results alone can any fair conclusion be arrived at), we felt it our duty to protest against this action on the part of the Board, and the Directors *then* resolved to appoint a Committee. (17 April.)

5. We contend, with the greatest respect, that while the Minute of the Board of the 11th instant remains on record we are debarred from entering into the question at issue before that body, inasmuch as it states, in general terms, that our supervision is unsatisfactory, and it is scarcely reasonable to suppose that we can accept an enquiry made by those who have already committed themselves to an opinion.

6. The resolution of the 11th instant asserts an opinion on the part of the Board which we cannot accept. The alternatives are, therefore,—that the Directors witndraw that opinion, and refer the question to a Committee of their own body for report, or fall back upon those clauses of the Contract with Mr. Doyne which provides for the settlement of such differences of opinion.

We beg to remain,
Dear Sir,
Yours very truly,

(Signed) DOYNE, MAJOR, & WILLETT, *Engineers.*

HENRY DOWLING, *Esq., Secretary.*

(U.)

REPORT by the BOARD OF TRADE *on the Applications made in the year* 1866, *under the "Railways Construction Facilities Act,* 1864," *and of the Proceedings of the Board of Trade with respect thereto.—(Presented pursuant to Act of Parliament.)*

APPLICATIONS under the "Railways Construction Facilities Act, 1864," for certificates to authorise the construction of new Railways, were made during the year 1866, in four cases, viz.:—

I.—*The Promoters of the Holywell Port Railway,*

Who applied for a certificate incorporating a Company under the name of the "Holywell Port Railway Company," and authorising them to construct four Railways in the county of Flint, viz.:—

No. 1. A Railway 2 miles 4 furlongs 1 chain in length, commencing in the Parish of Holywell, by a junction with the authorised line of the Holywell (No. 1) Railway, at the north end of the bridge now in course of construction over the Chester and Holyhead Railway, and terminating on the foreshore of the river Dee.

No. 2. A Railway 2 furlongs 3 chains in length, commencing in the parish of Holywell by a junction with the Company's intended Railway, No. 1, and terminating by a junction with the authorised line of the Holywell (No. 3) Railway at a point 7 chains to the west of the crossing of the public road leading to the wharves, in the same parish.

No. 3. A Railway 3 furlongs 5 chains in length, commencing in the parish of Whitford by a junction with the intended Railway, No. 1, 1 mile 5 furlongs from its commencement, and terminating at the bridge under the Chester and Holyhead Railway at Llannerch-y-Mor, in the same parish.

No. 4. A Railway 1 furlong 8 chains in length, commencing in the parish of Whitford by a junction with the intended Railway, No. 1, at a point 1 mile 7 furlongs from its commencement, and terminating by a junction with the intended Railway, No. 3, at a point 1 furlong 6 chains from its commencement.

To create a capital of £40,000, in 4000 shares of £10 each, and to borrow on mortgage £13,000.

The Inspecting Officer of the Board of Trade, to whom the plans, &c., had been referred, having reported that the proposed junction of Railway, No. 1, with the authorised line of the Holywell (No. 3) Railway would be objectionable on engineering grounds, and that the construction of Railway, No. 2, in the manner proposed, would be dangerous, and those objections not having been removed to the satisfaction of the Inspecting Officer, the Board of Trade did not proceed with the settlement of the certificate.

II.—*The Swansea Vale and Neath and Brecon Junction Railway Company,*

Who applied for a certificate authorising them to construct two branch Railways, viz.:—

No. 1. A Railway 2 miles 1 furlong and 8 chains in length, commencing by a junction with the Wernplemis Branch of the Swansea Vale Railway, and terminating by a junction with the Company's authorised branch to Abercrave.

No. 2. A Railway 4 furlongs 4 chains in length, commencing at a point on Railway No. 1, and terminating by a junction with the authorised main line at a point where it would cross the Brecon Forest Tramway.

To abandon the formation of such portion of the Abercrave Branch authorised by the Company's Act of 1865, between the Company's original line and the termination of Railway No. 1, as would be rendered unnecessary by this certificate.

To raise for the purposes of the certificate £18,000 by ordinary shares, and £6000 by borrowing.

