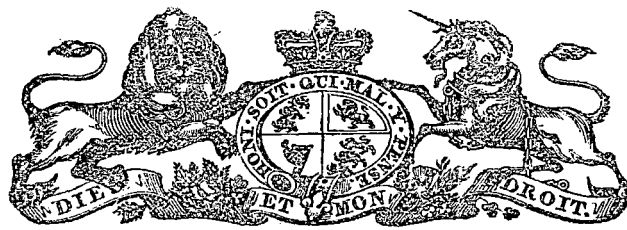


(No. 16.)



1868.

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T A S M A N I A.

LEGISLATIVE COUNCIL.

---

LAUNCESTON AND WESTERN RAILWAY.

CORRESPONDENCE.

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Laid upon the Table by Sir R. Dry, and ordered by the Council to be printed,  
July 28, 1868.



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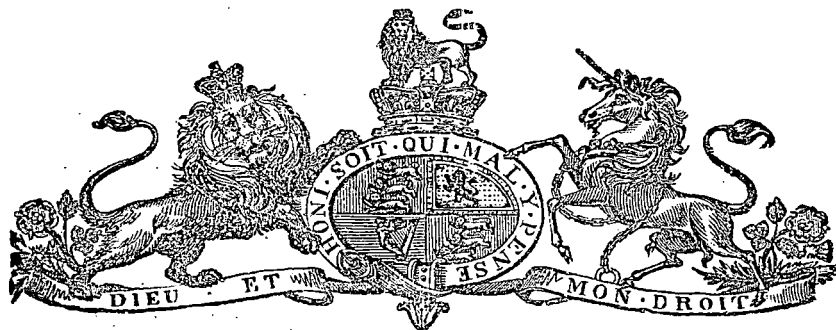
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1.

*Launceston Hotel, Launceston, 23rd October, 1867.*

SIR,

I HAVE the honor to inform you that I arrived in Launceston this morning for the purpose of inspecting and estimating the cost of constructing the Launceston and Western Railway, and beg to ask whether you have any further instructions for the guidance of the Commissioners beyond those already provided for in the Launceston and Western Railway Act.

May I also request the favour of your informing the other Commissioners of my arrival, and arranging with them for a meeting at any time you may be pleased to appoint?

I have, &c.,

(Signed) SAM. V. KEMP.

*The Hon. Sir RICHARD DRY, Colonial Secretary.*

2.

*Colonial Secretary's Office, 24th October, 1867.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 23rd instant, informing me of your arrival in Launceston.

In reply to your enquiry I beg to state that the Government have no further instructions to give the Commissioners than are already provided in the Act.

I do not consider that it rests with the Government to arrange for the meeting of the Commissioners, but rather with the Chairman of the Board of Directors, to whom I have written by this day's post.

I have seen the Honorable Mr. Innes and informed him of your arrival; he will be prepared to meet you as soon as a day may be fixed.

I have, &c.,

(Signed)

THOS. D. CHAPMAN,

*For the Colonial Secretary.*

*S. V. KEMP, Esquire, Launceston Hotel.*

3.

*Colonial Secretary's Office, 24th October, 1867.*

SIR,

I HAVE the honor to inform you that I have this day received a letter from Mr. S. V. Kemp, notifying his arrival in Launceston for the purpose of inspecting and estimating the cost of constructing the Launceston and Western Railway, and requesting me to inform the other Commissioners of his arrival, and to arrange with them for a meeting.

As I do not consider that it is the duty of the Government to arrange for the meeting of the Commissioners, but rather that it rests with you as Chairman of the Company, I have so informed Mr. Kemp, and I shall feel obliged by your communicating with him and the other Commissioners on the subject.

I have, &c.,

(Signed)

THOS. D. CHAPMAN,

*For the Colonial Secretary.*

*The Chairman of the Launceston and Western  
Railway Company.*

2

4.

*Launceston and Western Railway Company, Limited,  
29th October, 1867.*

SIR,

THE Chairman requests me to say that the Commissioners will require two or three copies each of the Railway Acts Nos. 2 and 3, and either the original letters introducing Mr. Kemp to the notice of the Government, or copies of the Council Paper in which these were printed.

Yours faithfully,

(Signed) H. DOWLING, *Hon. Sec.*

*The Hon. the Colonial Secretary.*

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5.

*Colonial Secretary's Office, 31st October, 1867.*

SIR,

I HAVE the honor, in compliance with the request contained in your letter of the 29th instant, to forward herewith nine copies of each of the second and third Railway Acts, and also a copy of the Papers of the Legislative Council Nos. 27 and 45, containing the correspondence in reference to the Commissioners.

I have, &c.,

(Signed) B. T. SOLLY.

H. DOWLING, *Esq., Honorary Secretary Launceston and  
Western Railway Company, Launceston.*

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6.

WE, the undersigned, being the Commissioners appointed under and by virtue of "The Launceston and Western Railway Act," do severally swear that we will well and truly execute the duties devolving upon us under the said Act to the best of our knowledge and ability.

SAM. V. KEMP, *Civil Engineer.*

FRED. M. INNES.

THEODORE BARTLEY.

Sworn before me at Launceston this  
first day of November, 1867.

FRANCIS EVANS, *J.P., a Commissioner of the  
Supreme Court of Tasmania.*

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7.

*Launceston and Western Railway Company, Limited,  
9th November, 1867.*

SIR,

IT is necessary that the Directors of this Company should know the form of Bonds the Government will expect them to issue under the Railway Act.

I propose to submit to the Directors the enclosed draft, and recommend that three copies, each for £100,000, be engrossed, without coupons, as I presume you will not deem them necessary between the Government and the Company.

The dates I propose to be left blank, to be filled in at the time of affixing the seal of the Company, at such periods as will correspond with the due dates of the debentures, to be fixed by the Government.

An early reply will oblige.

I have, &c.,

(Signed) H. DOWLING, *Hon. Sec.*

*The Hon. the Colonial Treasurer, Hobart Town.*

(Copy)

## LAUNCESTON AND WESTERN RAILWAY COMPANY, LIMITED.

£100,000 Bond.

Issued under the authority of the Launceston and Western Railway Act (29 Vict. No. 34), the Launceston and Western Railway Act, No. 2 (30 Vict. No. 28), and the Launceston and Western Railway Act, No. 3 (31 Vict. No. 43). Guaranteed by the Tasmanian Government.

THE Board of Directors of the Launceston and Western Railway Company, Limited, hereby declare that the bearer is entitled to the sum of One hundred thousand Pounds sterling on the            day of            One thousand eight hundred and            , with interest thereon at the rate of Six Pounds per centum per annum, payable half-yearly on the 4th day of            and the 4th day of            in each year, at the Colonial Treasury in Hobart Town, or [at the Bank of            ]

Dated this            day of            1867, and sealed with the Company's seal, the same day, at the Offices of the said Company in Launceston.

Endorsed.—Guaranteed in pursuance of the Launceston and Western Railway Act.

(Signed)

*Governor of the said Colony of Tasmania.*

By His Excellency's Command,

*Colonial Secretary.*

## 8.

*Launceston and Western Railway Company, Limited,  
14th November, 1867.*

SIR,

I HAVE the honor to request that you will state, for the information of the Directors of this Company, the intention of the Government with respect to the Debentures proposed to be issued under the Railway Act :

1. If the Government will be prepared to pay the products of the debentures into the London bankers of the Company to the credit of "the Company and Commissioners."

2. What mode and rates of payments will be adopted for cost of negotiation in London.

3. What arrangements may be necessary for remitting interest from time to time, and how the premiums on exchange (if any) are to be paid.

And any other point on which you may desire the Directors to be informed with respect to the sale of debentures, the deposit of their product, or the transmission and payment of interest.

Your early attention will greatly oblige the Directors.

(Signed) I have, &amp;c.,

H. DOWLING, *Hon. Sec.**The Hon. the Colonial Treasurer, Hobart Town.*

## 9.

*Colonial Treasury, 26th November, 1867.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 14th instant, requesting information in respect to Debentures to be issued by the Government on account of the Launceston and Western Railway Company. In reply, I have the honor of informing you that the Government will be prepared to pay over to such public Banking Company in London as the Directors of the Company may name the net proceeds of the Debentures authorised to be issued and sold by the Government on behalf of the Railway Company.

The Government will, however, retain in their hands, out of the proceeds of the Debentures, a sufficient sum to pay the interest on the Loan for £300,000 during the three years occupied in the construction of the Railway. After the first of January, 1871, the Government will require the interest on the Railway Bonds to be paid into the Treasury half-yearly—viz., on the first day of February and the first day of August in every year, together with the cost of exchange on the remittance of the same to London, and the amount of the Bankers' commission in London on the payment of the interest on the Debentures issued on behalf of the Company.