In this case the promoters, anticipating that they would be unable to complete their arrangements for the purchase of the required land before the time specified for settling the certificate, resolved not to proceed at present with their application.

III.—*The Barry Railway Company,*

Who applied for a certificate authorising them to construct a branch Railway 1 mile 4 furlongs and 185 yards in length, commencing by a junction with the Barry Railway, in the parish of Cadoxton-juxta-Barry, in the county of Glamorgan, and terminating upon Barry Island, in the parish of Sully, in the same county.

To raise £30,000 by ordinary shares, and £10,000 by borrowing on mortgage.

IV.—*The Worcester, Dean Forest, and Monmouth Railway Company,*

Who applied for a certificate authorising them to construct a deviation of the Railway, No. 3, authorised by the original Act of 1863, in length 4 miles 4 furlongs, commencing by a junction therewith, in the parish of Newland, in the county of Gloucester, and terminating by a junction therewith on the Tramway, No. 12, in the parish of Dixton, in the county of Monmouth.

With reference to the applications of the Barry Railway Company, and the Worcester, Dean Forest, and Monmouth Railway Company respectively, the Board of Trade were satisfied, in each case, by proofs being duly given in a form similar to that adopted in the case of Railway Bills, that the Promoters had contracted for the purchase of all the lands required for the Railway, and had complied with the requirements of the General Rules respecting deposit and notice, and with the provisions of the Act generally.

No objection respecting either of the applications was brought before the Board of Trade.

No notice of opposition by a Railway or Canal Company was in either case lodged at the Board of Trade.

These applications having been made by previously existing Companies incorporated by special Act, the Board of Trade in each case required and obtained satisfactory proof that the members of the Company had duly approved of the application.

The Board of Trade having referred the plans, &c., and estimate, of each of the Railways in respect of which they were proceeding to settle a Draft Certificate to one of their Inspecting Officers for his report upon the proposed works, he recommended in each case certain alterations in the deposited plans. These alterations were effected to the satisfaction of the Board of Trade, and the Draft Certificates were accordingly settled, and have this day been laid before both Houses of Parliament, in the following cases; viz.—

The Barry Railway Company.
The Worcester, Dean Forest, and Monmouth Railway Company.

If neither House of Parliament, within the period of six weeks from this date, shall think fit to resolve that either of these certificates ought not to be made, then, at the expiry of the said period, the Board of Trade will issue in each case a certificate in conformity with that now laid before Parliament, for publication in the *London Gazette.*

ROBERT G. W. HERBERT.

Board of Trade, 31*st May,* 1867.

(V.)

ARTICLES OF AGREEMENT made this first day of May in the Year of Our Lord One thousand eight hundred and sixty-seven, between WILLIAM THOMAS DOYNE, of Melbourne, in the Colony of Victoria, Member of the Institute of Civil Engineers, of the one part, and THE LAUNCESTON AND WESTERN RAILWAY COMPANY, LIMITED, hereinafter called the Company, of the other part: Whereas the said William Thomas Doyne has agreed with the said Company to make and complete a Re-Survey of a Line of Railway from Launceston to Deloraine; to prepare Plans, Specifications, and all other documents necessary for drawing up the Contract for construction of the said Railway; to superintend the construction of the said Railway in an efficient manner; and to do and perform all other acts and things hereinafter particularly specified upon the Terms and Conditions hereinafter mentioned: Now therefore these Presents witness that the said William Thomas Doyne doth hereby for himself, his heirs, executors, and administrators, covenant with the Company; and the Company do hereby, for themselves, covenant with the said William Thomas Doyne, his executors and administrators, as follows; that is to say,—

2. The said William Thomas Doyne shall perform the work following; that is to say,—He shall act as the Company's Engineer-in-Chief; he shall complete a Re-Survey of the said intended Line of Railway; set out accurately on the ground all the curves, gradients, and lines of fencing; prepare detailed plans of all private property to be purchased or obtained by the Company for purposes of the Railway or Works; he shall prepare working sections, take out quantities, make detailed working plans and drawings of all bridges, culverts, stations, and all other work incidental or necessary for the complete construction of the said Railway and Works; prepare all documents, drawings, and specifications necessary for drawing up the Contracts, (except station plans, drawings, and specifications, which are to be executed, when required, by the Directors, during the construction of the Line, or earlier, if necessary); to satisfy the Commissioners under the Act of Parliament 30 Vict. No. 28; employ the necessary staff; superintend the construction of the said Railway and Works in a thoroughly efficient manner, either by himself or by properly qualified and competent assistants—to extend over the whole period of the construction of the said Railway to the time of opening of the whole of the Line for public traffic—and for the term of twelve calendar months after the same shall have been opened for traffic as aforesaid.