As the Act of Parliament provides that the Debentures shall be sold by the Colonial Treasurer,



I am not aware that there are any other points on which information is required at present, but I shall be happy to receive the views of your Directors on any points that may be thought useful to enable me to negotiate the Loan to the best advantage.

I hope shortly to hear that the Directors are in a position to carry out this important undertaking, and with my earnest hope that the work will be successfully carried through.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Esq., Hon. Sec. Launceston and  
Western Railway Company, Launceston.*

## 10.

*Colonial Treasury, 26th November, 1867.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 9th instant, submitting for approval a form of Bond proposed to be given by the Directors of the Launceston and Western Railway Company to the Government.

In reply, I have the honor of informing you that I submitted your letter with the proposed form of Bond to the Hon. the Attorney-General, who informed me that Bonds taken in such a form would not be approved by the Law Officers of the Crown.

As I conclude your Directors will shortly be prepared to execute Bonds to the Government in accordance with the provisions of the Launceston and Western Railway Act, I would suggest your instructing the Solicitors of your Company to prepare drafts for three Bonds for One hundred thousand Pounds each, say each Bond for £100,000, to be dated 1st January, 1868, one payable on the first of January, 1894, the second on the first of January, 1896, and the third on the first of January, 1897, the interest thereon at the rate of six per cent. per annum being payable in advance half-yearly, on the first day of February and the first day of August in each year.

On receiving such drafts I will cause the same to be submitted for the approval of the Law Officers of the Crown, and on the same being approved will cause the same to be printed on vellum ready for execution by the Directors of the Company when required.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Junr., Esq., Hon. Sec.  
Launceston and Western Railway Company, Launceston.*

## 11.

*Launceston and Western Railway Company, Limited, November 26th, 1867.*

SIR,

ON the 9th instant I had the honor to address to you a letter on behalf of the Board of Directors with reference to the form of Bonds to be given to the Government under the Railway Act, and again on the 14th instant asking information as to the intentions of the Government on the payment of proceeds of Debentures to the credit of the Company, the mode of payment of interest, &c.,—to neither of which communications an answer has yet been received.

I am desired by the Board respectfully to call your attention to them, the Directors being anxious to attend at once to any preliminaries that may affect the prompt issue of Debentures so soon as the Company is in a position to apply to have it done.

I have, &c.,

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Treasurer.*

## 12.

*Answered by Telegram, 11 A.M. 27th Nov. 1867.*

I AM in receipt of your letter of the 26th instant, and have to refer you to my letters of yesterday's date, in reply to your letters of the 9th and 14th instant. I conclude my letter of the 26th instant reached you this morning.

THOS. D. CHAPMAN.

HENRY DOWLING, *Esq.*; *Launceston.*

## 13.

*Launceston and Western Railway Company, Limited, 27th November, 1867.*

SIR,

I HAVE the honor to acknowledge your letter of the 26th instant, in reply to mine of the 14th, and I will lay the same before the Directors at their next meeting on Tuesday.

2. It will save time, however, if you will reconsider your proposal as to the amount of interest to be reserved out of the proceeds of the Debentures for payment of interest during construction.

3. I beg respectfully to submit to your consideration the fact that the Railway Act provides that the "proceeds arising from the sale of the Debentures shall be paid into a bank to the credit of the Company and Commissioners," and that it does not contemplate such an appropriation as your letter intimates. The arrangement respecting payment of interest is open entirely for negotiation; and I have no doubt the Directors will be willing to have (say) 6 months reserved as you propose. It would be manifestly unnecessary for the security of the Crown, and certainly most prejudicial to the Company, that the very large sum of £54,000 should be locked up for the period you name, when it might be earning interest in the hands of the Company and Commissioners.

4. The whole spirit of the law is clearly that, until the Company fail to pay interest when due, the Government can take no action; but should such an exigency arise, that the Government are then to pay, and levy on the districts. I am sure, however, you will feel satisfied that the Directors will be anxious to provide the Government with the interest on their bonds sufficiently early in advance to meet the due payment of interest of the Government Debentures in London.

5. I beg, therefore, that I may submit to the Directors that 6 months' interest be left with the Government, out of the proceeds of Debentures in London, and no more; and that after the first payment of interest the regulation may come into operation which you propose shall commence in 1871.

6. You are mistaken as to the time deemed necessary for construction. The line can be opened within two years from the date of the issue of the Debentures.

I shall be glad of an early reply, as our Board meets this week.

I have, &c.,

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Treasurer.*

## 14.

*Launceston and Western Railway Company, Limited, 28th November, 1867.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 26th instant in answer to mine of the 9th, submitting a form of bond to be issued by the Company, and stating that the Attorney-General does not approve that form.

The form was taken, or rather adapted, from the tracing of the Melbourne Corporation Debenture, herein enclosed, and which form of security was issued for the Gabrielli Loan, the Government guaranteeing the interest.

I respectfully submit that it is impossible to instruct our Solicitors on the point, because we have

no clue to the form which will be satisfactory to the Attorney-General; and on behalf of the Directors I beg to request that the form required may be submitted by the Crown to the Directors. I understand that the bonds of Companies in England are after the form we have proposed, but I cannot find a copy.

Doubtless the Directors will be anxious to meet the wishes of the Government in the matter; and I shall be glad if the Attorney-General will decide the question prior to the weekly Board day, say Monday next, so that no time may be lost.

I am, &c.,

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Treasurer.*

## 15.

*Colonial Treasury, 30th November, 1867.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 27th instant in reference to the payment of interest on the Debentures during the construction of the Railway; and in reply I have the honor of informing you that the Government have reconsidered the question of the payment of the interest on the Debentures during the construction of the Railway, and that the Government will be prepared to pay over the net proceeds of the whole of the Debentures for £300,000 to such public Banking Company in London as the Directors of your Company may name for that purpose, on the understanding that the moneys so paid over are to be held by such Bank at the credit of your Directors and the Commissioners appointed under the Act, on condition that the Directors of your Company and the Commissioners undertake to pay to the credit of this Government at the Consolidated Bank in London on the 20th of June and the 20th December, during the years 1868, 1869, and 1870, a sufficient sum to meet the interest on the Debentures for £300,000 and other expenses in connection with the payment of the same, and on the further condition that the Directors and Commissioners will in future years pay the interest on the Debentures, together with exchange, &c., half-yearly to the Colonial Treasurer in Hobart Town on the first day of February and the first day of August in every year.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Jun., Esq., Hon. Secretary.*

## 16.

*Colonial Treasury, 30th November, 1867.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 28th instant in reference to the form of Bonds to be given by the Directors of your Company to the Government; and in reply I have the honor of informing you that I have submitted your letter to the Hon. the Attorney-General with the form of Bond you sent me, and I have to state that that Officer is not prepared to recommend that form for adoption by the Government in respect to the Bond to be taken from your Directors; and I must request that you will be good enough to instruct the Solicitors of your Company to prepare drafts of the Bond to be given by your Directors to the Government, and when prepared have them submitted to the Hon. the Attorney-General for approval on behalf of the Government. I return herewith the draft of the Melbourne Bond you sent to me; and in the hope that you will at once give instructions to the Solicitors of your Company to prepare the necessary draft Bonds, and thus prevent delay in carrying out your arrangements with the Government,

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Jun., Esq., Hon. Secretary Launceston and Western Railway.*

## 17.

*By Electric Telegraph, 11.55 P.M. 2 Dec. 1867.*

IN reply to your official, there can be no difficulty in the way of the Company paying in London if the Government have engaged to suspend their claim for payment of interest on the Bonds lodged with them during such payments in London.

*To the Hon. Colonial Treasurer.*

(Signed) H. DOWLING, *Launceston.*

## 18.

*Colonial Treasury, 2nd December, 1867.*

SIR,

I AM in receipt of your telegram of this morning stating there will be no difficulty in the way of the Company paying the interest on the Debentures in London, provided the Government engaged to suspend their claim for payment of interest on the Bonds lodged with them during such payment in London.

In reply I have to inform you, that on the Government receiving a letter from the Directors of the Company and Commissioners stating that provision has been made for the payment of the interest on the Debentures to the Bankers of the Government in London, no demand for interest will be made by the Government for the interest due on the Bonds.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Junr., Esq., Hon. Sec.*

*Launceston and Western Railway Company, Launceston.*

## 19.

*Launceston and Western Railway Company, Limited,  
3rd December, 1867.*

SIR,

I HAVE submitted to the Directors, at their weekly meeting to-day, your letters of the 26th and 30th ultimo and 2nd December, and I am instructed to say that they concur in the opinion I have had the pleasure of submitting to you in the correspondence referred to, and do not apprehend any difficulty in carrying out details.

The Solicitors have been instructed to prepare a draft Bond to be issued by the Company.

I have, &c.,

(Signed) H. DOWLING, *Hon. Sec.*

*The Hon. the Colonial Treasurer, Hobart Town.*

## 20.

*Launceston and Western Railway, 23rd December, 1867.*

SIR,

IN a telegram to Sir R. Dry, on Saturday, I promised to write the same evening, but pressure of business prevented this.

The Directors have to-day received such advice from the Union Bank, that I believe the whole question of the bank credit will be settled to-morrow's meeting.

If I can send telegram by noon to-morrow that all but the actual signature to the documents required has been completed, would you not feel at liberty to advise your London correspondents to issue a preliminary notice respecting the sale of Debentures, pending the final instructions by January mail?

I shall feel obliged by a telegram.

Yours very faithfully,

*The Hon. the Colonial Treasurer, Hobart Town.*

H. DOWLING, *Hon. Sec.*

MEMO.—The English Mail advertised to close to-day.—T. D. C.

*Colonial Treasury, 28th December, 1867.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 23rd instant, which was handed to me by the Hon. the Colonial Secretary on the morning of the 24th instant, while engaged preparing letters for transmission by the English Mail leaving this city on that day.

I should have been glad to have received advices from you in time to have enabled me to have advised the Bankers of the Government in London respecting the Railway Loan by the last mail. I hope, however, shortly to learn that you have completed your arrangements, and that I shall be able to forward the necessary instructions to the London Bankers for the Government for bringing the Loan forward by the mail leaving Hobart Town next month, as it is very desirable that advantage should be taken of the present state of the English money market for raising the funds required for the construction of your Railway.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Junr., Esq., Hon. Sec.*

*Launceston and Western Railway Company, Launceston.*

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22.

*Launceston and Western Railway Company, Limited,  
27th January, 1868.*

DEAR SIR,

A HOLIDAY occurs here to-morrow, I am sorry to say, and the Commissioners will not meet until Wednesday, in order to receive the necessary certificates to enable them to report finally. I trust we shall then be ready for them.

Meantime, I am instructed to bring certain matters under your notice with the view of enabling you to get your official arrangements in such a state of readiness for the mail, that on receipt of the necessary documents from the Commissioners and the Directors you can seal up your despatches and post them.

The Bond which was approved by the Hon. the Attorney-General has been engrossed, and will be sealed at the Board meeting to-morrow; and I then propose transmitting it to you that you may see that it is correct, and you can keep it.

We shall need a letter from you to the Government Agents authorising the payment of the proceeds of the Debentures, less £9000 coupons 1st July, 1868, to the Union Bank of Australia, in London, to the credit of the "Launceston and Western Railway Company, Limited, and the Commissioners appointed under the Act."

I trust that, as you do not feel at liberty to communicate with your London agents by way of Galle, that your instructions will arrange for the sale of Debentures, so that our agents may send a special late telegram, which generally gives us some fifteen days later from Europe.

I presume that the Board (to-morrow) will be desirous of communicating further with you respecting the sale of the Debentures, but meantime it has appeared to me to be desirable to address this much to you at once on their previous instructions.

The present mail leaving here February 1, *viâ* Marseilles, will be due in London about 14th March; and if three or four weeks' notice of sale is given, we may get a late telegram at Melbourne, 25th May, stating briefly the sale of these Debentures.

I enclose a printed paper (Victorian Loan) which may be useful to you, and which please return.

I presume that we shall have to sell carrying interest from 1st January.

Yours faithfully,

(Signed) H. DOWLING, *Hon. Sec.*

*The Hon. the Colonial Treasurer, Hobart Town.*

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## 23.

*Launceston Hotel, Launceston, 29th January, 1868.*

SIR,

I HAVE the honor to forward herewith my Report upon the Launceston and Western Railway, and to solicit the favor of your laying the said Report before His Excellency the Governor in Council.

I have, &c.,

(Signed) SAML. V. KEMP, *Commissioner Launceston and Western Railway.*

*The Hon. the Colonial Secretary.*

*Launceston Hotel, Launceston, 23rd January, 1868.*

SIR,

I HAVE the honor to present to Your Excellency my Report upon the cost of constructing the Launceston and Western Railway, and to inform you that I have inspected the country to be traversed by the proposed line of Railway. I have also examined the plans, specifications, and schedules of quantities furnished by the Company's Engineer; and I have made a careful and sufficient estimate of the cost of constructing the said Railway and works; and I find that the line can be opened for public traffic for a sum not exceeding £350,000.

I have, &c.,

(Signed) SAML. V. KEMP, *Commissioner Launceston and Western Railway.*

*His Excellency the Governor in Council.*

## 24.

TELEGRAM.

SIR,

REPRESENTATIONS having been made that it is probable that the credit granted by the bank will be clogged with conditions as to the time of drawing the £50,000, &c., it is my duty to inform you that, in order to satisfy the Governor in Council, nothing less than an unconditional credit for the £50,000 can be accepted. The terms of the Act are clear upon this point. The Commissioners are requested to enquire into this matter, and to report specially upon it for the information of the Governor.

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*  
11.30 A.M. *Wednesday, 29th January, 1868.*

*The Hon. F. M. INNES, Commissioner Launceston and Western Railway Company, Launceston.*

"Immediate."

Copy of the above sent by post to Mr. Innes at Launceston.—T. D. C.

## 25.

*Launceston, 29th January, 1868.*

SIR,

IN answer to your Telegram of this date, I have the honor to transmit copies of the certificates demanded by us as Commissioners under the Launceston and Western Railway Act from the Company:—

1. "I being the Manager of the Bank of , in Tasmania, do hereby certify that the sum of £50,000 (fifty thousand pounds) has been paid into the said Bank to the credit of the Launceston and Western Railway Company, Limited, or of the Commissioners under the Launceston and Western Railway Act."

2. "I hereby certify that £50,000 (fifty thousand pounds) has been subscribed by the shareholders of this Company, and that the sum of fifty thousand pounds has been paid into the Union Bank of Australia, at Launceston, to the credit of the said Company and the Commissioners appointed by the Governor, in pursuance of the provisions of the 30th Victoria, No. 20."

(Signed by Chairman of the Company.)

I have, &c.,

*The Hon. the Colonial Treasurer.*

(Signed) FRED. M. INNES.

10

26.

*Launceston and Western Railway Company, Limited, 29th January, 1868.*

SIR,

THE report of the Commissioners will reach you, I trust, at the latest Friday morning; and in order to facilitate matters with reference to the Railway Bond, I enclose the same duly sealed and attested, and forward the draft for comparison, which please return.

Presuming that the Debentures which are to be exchanged for this Bond will be sent home this mail, I am directed to say that, whilst from the encouraging state of the English market there may be little danger of any depreciation, the Directors trust that you will instruct your agents that in the event of this the minimum price for the amount of the Company's Debentures shall not be fixed so low as to embarrass the Company in their operations.

I am further instructed to request that you will instruct your agent forthwith to pay the proceeds of the Company's Debentures into the Union Bank of Australia to the credit of the Launceston and Western Railway Company and the Commissioners appointed under the Act, less £9000 for coupons due July, 1868, and any commissions you may have agreed.

It will be of the greatest value to the Company if you can give instructions for the advertising the sale so that the tenders may be opened at a date in April which will give the opportunity to our correspondents to transmit a telegram to Galle for the mail steamer arriving in Melbourne 4th June, as this will give us intelligence which, by the loss of a day, may not reach us until the 2nd July.

The probability is that the present mail via Marseilles (and I presume you adopt this route) will reach London about the 24th or 26th March; and that the mail due here 4th June will leave London about 18th April; and that a Galle telegram sent about the 30th will consequently reach here 4th June. This arrangement, if my dates are correct, will leave from three to four weeks for advertising for tenders.

In anticipation of your being able to do this the Company have made arrangements for getting the telegram.

I have, &c.,

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Treasurer.*

27.

BY ELECTRIC TELEGRAPH.

*Colonial Treasury, 11 A.M. 30th January, 1868.*

SIR,

YOUR letter of yesterday, with form of certificate required by you from the Manager of the Bank, is before me, and I have to state that the same will be satisfactory with the addition of the following words, viz.,—"And the said sum of fifty thousand pounds is now held at their disposal."