3. The said William Thomas Doyne to provide, at his own costs and charges, all travelling and hotel expenses, and all necessary office accommodation, drawing paper and general stationery, and all necessary office and field instruments and equipment.

4. The said William Thomas Doyne to employ and pay all Engineers, Surveyors, Draftsmen, Clerks, Labourers, and all other persons necessary to be employed by him to carry out his part of this Contract in an efficient manner.

5. To provide all necessary information concerning the materials, machinery, and rolling stock to be obtained from England, or any of the Australian Colonies, for the construction and working of the said Railway.

6. When trial shafts are necessary on the sites of cuttings, or borings in foundations have to be made, the said William Thomas Doyne to provide such supervision as may be necessary to enable him to advise and report on the results of such trials.

7. And to do and perform all other acts and things necessary for a thoroughly efficient engineering supervision of the Railway Works during their construction and maintenance by the Contractors, such as will ensure satisfactory results to the said Company, both in the economy and stability with which the Works are to be executed.

8. The Survey of the said Line of Railway, and Plans and Specifications, and other documents necessary to enable the Company to accept Contracts for the construction of the said Railway, to be completed by the said William Thomas Doyne in an efficient and proper manner, within Six calendar Months from the fifteenth day of May last.

9. In the event of the death, or incapacity to act, of the said William Thomas Doyne, prior to the completion of the Work; and, in the event of his heirs, executors, or administrators failing to complete the Work hereinbefore specified: then all plans, drawings, specifications, and other documents prepared by the said William Thomas Doyne, having reference to the said Line of Railway, shall be the property of the said Company.

10. If a term of twelve months shall elapse from the time when the engineering survey, plans, drawings, specifications, and all other matters necessary to enable the Company to accept Contracts for the construction of the said Railway shall have been completed by the said William Thomas Doyne in a thoroughly efficient manner, prior to the acceptance of Contracts for the construction of the same, the said William Thomas Doyne may, if he thinks fit, refuse to act as Engineer for superintending the construction of the said Railway; and this Contract, so far as relates to the engineering superintendence of construction of the said Line, shall be considered at an end; and the said William Thomas Doyne shall be entitled to receive payment, in manner hereinafter specified, for the work then done by him: provided that, in the event of such refusal by the said William Thomas Doyne, he shall on the due payment to him of the sum of Three thousand six hundred Pounds, as hereinafter mentioned, provide the Company, at his own cost, with true and accurate copies of all drawings and other documents that have been prepared by the said William Thomas Doyne, and necessary to enable the said Contracts to be efficiently superintended by another Engineer. In the event of a delay in proceeding with the construction of the said Railway and Works occurring, of more than Six calendar Months from the completion of the said survey, plans, and drawings as aforesaid, the said William Thomas Doyne is to receive Three Months' notice to proceed with the engineering supervision, when required to do so; and, in any case, to receive One Month's notice from the said Company.

11. In consideration of the due performance of the work hereinbefore mentioned, and the fulfilment of his part of the Contract by the said William Thomas Doyne, the Company agree to pay to the said William Thomas Doyne, his executors and administrators, the sum of Seventeen thousand six hundred Pounds, in manner following; that is to say,—

12. The sum of Two thousand six hundred Pounds, in six equal monthly instalments of Four hundred and thirty-three Pounds Six Shillings and Eight-pence each,—the first of such monthly payments to be made on the fifteenth day of May, One thousand eight hundred and sixty-seven; and the five remaining instalments on the same day in each succeeding month; the further sum of One thousand Pounds within Three calendar Months after completion of the said survey, and all plans and documents necessary for the Company to accept Contracts, and plans necessary to enable the Company to purchase on the said Line for the construction of the said Railway.