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

"Immediate."

*The Hon. F. M. INNES, Commissioner Launceston and  
Western Railway Company, Launceston.*

28.

BY ELECTRIC TELEGRAPH.

*Colonial Treasury, 1.30 P.M. 30th January, 1868.*

DID you receive the Telegram I sent you at 11 o'clock this morning? Have you received the certificate from the Union Bank of Australia that the sum of fifty thousand pounds has been received by the Bank for account of the Railway Company and the Commissioners, and that the said sum of fifty thousand pounds is now held at the disposal of the Railway Company and Commissioners? I shall be glad to receive a reply at your early convenience.

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

*The Hon. F. M. INNES, Commissioner Launceston and  
Western Railway Company, Launceston.*

*Colonial Treasury, 30th January, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of yesterday's date covering the Bond for £300,000 (say three hundred thousand pounds) from the Launceston and Western Railway Company to Her Majesty the Queen; and I note that I may expect to receive by the mail arriving here to-morrow morning the Report and Certificate from the Railway Commissioners as required by the Launceston and Western Railway Company's Acts.

On receipt of the Report and Certificate from the Commissioners no time will be lost in bringing the subject under the consideration of His Excellency the Governor in Council, with the view of sending the instructions to London for negotiating the Loan by the outgoing mail on Saturday next.

I have, &c.,

(Signed)

THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Junr., Esq., Hon. Sec. Launceston and Western Railway Company, Launceston.*

*Launceston, 30th January, 1868.*

SIR,

WE have the honor to report for the information of the Governor in Council, in accordance with the 4th and 7th Sections of "The Launceston and Western Railway Act, No. 2," that the sum of £50,000 has been subscribed and paid into the Launceston Branch of the Union Bank of Australia to the credit of the Launceston and Western Railway Company and of the Commissioners under the above-mentioned Act,—in support of which we annex copies of two communications addressed to us respectively by the Chairman of the Launceston and Western Railway Company, and the Manager of the Launceston Branch of the Union Bank of Australia.

We have, &c.,

(Signed)

SAML. V. KEMP,

FRED. M. INNES,

THEODORE BARTLEY,

} *Commissioners appointed under the Launceston and Western Railway Act, No. 2.*

*His Excellency the Governor in Council.*

*Launceston and Western Railway Company, Limited,  
30th January, 1868.*

GENTLEMEN,

I BEG herewith to transmit to you for your information and report to the Governor, in pursuance of the Railway Acts, the letters of the Chairman of the Company, and of the Manager of the Union Bank of Australia, with reference to the moneys required to be paid into a Bank in Tasmania to credit of the Company and Commissioners; and have respectfully to ask you to report as early as possible in order to save the outgoing London Mail.

Yours faithfully,

(Signed) H. DOWLING, *Hon. Sec.*

*The Commissioners Launceston and Western Railway.*

*Launceston and Western Railway Company Limited,  
30th January, 1868.*

GENTLEMEN,

I HAVE to inform you that fifty thousand pounds (£50,000) have been subscribed by the Shareholders of this Company; and that the sum of fifty thousand pounds (£50,000) has been paid into the Union Bank of Australia at Launceston to the account of the said Company and of the Commissioners appointed by the Governor in pursuance of the provisions of the 30th Victoria, No. 28.

(Signed) W. S. BUTTON, *Chairman.*

*To the Railway Commissioners.*



*Union Bank of Australia, Launceston, 30th January, 1868.*

GENTLEMEN,

THE sum of fifty thousand pounds (£50,000) has been paid into the account of the Launceston and Western Railway Company, Limited, and the Commissioners for the time being appointed under "The Launceston and Western Railway Act, No. 2," at their joint disposal.

I am, &c.,

(Signed) JOHN T. SALE, *Manager.*

*To the Railway Commissioners, Launceston.*

### 31.

BY ELECTRIC TELEGRAPH,

*Launceston, 2.50 P.M. 30th January, 1868.*

WE have received a Certificate that the sum of £50,000 has been paid into the account of the Launceston and Western Railway Company, Limited, and the Commissioners for the time being appointed under the Launceston and Western Railway Act, No. 2, at their joint disposal. This Certificate is signed by John Sale, Manager of Union Bank. I leave by Mail, and will wait upon you to explain anything requiring to-morrow morning. The Official Reports will reach you per post.

F. M. INNES.

*The Honorable Colonial Treasurer.*

### 32.

MEMORANDUM.

THE Colonial Treasurer having received from the Secretary of the Launceston and Western Railway Company a Bond for £300,000 dated 29 January, 1868, begs to forward the same to the Honorable the Attorney-General for perusal; and will feel obliged by the Attorney-General informing him, at his earliest convenience, whether the Bond is properly executed in compliance with the provisions of the Launceston and Western Railway Acts of Parliament, and whether the Governor in Council will be now justified in issuing Debentures for £300,000 on receiving from the Railway Commissioners the necessary Certificates required to be given by those gentlemen.

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*  
*Colonial Treasury, 30th January, 1868.*

*The Honorable the Attorney-General.*

I AM of opinion that the Bond is properly executed, and that upon compliance with the other terms of the Act the Governor in Council may issue Debentures to the amount of £300,000.

(Signed) W. L. DOBSON.  
*30th January, 1868.*

### 33.

*Launceston, 30th January, 1868.*

SIR,

By this post you will be put in possession of the Report required under the 7th Section of the Act, 30 Victoria, No. 28, to the effect that the Launceston and Western Railway "can be opened for traffic for a sum not exceeding £350,000." We deem it due to ourselves as Commissioners subscribing the Report referred to, at this early stage in our proceedings, to guard against the contingency of an actual expenditure in excess of £350,000, on the projected Railway being intepreted at a future period as impeaching that Report. The 7th Section of "The Launceston and Western Railway Act" contemplates the *necessary* outlay in the construction of the line; but neither that Section nor any other so restrains the discretion of the Company as to the scale and mode in which the undertaking shall be carried out as to obviate the possibility of the actual expenditure exceeding the sum stated.

We have, &c.,

(Signed) FRED. M. INNES.  
THEODORE BARTLEY.

*To the Hon. the Colonial Secretary.*

Launceston, 30th January, 1868.

SIR,

WE have the honor to forward, for the information of the Governor in Council, our Reports, Nos. 1 & 2, as Commissioners under "The Launceston and Western Railway Act, No. 2," Section 7.

We have, &amp;c.,

(Signed)

SAML. V. KEMP.

FRED. M. INNES.

The Hon. the Colonial Secretary.

To His Excellency the Governor in Council.

WE the undersigned, the Honorable Frederick Maitland Innes and Theodore Bartley, Esquire, two of the Commissioners appointed under "The Launceston and Western Railway Act, No. 2," have the honor to report for the information of His Excellency the Governor in Council,—

1st. That, in conjunction with our professional fellow Commissioner, Samuel Valentine Kemp, Esquire, we have carefully examined the Plans, Specifications, and Estimates of the said Railway and Works, which appear to us to have been most carefully and accurately prepared.

2nd. That we have had before us a letter from W. T. Doyne, Esquire, Engineer in Chief to the Launceston and Western Railway Company, addressed to the Commissioners, dated the 5th day of November last, (a copy of which is hereunto annexed marked A) informing the Commissioners that by a most careful estimate made and gone over a second time by him,—such estimate being based upon the most liberal prices, and embracing a sum of £15,000 to cover unforeseen contingencies,—the said "Launceston and Western Railway" can be opened for traffic for a sum not exceeding £350,000.

3rd. That we have received from our said professional coadjutor, Mr. Kemp, a copy of a Report dated the 23rd day of January instant, addressed by him to His Excellency the Governor in Council, stating that the said Railway can be opened for traffic for a sum not exceeding the said sum of £350,000,—a copy of which Report, marked B, is also hereunto annexed; and Mr. Kemp having carefully gone over with us and explained in detail the whole of the estimates and calculations upon which he based such Report, we, the said two Commissioners, having so carefully examined the Plans, Specifications, and Estimates of the said Railway and Works, and having so availed ourselves of the best professional information obtainable by us upon the question of the cost of the construction of the said Railway, do hereby certify and report that, relying upon such professional information, and upon the accuracy of the said Plans, Specifications, and Estimates so submitted to and examined by us, we coincide with our said professional coadjutor, Mr. Kemp, and are of opinion that the said Railway can be opened for traffic for a sum not exceeding the said sum of £350,000, (three hundred and fifty thousand pounds.)

And we do also hereby certify that the said estimates and calculations so gone over with and explained to us by Mr. Kemp have been by us the said Commissioners enclosed in an envelope and sealed up to be held as a record.

Given under our hands at Launceston this thirtieth day of January, 1868.

(Signed)

FRED. M. INNES,

THEODORE BARTLEY,

} Commissioners under "The Launceston and Western Railway Act."

A.

(Copy.)

Launceston and Western Railway, Engineer's Office,  
Launceston, Tasmania, 5th November, 1868.

GENTLEMEN,

IN reply to the inquiries 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.

I have, &amp;c.,

(Signed)

W. T. DOYNE, Engineer-in-Chief.

To the Commissioners.

B.

(Copy.)

Launceston Hotel, Launceston, 23rd January, 1868.

SIR,

I HAVE the honor to present to Your Excellency my report upon the cost of constructing the Launceston and Western Railway, and to inform you that I have inspected the country to be traversed by the proposed Line of Railway. I have also examined the plans, specifications, and schedules of quantities furnished by the Company's Engineer. And I have made a careful and sufficient estimate of the cost of constructing the said Railway and Works, and I find that the line can be opened for public traffic for a sum not exceeding three hundred and fifty thousand pounds (£350,000):

I have, &amp;c.,

(Signed)

SAML. V. KEMP, Commissioner Launceston and Western Railway.

To His Excellency the Governor in Council.

14

35.

BY ELECTRIC TELEGRAPH.

*Launceston, 1.55 P.M. 30th January, 1868.*

I HAVE this morning paid in a cheque for the full amount to the Company and Commissioners' account, at their joint disposal, and have handed the latter receipt of the Union Bank. I suppose the Colonial Treasurer will hear from the Commissioners in course.

(Signed) H. DOWLING.

Sir R. DRY.

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36.

BY ELECTRIC TELEGRAPH.

*Launceston, 12.47 P.M. 30th January, 1868.*

HAVE just paid into the Union Bank the £50,000.

(Signed) JOHN CROOKES.

Sir RICHARD DRY.

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37.

BY ELECTRIC TELEGRAPH.

*Hobart Town, 4 P.M. 31st January, 1868.*

Is the power of the Company and the Commissioners to deal with the £50,000 unfettered by any condition or agreement entered into between the Company and the Bank? If so, send copy by mail to-night, or by telegram; in any case a short telegram, yes or no.

(Signed) RICHARD DRY.

H. DOWLING, *Esq.*

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38.

BY ELECTRIC TELEGRAPH.

*Launceston, 5.35 P.M. 31st January, 1868.*

THE £50,000 was paid into the Bank by a cheque absolutely at the joint disposal of the Company and Commissioners, and the account fettered by no conditions.

(Signed) H. DOWLING.

*The Honorable Colonial Secretary.*

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39.

MINUTE PAPER FOR THE EXECUTIVE COUNCIL.

*Colonial Treasury, Hobart Town, 31st January, 1868.*

SUBMITTED—That as the Directors of the Launceston and Western Railway Company have complied with the conditions provided by the Launceston and Western Railway Acts, as to the raising of the sum of Fifty thousand Pounds by subscription, and the payment of the sum of Fifty thousand Pounds to the credit of the Launceston and Western Railway Company and the Commissioners at the Union Bank of Australia, and also lodged with the Colonial Treasurer a Bond executed by the Company for securing the due payment of the sum of Three hundred thousand Pounds, by instalments in the years 1894, 1896, and 1897, with interest thereon at the rate of Six per cent.

per annum, the Colonial Treasurer be authorised to forward Tasmanian Government Debentures for the sum of Three hundred thousand Pounds to the bankers of the Government in London for sale in the usual way; and that the Colonial Treasurer be authorised to pay over the proceeds of the said Debentures to the Union Bank of Australia for account of the Launceston and Western Railway Company and the Commissioners of the said Company.

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

THE Governor in Council approves.

E. C. NOWELL,  
June 31, 1868.

*The Honorable Colonial Treasurer.*

## 40.

SUBMITTED—1. That the Report of the Commissioners appointed under the 30th Vict., No. 8, with the letters addressed to the said Commissioners by the Chairman of the Launceston and Western Railway Company, and the Manager of the Launceston branch of the Union Bank, respectively, prove to the satisfaction of the Governor in Council that the requirements of the said Act as to the sum of £50,000 being subscribed and paid into a Bank have been complied with.

2. That as the Report of Messrs. Innes and Bartley, with the separate Report of Mr. Kemp, and the letter from Mr. Doyne appended thereto, show that the plans, specifications, and estimates of the Launceston and Western Railway are sufficient and reasonable, and that the line may be opened for traffic for a sum not exceeding £350,000, the Colonial Secretary be authorised to signify the approval of the Governor in Council of the said railway and works being commenced.

(Signed) RICHARD DRY.

31st January, 1868.

THE Governor in Council approves.

E. C. NOWELL,  
31st January, 1868.

*The Honorable the Colonial Secretary.*

FORWARDED to the Honorable Colonial Treasurer.

RICHARD DRY.  
3rd February, 1868.

## 41.

*Colonial Secretary's Office, 1st February, 1868.*

SIR,

I HAVE the honor to inform you that the Commissioners appointed under the Act 30th Victoria, No. 28, have reported that the sum of £50,000 has been subscribed and paid into a Bank to the credit of the Launceston and Western Railway Company and the Commissioners, and that the Railway can be opened for a sum not exceeding £350,000. Such Reports having been deemed satisfactory by the Governor in Council, the Company is now at liberty to commence and proceed with the said Railway and Works.

I have, &c.,

(Signed) RICHARD DRY.

*The Secretary to the Launceston and Western  
Railway Company.*

## 42.

*Colonial Treasury, 3rd February, 1868.*

SIR,

I HAVE the honor of informing you that by the outgoing Mail for London *via* Marseilles, which left Launceston for Melbourne this morning, I had the honor of forwarding the necessary instructions to the Bankers for this Government in London to bring forward the Railway Loan for £300,000 by Public Tender in the usual way.

Assuming that the Debentures with the instructions will reach the Bankers on or about the

23rd of March next, I expressed a hope that the Loan would be offered by Public Tender during the last week in April, and the result telegraphed *via* Galle, by the Australian Mail Steamer leaving that Port for Melbourne on the 13th May next. If all goes well, therefore, we may hope to hear the result by the Mail due in Launceston on the 5th June next.

I shall have occasion to address you again in a day or two on one or two matters which require attention, meanwhile

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Esq., Honorary Secretary Launceston and Western Railway Company, Launceston.*

## 43.

*Launceston and Western Railway Company, Limited, 21st February, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 19th instant, covering a demand on this Company for the sum of £564 19s. 11d., charges made by the Returning Officer appointed by the Government to take the Poll of the Districts under the Railway Act.

I will submit your letter and its enclosures to the Board of Directors: meantime I beg to call your attention to the fact that certain Office Materials appear in Messrs. Walch's account which cannot have been used up by the Officer in question, and which the Directors will certainly regard as the property of the Company, to be handed to them or otherwise accounted for.

I have, &c.,

(Signed) H. DOWLING, *Hon. Sec.*

*The Hon. the Colonial Treasurer, Hobart Town.*

Forwarded to the Hon. the Colonial Secretary, who will be good enough to order an enquiry as to whether the Despatch Box and other articles have been returned to the Colonial Secretary's Office by Mr. Yates, the Returning Officer,—and if not, that he should be applied to, and requested to return all the Articles unexpended.

THOS. D. CHAPMAN.

2. 3. 68.

## 44.

BY ELECTRIC TELEGRAPH.

12.45 P.M. 29th February, 1868.

HOPE instructions go to-day for payment to Union Bank, London, proceeds Debentures less Commissions and July Coupons. Reply.

I have, &c.,

(Signed) H. DOWLING, *Launceston.*

T. D. CHAPMAN, *Esq.*

## 45.

1 P.M. 29th February, 1868.

INSTRUCTIONS have been forwarded to the Consolidated Bank, and the Bank of New South Wales in London, each to pay over £100,000 out of the proceeds of the Loan to the Union Bank of Australia, London, for account of the Launceston and Western Railway Company and the Commissioners appointed under the Launceston and Western Railway Act. Advices respecting the payment of the remainder will be sent by some future Mail.

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Esq., Honorary Secretary Launceston and Western Railway Company, Launceston.*

*Colonial Treasury, 2nd March, 1868.*

SIR,

I HAD the honor of addressing you on the 3rd ult. informing you that Tasmanian Government Debentures for £300,000 had been forwarded to the Bankers of the Government in London, and that I expected they would be offered for sale by public tender in the usual way towards the end of April, and that I anticipated receiving a telegram early in June informing me of the result of the tenders.