13. The above sums of Two thousand six hundred Pounds and One thousand Pounds to be received by the said William Thomas Doyne in full for his part of this Contract, so far as the same relates to the Engineering Survey, and preparation of all Plans and Documents, to enable the Company to accept contracts for the construction of the said Railway, and for the disbursements made by him in reference thereto.

14. The sum of Thirteen thousand four hundred Pounds, in and by Twenty-four equal Monthly instalments of Five hundred and fifty-eight Pounds Six Shillings and Eight Pence each; the first of such instalments to be paid by the Company to the said William Thomas Doyne within Ten days after the acceptance by the Company of a contract or contracts for the construction of the said Railway, or any part thereof, or the signing of such contract or contracts, or the commencement of any portion of the works of the said Railway. The remaining Twenty-three equal Monthly instalments to be paid to the said William Thomas Doyne on the same day of each succeeding Month after payment of the first instalment. And the said William Thomas Doyne agrees to take Shares in the said Company to the amount of Five thousand Pounds, which sum of Five thousand Pounds shall be deducted from the payments due to the said William Thomas Doyne under the second part of this Agreement; that is to say—Monthly, the sum of Two hundred and eight Pounds Six Shillings and Eight Pence, until the said sum of Five thousand Pounds be paid; such sums to be applied by the Directors to the payment of the said Shares.

15. Provided nevertheless, that if the said Railway and Works shall be completed and opened for traffic in less than Two years from the date on which the first instalment becomes due as aforesaid, then in such case any balance of the said sum of Thirteen thousand four hundred Pounds remaining unpaid at the time of completion and opening for traffic of the said Railway shall be paid to the said William Thomas Doyne within Ten days after the said Railway shall have been completed and opened for traffic: Provided further, that should any delay arise during the construction of the said Railway and Works, in consequence of any financial or commercial circumstances of the Company, or arising from the default of any contractor or contractors, then the Company shall pay to the said William Thomas Doyne such compensation as may be agreed upon between him and the Directors for the time being for every Month beyond the period of Two years during which he continues the supervision of the construction of the said Railway and Works as aforesaid, in consequence of any delay as aforesaid. The sum of Six hundred Pounds (being the residue of the said sum of Seventeen thousand six hundred Pounds) shall be paid to the said William Thomas Doyne by Four equal quarterly payments during the Twelve months next succeeding the opening of the said Railway for traffic. The first of such quarterly payments to be made at the expiration of Three calendar months from the opening of the said Railway for traffic.

16. All questions arising between the Company on the one hand and the said William Thomas Doyne on the other hand touching the construction, intent, effects, incidents, consequences, or fulfilment of this Contract as before mentioned, or otherwise than as before mentioned, shall be referred to and determined by Arbitration in manner following, (that is to say); each of the parties in difference shall appoint an Arbitrator, and the two Arbitrators so appointed shall, within ten days after the appointment of such one of them as shall be last appointed, appoint an Umpire; but if either of the parties in difference shall refuse or neglect to appoint an Arbitrator for the space of ten days after being requested so to do by the other party, or shall appoint an Arbitrator who shall refuse or neglect to act as such Arbitrator, then the Arbitrator chosen by the party making such request shall appoint an Arbitrator on behalf of the party who, or the Arbitrator named by whom, shall refuse or neglect as aforesaid; and the award of the said two Arbitrators, or of their Umpire as the case may be, shall be final and conclusive between the parties in difference, and all such things shall be forthwith done, omitted, and suffered, as by the award shall be required.

The Arbitrators or Umpire may, if they or he shall think proper, make several awards, and every such award shall be binding and conclusive as to all matters to which it extends, and as if the matters awarded on were the whole matters required.

The Arbitrators or Umpire shall have full power at their or his discretion to examine the plans, specifications, documents, and all other papers of the parties in difference respectively, relating to matters referred, and to examine their respective officers, servants, and witnesses on oath or affirmation, or statutory declaration in lieu of oath.

The Arbitrators or Umpire may proceed in the reference as they or he think fit, and, after notice to both parties, in the absence of both or either of them.

The costs of the reference and arbitration and the award shall be in the discretion of the Arbitrators or Umpire; and if they or he shall not otherwise award the costs of the arbitration and of the award, then the parties in difference shall bear their own costs.

The submission to reference made by these Presents may at any time be made a Rule of any Court of Law or Equity, on the application of the parties in difference, or either of them, and the Court may remit the matter to the Arbitrators or Umpire, with any directions the Court may think fit.

Full effect shall be given under "The Common Law Procedure Act" of this Colony, and every other Act from time to time in force applicable in that behalf to the provisions of these Presents touching Arbitrations.

In witness whereof the said Company have hereunto set their Common Seal, and the said William Thomas Doyne hath hereunto set his hand and seal, the day and year first before written.

Signed, sealed, and delivered by the said William Thomas Doyne, (being first duly stamped.) In the presence of George Collins, Solicitor, Launceston. } W. T. DOYNE. (L.S.)

The Common Seal of the Company was affixed hereunto in presence of

W. S. BUTTON, *Chairman.*
H. DOWLING, *Secretary.*
W. DODERY,
ALEX. WEBSTER,
W. TYSON, } *Directors.*

I have compared the foregoing with the attested Copy made by Messrs. Douglas & Collins, and I certify that it is correct.

W. J. NORWOOD.

(W.)

PARTICULARS OF EXTRA WORKS.

(Copy.)

Railway Commissioners' Office, Launceston, 22nd June, 1869.

SIR,

I HAVE the honor to request that you will be pleased to furnish me with a list of all alterations, additions, substitutions, deviations, or concessions that have taken place up to the present date, stating fully the terms on which all such alterations, additions, substitutions, deviations, or concessions have been made, either distinctly under the head of cost, or that of saving.

I beg to point out that a great saving of time will be effected by my having this information as early as possible, as I am desirous that no time shall be lost in paying the Contractors the amount of No. 10 Certificate.

I have the honor to be,
Sir,
Your obedient Servant,
(Signed) SAML. V. KEMP.

To the Secretary of the Launceston and Western Railway Company.

(X.)

(Copy.)

Engineers' Office, 9th August, 1869.

DEAR SIR,

WE return herewith Mr. Kemp's Memo. and statement of alterations which you have referred to us, to which we have added the information required.

The Returns of alterations, &c. lately furnished by us were prepared for the general information of the Board, in pursuance of an intimation expressed in former Reports. We call your attention to this in order to avoid future misapprehensions, as Mr. Kemp appears to be under the impression that they were prepared SPECIALLY "in answer to his request of the 22nd June last." (See his Memo. herewith.) They did, however, we believe, *afford* the answer to that request.

We may take this opportunity of pointing out that the object of these Returns—which we shall continue to furnish as occasion may require—is at present the current information of the Board, and the regulation of payments on account. But it should be understood that they do not constitute the documents upon which the final settlements will be made, although they may be considered tolerably close indications of what those will probably be. In accordance with the usual practice, it will be for the Contractors at the completion of the work to send in a list of extras, setting forth in the fullest details all the extra work for which they claim payment. And *this* will constitute the basis upon which the final settlement of accounts must be effected.

We are, Dear sir,
Yours very truly,
(Signed) DOYNE, MAJOR, & WILLITT, *Engineers.*

HENRY DOWLING, *Esq., Secretary.*

(Y.)

MEMO.

I SHALL feel obliged by your submitting the enclosed statement to the Engineers for their report and remarks upon the items not included in their Returns of the 19th ultimo, which is in answer to my request of the 22nd June last.

All the items marked in pencil thus * are admitted by them in such Returns, but I beg to be informed under what arrangements a 2 feet cast-iron pipe has been substituted for a 3 feet brick culvert. And if the Contractors have agreed to all such alterations, substitutions, and additions upon the basis and at the rates set forth in the Engineers' Returns of the above-named date.

SAML. V. KEMP.
2 8. 69.

To the Secretary of the Launceston and Western Railway Company, Launceston.

REFERRED to Engineers, and to be returned with enclosure.

H. DOWLING, *Secretary.*

MEMO.

2 feet cast-iron pipes substituted for 3 feet culverts. Allowed in a few cases (See Return to the Board L-34), and paid for without reduction, in view of the large number of 2 feet culverts altered in the same way at a greatly increased cost to the Contractors. (See our letter of the 19th ultimo.)