In reply to your telegram on Saturday last, I informed you that instructions had been forwarded to the Consolidated Bank, and the Bank of New South Wales in London, each to pay over the sum of £100,000 to the Union Bank of Australia in London, for "account of the Launceston and Western Railway Company and the Commissioners appointed under the Launceston and Western Railway Act," and that instructions respecting the payment of the balance of the proceeds would be sent by some future mail.

Before giving instructions to the Bankers in London for paying over the balance of the net proceeds of the Debentures for £300,000, I am desirous that satisfactory arrangements shall be made by the Railway Company and the Commissioners for the payment of the interest on the Debentures during the construction of the railway; and I beg to refer you to my letter of the 30th November last on this subject, by which you will see that the Government require a memorandum signed by the Directors of the Company and the Commissioners stating that they have made satisfactory arrangements with the Union Bank of Australia to pay into the Consolidated Bank, Threadneedle-street, London, to the credit of the Government of Tasmania the sum of £9000 on the 20th December, 1868, to provide for the half year's interest on the Debentures due on the 1st January, 1869; a like sum on the 20th June, 1869, to provide for the half year's interest due 1st July, 1869; a like sum on the 20th December, 1869, to provide for the half year's interest due on the 1st January, 1870; a like sum on the 20th of June, 1870, to provide for the half year's interest due on the 1st of July, 1870; and a like sum on the 20th December, 1870, to provide for the half year's interest due on the 1st January, 1871; and further, that the Company and Commissioners will from time to time, on demand by the Government, pay into the Colonial Treasury the Commission allowed to the Bankers in London for paying the interest on the Debentures, and also any sums that may at any time be paid by the Government by way of premium on the drafts that may from time to time be remitted to London by the Government to provide for the payment of the interest on the Debentures for £300,000.

On receiving a memorandum from the Company and the Commissioners that they have made such an arrangement with the Union Bank of Australia as above, and a further memorandum from the Company and the Commissioners that they will from time to time, on demand, repay to the Government the commission paid by the Government to the London Bankers for paying the half-yearly interest, and the premium paid on drafts that may have to be sent home from time to time for payment of interest, instructions will be sent to the London Bankers of the Government to pay over to the Union Bank of Australia in London, for "account of the Launceston and Western Railway Company, and the Commissioners appointed under the Launceston and Western Railway Act," the balance of the proceeds of the Debentures for £300,000, less £9000 to be retained by the Government for meeting the half year's interest due on the Debentures on the 1st July next, and also sufficient to repay the Government for the cost of negotiating the loan for £300,000 in London, viz., Banker's Commission, Brokerage, Stamps, Advertising, &c.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Junr, Esq., Hon. Sec., Launceston and Western Railway Company, Launceston.*

*Colonial Secretary's Office, 5th March, 1868.*

SIR,

THE Launceston and Western Railway Company, upon being called upon to reimburse the Government for the expenses attending the taking of the poll of the Railway Districts under the Act, have forwarded the enclosed list of articles which were supplied to you on the occasion, and which they now request may be handed over to the Company as being their property, or be otherwise accounted for. The Colonial Secretary has therefore to request that you will return to this Office all unexpended articles enumerated in the list.

I have, &c.,

(Signed) B. T. SOLLY.

R. C. YATES, *Esq.*

MEMO.

LIST of Articles referred to.

	£	s.	d.
Despatch box and cover.....	4	5	0
Demy blotting and lock.....	0	10	0
Twelve-inch ebony ruler.....	0	3	6
Perry's pencil and penknife.....	0	5	0
Two Perry's inkstands, spring.....	0	7	0
One inkstand.....	0	6	0
One paper weight.....	0	3	0
One wafer stamp.....	0	2	0
Together.....	£6	1	6

48.

*Launceston and Western Railway Company, Limited, 6th March, 1868.*

SIR,

WE hereby undertake that out of the proceeds of the £300,000 Debentures to be paid into the Union Bank of Australia, London, to the joint credit of the Company and Commissioners, in pursuance of the provision contained in the Launceston and Western Railway Act, No. 3 (less coupons due in July, 1868, and charges paid for negotiation of the Loan), we will cause to be paid at the Consolidated Bank in London, to the credit of the Tasmanian Government, the amount of interest on the said Debentures, and on the dates named in your letter of 30th November last, namely, the 20th December and 20th June in each year during the period of construction of the works.

And we further undertake to repay to the Government all reasonable commissions paid by them to their London agents for paying half-yearly coupons, and also the premiums paid on drafts which may from time to time be sent home for payment of interest on the said Debentures; it being understood and agreed that such payment of interest in London releases the Company from their obligation to pay interest at the Treasury, Hobart Town, in terms of the Company's Bond held by the Government.

By Order of the Board,

(Signed) H. DOWLING, *Secretary,*  
(For the Chairman, absent.)

*The Hon. the Colonial Treasurer, Hobart Town.*

49.

*Launceston and Western Railway Company, Limited, 6th March, 1868.*

SIR,

WE hereby undertake that out of the proceeds of the £300,000 Debentures to be paid into the Union Bank of Australia, London, to the joint credit of the Company and Commissioners in pursuance of the provision contained in the Launceston and Western Railway Act, No. 3 (less coupons due in July, 1868, and charges paid for negotiation of the Loan), we will cause to be paid at the Consolidated Bank in London to the credit of the Tasmanian Government the amount of interest on the said Debentures, and on the dates named in your letter of 30th November last, namely, the 20th December and 20th June in each year during the period of construction of the works.

And we further undertake to repay to the Government all reasonable commissions paid by them to their London agents for paying half-yearly coupons, and also the premiums paid on drafts which may from time to time be sent home for payment of interest on the said Debentures; it being understood and agreed that such payment of interest in London releases the Company from the obligation to pay interest at the Treasury, Hobart Town, in terms of the Company's Bond held by the Government.

We have, &c.,

(Signed) W. S. BUTTON, *Chairman.*  
H. DOWLING, *Secretary.*  
SAML. V. KEMP, } *Commissioners.*

*The Hon. the Colonial Treasurer, Hobart Town.*

19

50.

*Launceston and Western Railway Company, Limited, 7th March, 1868.*

SIR,

I HAVE the honor to acknowledge receipt of your letter of the 2nd instant, with reference to the proposed payment of interest on Debentures in London in lieu of the payment of interest on the Company's Bonds in Hobart Town.

I have laid the same before the Board of Directors, and am instructed respectfully to protest against the control the Government propose to exercise over the proceedings of the Company and Commissioners. They are of opinion that the 31st Victoria, No. 43, is so explicit that you are not authorised to withhold any portion of the proceeds of the Debentures from the credit of the Company and Commissioners.

The requirements of the law would be met by the Company paying interest at the Colonial Treasury, Hobart Town, on the due dates of the Bonds accepted in exchange for the Debentures, and now held by the Government.

To prevent, however, all unnecessary trouble to the Government, and to avoid accounts for exchanges which would arise out of a strict observance of the legal obligations of the Company in the matter of the payment of interest during the construction of the works, the Directors are willing (and they presume the Commissioners will unite if necessary) to enter into the enclosed undertaking, which is in terms of your letter of the 30th November last.

The Directors wish me to say, further, that whilst the Commissioners are trustees for the Government, they stand in precisely the same relation to the Company; and until the proceeds of the Debentures are in their custody, jointly with the Company, the Directors will not feel it safe to commence their contract expenditure out of their £50,000 capital. It is therefore most desirable, to prevent further delay in the work, that the April mail should convey your instructions for payment to the credit of the Company and Commissioners of the remaining portion of the proceeds of the Debentures, less the £9000 for July coupons and cost of negotiation of the Loan.

The Board will be glad to learn, by return post, the terms arranged by the Government with their London agents; and also that, on behalf of the Government, you accept the enclosed undertaking.

I have, &c.,

(Signed) H. DOWLING, *Hon. Sec.*

*The Hon. the Colonial Treasurer, Hobart Town.*

51.

*Launceston, 7th March, 1868.*

SIR,

SINCE writing and submitting to the Board my letter of this morning, it has occurred to me that you may deem the official undertaking of the Board of Directors sufficient, without the actual signatures of the Commissioners.

Mr. Kemp will not be here before the outgoing mail; Mr. Bartley is away; I could have sent it to Mr. Innes, but then his alone would not be sufficient.