2. Yes, as to substitution of pipes for culverts. No, as to the rest. See Clause 5, General Conditions, and Note to our Board Return marked L-31.

DOYNE, MAJOR, & WILLETT.
5. 8. 69.

HENRY DOWLING, *Esq., Secretary.*

(Z.)

STATEMENT showing the Alterations, Substitutions, Deviations, and Extras connected with the Launceston and Western Railway, up to June, 1869.

1st Crossing, North Esk River, Wooden Viaduct.	The specification describes and the plan shows 13 bays, each 23 feet. The work has been carried out with 14 bays	Local adjustment. No alteration in cost.
At 0 miles 55 chains	An 18-inch culvert has been built here. Nothing shown on the plans or described in the specification.	
Cutting No. 1	Both sides have been sloped	Not ordered.
Cutting No. 2	Both sides have been sloped	Not ordered.
Cutting No. 3	Both sides have been sloped	Not ordered.
At 1 mile 46 chains	A 12-inch cast-iron pipe has been inserted. Nothing shown or described for this.	
2nd Crossing of the North Esk River, Wooden Viaduct.	The plans show and the specification describes 7 bays, each 20 feet. The work has been carried out with 6 bays only	Local adjustment. No alteration in cost.
Cutting No. 5	Both sides have been sloped.	
Cutting No. 6	Both sides have been sloped.	
At 2 miles 55 chains	A rough rubble culvert has been substituted for a 12-inch cast-iron pipe	Must be a mistake. No substitution or alteration here.
At 2 miles 74 chains	A 2-feet cast-iron pipe has been substituted for a 3-feet brick culvert.	
"Milligan's" Water-hole, at 3 miles 10 chains.	A quantity of 12-inch cast-iron piping has been inserted. Nothing shown on plans.	
At 3 miles 25 chains	A 2-feet cast-iron pipe has been substituted for a 3-feet brick culvert.	
At 3 miles 29 chains	Approaches have been made for an occupation crossing, and pipes inserted under the western approach. Nothing is shown or described for this	Extra crossing arranged for by Mr. Bartley and the Company.
Cutting No. 9	Both sides have been sloped.	
Embankment No. 10	A 12-inch cast-iron pipe has been inserted under this embankment. Nothing shown or described for this work.	
Cutting No. 10	Both sides have been extra sloped	Not ordered.
At 3 miles 60 chains	A 2-feet cast-iron pipe has been substituted for a 2-feet brick culvert.	
Cutting No. 11	Both sides have been extra sloped	Not ordered.
At 4 miles 1 chain	Two 9-inch earthenware drain pipes have been inserted. Nothing shown or described.	
Cutting No. 13	Both sides have been extra sloped	Authorised.
Cutting No. 14	Both sides have been extra sloped	Not ordered.
At 4 miles 46 chains	A 9-inch earthenware drain pipe has been inserted here. Nothing shown or described.	
Cutting No. 15	Both sides have been extra sloped	Not ordered.
At 4 miles 56 chains	A 2-feet cast-iron pipe has been substituted for a 2-feet brick culvert.	
Cutting No. 16	Both sides have been extra sloped	Authorised.
At about 4 miles 66 chains	Two 9-inch earthenware drain pipes have been inserted here. Nothing shown or described.	
Cutting No. 20	Both sides have been extra sloped.	
Cutting No. 22	Ditto.	
Cutting No. 23	Ditto.	
Cutting No. 24	Ditto.	
Cutting No. 25	Ditto.	
Cutting No. 26	Both top sides have been extra sloped off.	
Cutting No. 27	Ditto.	
Cutting No. 29	Both sides have been extra sloped.	
At 6 miles 43 chains	Two 6-inch cast-iron pipes have been inserted. Nothing shown or described	9-inch earthenware pipes as reported. No 6-inch cast-iron pipes on the line.
Cutting No. 30	Both sides have been extra sloped.	
At about 6 miles 74 chains	A 2-feet cast-iron pipe has been substituted for a 2-feet brick culvert.	
Cutting No. 31	Both top sides have been sloped.	
Cutting No. 32	Both sides have been extra sloped.	
Cutting No. 33	Ditto.	
Cutting 34	Both sides have been extra sloped	No increase in Schedule quantity.
Cutting 35	Ditto.	
At 8 miles 28 chains	A 2 feet cast-iron pipe has been substituted for a 4 feet brick culvert.	
Cutting 36	Both sides have been extra sloped.	
At 8 miles 53 chains	A 2 feet cast-iron pipe has been substituted for a 2 feet brick culvert.	
Cutting 37	Both sides have been extra sloped	Authorised.
Embankment, No. 38	Alteration of gradient has been made here, 12. 7. 69.	Reported to the Board, 19th July, 1869.
Cutting 38	Both sides have been extra sloped. Alteration of quantities and gradient have been made, 12. 7. 69	Slopes only authorised. Reported to the Board, 19th July, 1869.
Cutting 40	Both sides have been extra sloped	Authorised.
Cutting 41	Ditto	No increase in quantity.
At 10 miles 14 chains	A double 3 feet brick culvert has been substituted for a double 4 feet brick culvert.	