I have therefore ventured to send it on as it is—the undertaking of the Board, by absolute resolution recorded in their minutes. If approved, and you desire to still have the Commissioners, I can get them in a few days at farthest.

The Commissioners refusing to countersign the Company's cheques for interest to the Government, would subject themselves, very properly, to dismissal under the authority vested in the Governor in Council.

Your obedient Servant,

(Signed) H. DOWLING, *Secretary.*

*Hon. T. D. CHAPMAN, Esq.*



20

52.

*Colonial Treasury, 9th March, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 7th instant, in reply to my letter of the 2nd instant, in reference to the payment of the interest on the Debentures for £300,000 during the construction of the line, and your observations on the proposals made by me have had my careful consideration.

As the interest on the Company's Bonds is payable in Hobart Town on the 1st of February and 1st of August, and the interest on the Debentures is payable in London on 1st of July and 1st of December, it becomes necessary for the Colonial Treasurer to see that satisfactory arrangements are made for the payment of the interest in London during the construction of the line; and I anticipated that the arrangements proposed by me in my letter of the 2nd instant would have been readily accepted by the Directors and Commissioners of your Company, seeing that the Company and Commissioners were only requested to arrange with the Union Bank of Australia to pay (out of funds lodged in that Bank at interest) to the Consolidated Bank for account of the Tasmanian Government on the 20th of June and the 20th of December in every year a sufficient sum to meet the interest falling due on the 1st of July and 1st of December in every year.

I have before me the draft of a letter which you inform me the Directors of your Company propose sending to me; and as that letter contains an engagement on the part of the Company to provide for the payment of interest in London, and for paying the Banker's Commission and Exchange, &c. as proposed by me, I have the honor of informing you that on receiving such a letter signed by the Chairman of your Company, and by yourself as Secretary, and by all the Commissioners, I shall be prepared, on behalf of the Government, to forward instructions to the Bankers of the Government to pay over the balance of the Debentures to the Union Bank of Australia in London.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Junr., Esq., Hon. Sec. Launceston and  
Western Railway Company, Launceston.*

53.

*Launceston and Western Railway Company, Limited, 26th March, 1868.*

SIR,

REFERRING you to my letter of the 7th instant, and to yours of the 9th in reply, I have the honor to report that the Commissioners have not yet agreed to sign the agreement proposed by the Directors, and that the question remains in discussion between the Directors and those gentlemen.

The arrangement is not likely to be settled prior to the closing of the mail for England; and if, therefore, you think it necessary to retain the sum for interest in the hands of the agents to the Government, you will perhaps direct payment of the remainder of the proceeds of the Debentures to the credit of the Company and Commissioners by the outgoing mail, leaving open the future disposition of the sum at present retained by you.

I have, &c.,

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Treasurer, Hobart Town.*

54.

*Launceston and Western Railway Company, Limited, 28th March, 1868.*

GENTLEMEN,

As the various conferences and communications of the past three or four days, having reference to my letter of the 21st instant, and to yours in reply of the 23rd instant, have failed to produce any practical results, I have the honor now to advise you that at the Board meeting on Tuesday last your communication was read and entered on the minutes.

The question between the Directors and yourselves is, it appears to me, scarcely understood. If it were, I cannot conceive that, with the information you possess, you would refuse longer to accede to the wishes of the Colonial Treasurer.

The terms proposed by you, upon which you are willing, you say, to sign the proposed undertaking about the payment of interest during construction, cannot be conceded.

You have before you officially, and reiterated in various ways, the fact that our Engineer's calculations of cost included the payment of interest ; and if you object, I submit it is for you to show that these are in error.

I must say, on a review of all the facts, that your refusal to sign the proposed stipulation to the Government appears to me inexplicable ; and though, in the first instance, the Board of Directors thought it their duty to protest against the decision of the Colonial Treasurer as being, in their opinion, contrary to the terms of the Act, I conceive that now, under the circumstances of your refusal to unite with the Board, the Directors will feel that he really stands in the position of a Responsible Officer of the Crown, only duly protecting the public credit from the risk of injury on the London market, which would of course be the effect of any delay in payment occurring at the moment when the interest should be remitted, arising out of controversies between yourselves and the Directors.

I have, &c.,  
(Signed) H. DOWLING, *Hon. Secretary.*

*The Railway Commissioners, Launceston.*

## 55.

*Colonial Treasury, 9th April, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 26th ult., which reached me in due course, and in reply I have the honor of informing you that by the outgoing mail for London, via Marseilles, on the 28th ult., I forwarded instructions to the Manager of the Bank of New South Wales, London, to pay over to the Union Bank of Australia, London, the sum of £40,000 (say forty thousand pounds) out of the proceeds of the Debentures forwarded to the Bank of New South Wales for sale.

In my letter of the 2nd ult. I informed you that instructions had been sent to the Bankers for the Government in London to pay over the sum of £200,000 (say two hundred thousand pounds) to the Union Bank of Australia in London. You will, therefore, please to note that out of the proceeds of the Government Debentures for £300,000 forwarded to London for sale, the total sum of £240,000 (say two hundred and forty thousand pounds) will be paid over to the Union Bank of Australia, London, for account of "the Launceston and Western Railway Company, Limited, and the Commissioners appointed under the Launceston and Western Railway Act," and that such payments will be made to the Union Bank of Australia as early as possible after the sale of the Debentures.

I have, &c.,  
(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Esq., Hon. Sec. Launceston and  
Western Railway Company, Launceston.*

## 56.

*Launceston and Western Railway Company, Limited, 13th April, 1868.*

SIR,

I HAVE the honor to remind you that on the 7th ult. I wrote you to say that the Directors will be glad to know the terms made by this Government with their London agents for the negotiation of the sale of Debentures, payment of Coupons, &c., and you will oblige me by furnishing this information as early as possible.

Your letter of the 9th instant came in due course, and will be read to the Board at their weekly meeting to-morrow.

I have, &c.,  
(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Treasurer, Hobart Town.*

## 57.

*Launceston and Western Railway Company, Limited, 15th April, 1868.*

SIR,

I HAVE the honor to acknowledge your letter of the 9th inst., in which you inform me that by the Mail for London, via Marseilles, on the 28th ultimo, you have forwarded instructions to the Bank of New South Wales in London to pay over to the Union Bank of Australia there the sum

of £40,000, say forty thousand pounds, out of the proceeds of the Debentures forwarded to the Bank of New South Wales for sale, making the sum of £240,000 to the account of the Company and Commissioners out of the sum of £300,000 of Debentures issued in exchange for the Company's Bonds.

At the weekly meeting of Directors held yesterday I submitted your letter, and I was instructed to renew the protest contained in my letter of the 7th ultimo against the course you have adopted with reference to the proceeds of the Debentures; and I am to advise you that, on behalf of the Company, the Directors will hold the Government responsible for any pecuniary loss which the Company may suffer, arising from their being deprived of the use, at interest, of so large a sum as £60,000, and of any further sum, arising from the premium at which the Debentures may sell.

I have, &c.,

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Treasurer, Hobart Town.*

## 58.

*Colonial Treasury, 17th April, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 13th inst., requesting me to inform you the terms made by the Government for negotiating the sale of the Government Debentures for £300,000 forwarded to London for sale; also the probable charge for the payment of the half-yearly Coupons, &c.

In reply I have the honor of informing you that the Government have made no special arrangements with their Bankers for negotiating the Loan referred to, but the Government confidently rely on their London Bankers bringing forward the Loan in the usual way, in compliance with the instructions forwarded to them; and I anticipate their accounts current, when received, will show their charges for negotiating the Loan in accordance with the charges made for negotiating the *Public Works Loan*, last year, viz.—Banker's Commission 1 per cent., Broker's Commission  $\frac{1}{2}$  per cent., with the additional charges for Stamps, Postages, Advertising, Printing, &c., together perhaps about  $\frac{1}{2}$  per cent more—say in all  $1\frac{1}{2}$  per cent.

The usual charge made by the Consolidated Bank for paying the half-yearly Coupons has been a quarter per cent., (say five shillings per cent.) and I anticipate the same charge being made in future.

I have the pleasure of informing you that by the Mail received from London this morning I was put in possession of letters from the Government Bankers acknowledging the safe arrival of the greater portion of the Debentures, and stating their expectation of being able to place the whole Loan on very satisfactory terms on receipt of instructions which should reach them by the Mail arriving in London about the 22nd March.