Cutting 42	Both sides have been extra sloped	Authorised.
At 10 miles 65 chains	A 2 feet cast-iron pipe has been substituted for a 3 feet brick culvert.	
At 11 miles 22 chains	A 2 feet cast-iron pipe has been substituted for a 2 feet brick culvert.	
At 11 miles 0·5 chains	A 2 feet cast-iron pipe has been substituted for a 2 feet brick culvert.	
At 11 miles 25 chains	A 12 inch cast-iron pipe has been inserted; nothing shown or described.	
At about 11 miles 32 chains	A 12 inch cast-iron pipe has been inserted; nothing shown or described.	
At 12 miles 62 chains	A 2 feet cast-iron pipe has been substituted for a 2 feet brick culvert.	
At 13 miles 21 chains	A 2 feet cast-iron pipe has been substituted for a 2 feet brick culvert.	
At 13 miles 46 chains	A 2 feet cast-iron pipe has been substituted for a 2 feet brick culvert.	
Under embankment, No. 54	A 12 inch cast-iron pipe has been inserted; nothing is shown or described for this	Shown on original drawing and included in the Contract. (This is an omission in the lithograph).
Cutting 57	Both top sides have been extra sloped	Not ordered.
Under embankment, No. 60	A 2 feet cast-iron pipe has been inserted; nothing is shown or described for this	Shown and described as a 3 feet culvert. Altered to 2 feet pipe. Accidentally omitted in Return.
At 15 miles 18 chains	9 inch earthenware drain pipes have been inserted. Query—under approaches, or not?	
At 15 miles 57 chains	A 2 feet cast-iron pipe has been substituted for a 2 feet brick culvert	Accidentally omitted in Return. No alteration in price.
Cutting 63	Both top sides in progress of being sloped off.	
At 11 miles 76 chains	A 2 feet brick culvert has been omitted. Query—A 12-inch pipe been inserted	12-inch pipe considered sufficient; difference deducted.
At 23 miles 23 chains	A 2 feet brick culvert has been substituted for a 4 feet brick culvert	And a 3 feet for a 2 feet at 22 miles 64 chains.
	Payment has been made for a 4 feet culvert	Payment for a 2 feet only.
At 25 miles 10 chains	A double 2 feet brick culvert has been substituted for a single 3 feet brick culvert.	
At 25 miles 30 chains	A double 2 feet brick culvert has been substituted for a single 3 feet brick culvert.	
Cutting 68	Both sides are in progress of being flattened.	
At 34 miles 64 chains	A 2 feet culvert has been omitted. A progress payment of £13 has been made upon this item	Progress payment was made for bricks. Culvert has since been abandoned at 34 miles 64 and put at 33 miles 53, in place of Item 93.
Embankment 80	A 9-inch earthenware drain pipe has been inserted under this embankment. Nothing shown or described.	
Cutting 100	Both sides have been extra sloped	Not ordered.
At 37 miles 9 chains	A 4-feet brick culvert has been substituted for a 2-feet brick culvert	Part of an arrangement not yet completed. See future Report.
At 37 miles 19 chains	A 2-feet brick culvert has been substituted for an 18-inch brick culvert	Allowed but not ordered. No extra cost.

SAML. V. KEMP.
2. 8. 69.

JAMES BARNARD,
GOVERNMENT PRINTER, TASMANIA.