The Bankers further informed me, that our Government Debentures were selling at 103 to 105 when the Mail left, on the 26th February.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Jun., Esq., Hon. Secretary*  
*Launceston and Western Railway Company, Launceston.*

## 59.

*Hobart Town, 4th May, 1868.*

SIR,

I HAVE the honor to transmit copy of the *Cornwall Chronicle* newspaper of date 29th ultimo, containing what purports to be a report of an ordinary general meeting of shareholders of the Launceston and Western Railway Company held on the preceding day in Launceston, and I have to solicit the attention of the Executive Government to that passage in the report which announces the appointment—it is presumed by the Directory of the Company—of certain gentlemen as Auditors to the Company, at a stated rate of remuneration.

Without referring to the evidence which English experience has disclosed of the unsatisfactoriness of any audit of railway accounts by auditors not wholly independent of the bodies responsible for such accounts, I desire to remind the Government of the express provision contained in the 15th

Section of the 30th Victoria, No. 28, "An Act to amend the Launceston and Western Railway Act," which, in consideration of the fact that the Launceston and Western Railway Company derives six-sevenths of the Capital it is proposed that it should expend from the proceeds of the Public Securities of the Colony, enacts that the Company shall submit its accounts to be audited by the Colonial Auditor, who is authorised to exercise the same powers with reference to the audit of the said accounts that he now exercises in auditing any account of the expenditure of the General Revenue; and I would respectfully deprecate the substitution, for the audit thus contemplated, of that to which I have adverted.

I beg further to advise, that in the very initiation of the outlay of the funds entrusted to the Launceston and Western Railway Company, a rule should be prescribed as to the period within which the accounts of the Company should be transmitted to the Colonial Auditor for his examination.

I have, &c.,

(Signed) FREDK. M. INNES,  
*Commissioner under the Launceston and Western Railway Act.*

*The Hon. the Colonial Secretary.*

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*Passage in the Report referred to.*

"Messrs. G. H. Gladman and M. Tyson were appointed Auditors to the Company for the next twelve months—the fee to be ten guineas each."

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60.

*Colonial Treasury, 8th May, 1868.*

SIR,

I HAVE the honor of acknowledging the receipt of your letter of the 15th ult., in which you state that you were instructed to renew the protest contained in your letter of the 7th of March, against the course adopted by the Government with reference to the proceeds of the Debentures; and that the Directors would, on behalf of the Company, hold the Government responsible for any pecuniary loss which the Company may suffer arising from their being deprived of the use at interest of so large a sum as £60,000, &c.

I regret that the Directors of your Company should have felt it their duty to instruct you to forward any such protest pending the negotiations that were going on respecting the payment of the interest on the Loan during the construction of the line, especially as I had learned from the letter addressed by you to the Commissioners of the Railway on the 28th ult. that you considered the position taken by the Colonial Treasurer to be that of a Responsible Officer of the Crown only duly protecting the public credit.

I beg you will assure the Directors that in the interest of the public I felt it my duty to see that satisfactory arrangements were made for the payment of the half-yearly interest on the Loan during the period of construction, and I never anticipated that there would be any objection to the reasonable proposals I had submitted to the Company. As, however, the Directors of the Company and the Commissioners have not furnished me with the letter I required, and as the Directors of your Company have instructed you to inform me that they will hold the Government responsible for any pecuniary loss which the Company may suffer arising from the Company being deprived of the use at interest of the sum of £60,000, together with any further sum arising from premium on the sale of the Debentures for £300,000, I have the honor to request that you will be good enough to inform me, for the information of the Executive Government, the rate of interest agreed to be allowed to your Company by the Union Bank of Australia on the funds lodged in the hands of that Bank in London, and the amount lodged in the hands of that Bank in Launceston or Melbourne. I am induced to ask this information on behalf of the Government to enable the Executive to judge of the claim you will hereafter make against the Government for retaining in their hands a portion of the funds to meet the half-yearly interest on the Debentures for £300,000 as it becomes due.

Waiting your reply,

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Esq., Secretary Launceston and Western Railway Company, Launceston.*

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*Launceston, 12th May, 1868.*

SIR,

As the two non-professional Commissioners under the Launceston and Western Railway Act, we desire to represent to the Government that, on the principal questions on which it is our duty at present from time to time to report to the Governor in Council, the information and opinion by which we must be mainly guided are of a professional character; and we believe that it was with a reference to that circumstance that Mr. Kemp was appointed, with a special rate of pay, as our colleague. But in view of the very serious responsibilities we have undertaken, and to obviate future misunderstanding, we have respectfully to submit that, in cases which appear to us to require it, we should be entitled to obtain Mr. Kemp's opinion in a written form in answer to written interrogatories; and, presuming that the Executive will assent to this view, we beg that intimation to such effect may be made to Mr. Kemp.

We have, &c.,

(Signed)

FRED. M. INNES.

THEODORE BARTLEY.

*The Hon. the Colonial Secretary.*

*Launceston and Western Railway Company (Limited), 19th May, 1868.*

SIR,

I HAVE submitted to the Board of Directors your letter of the 8th instant, in reply to mine of the 15th ultimo.

I am instructed to say that the question between yourself and the Company is a very simple one,—of itself supplying ample reasons for the protests comprised in my letters of the 7th March (not instant, as you quote) and 15th ultimo; and, in the opinion of the Board of Directors, requires no discussion of the precise terms of business arranged with the Bankers of the Company.

The actual liability incurred by the Government, in event of your withholding any portion of the proceeds of Debentures beyond £9000 for the first half-year's coupons as agreed, will be the entire interest on the £300,000, as well as any expenses which may result to the Company from delay in construction or otherwise, so long as the provisions of the law remain unfulfilled on your part.

As you were informed by my letter of the 7th March, the Directors will not feel justified in taking contracts for construction of the work until the Government has fulfilled the provisions contained in the 2nd Clause, 31 Victoria, No. 43, on the faith of which the Bonds of the Company were given; and they claim to be released from all payment of interest so long as any of the proceeds of Debentures (less £9000 as aforesaid), for which these Bonds have been actually exchanged, continue to be withheld from the control of the Company and Commissioners.

The Directors have already expressed their willingness to relieve the Government of all trouble and expense incident to the payment of interest in London by paying it there instead of at Hobart Town, as provided by the terms of the Bond, on being relieved from liability to pay in Hobart Town, and have signed the undertaking which you wish to obtain to this effect. One of the Commissioners has also signed this memorandum; and I have now the honor to enclose it.

I am therefore to express the hope that you will make due provision for the payment of the whole of the proceeds of the Debentures to the account of the Company and Commissioners at the Union Bank, in London, by the out-going mail.

I am, &c.,

(Signed)

H. DOWLING, *Hon. Sec.*

*The Honorable the Colonial Treasurer, Hobart Town.*

*Colonial Treasury, 20th May, 1868.*

SIR,

I HAVE the honor of informing you that the Bankers in London for this Government acknowledge the receipt of the whole of the Debentures forwarded to them for sale.

The Bankers advise me that the Loan for £400,000 will be offered for sale by public tender

in the usual way shortly after the Easter holidays, and the result communicated to this Government by the mail for Australia leaving London, via Marseilles, on the 24th April. When the last mail left our Government Debentures were quoted at 104 to 106; and the Manager of the Bank of New South Wales advises me "that the position of the English money market is still favourable for financial operations, and that he is very sanguine that the Loan will be placed successfully at a fair premium." I hope, therefore, on the arrival of the next mail, expected in Launceston on the 12th proximo, to hear that the Loan has been successfully floated at a fair premium.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Esq., Secretary Launceston and Western Railway Company, Launceston.*

## 64.

*Launceston and Western Railway Company (Limited), 21st May, 1868.*

SIR,

I HAVE the honor to acknowledge your letter of yesterday, with reference to your London advices, and shall have much pleasure in submitting it to the Board of Directors on Thursday.

The information this letter conveys is highly satisfactory to the Company as it must be to the Government.

Yours, &c.,

(Signed) H. DOWLING, *Hon. Sec.*

*The Hon. Colonial Treasurer, Hobart Town.*

## 65.

*Launceston and Western Railway Company (Limited), 21st May, 1868.*

SIR,

THE enclosed copies of correspondence between the Directors and Mr. Kemp, one of the Railway Commissioners, dated respectively the 8th and 12th November last, and which I intended should be sent on to you for the information of the Governor in Council, I have found was at the time overlooked.

As the question of the appropriation of land for station and traffic purposes at Launceston must shortly be renewed, I have the honor now to forward copies of the same, and to which I respectfully invite the attention of the Government.

I am, &c.,

(Signed) H. DOWLING, *Hon. Sec.*

*The Hon. the Colonial Treasurer.*

(Copy.)

*Launceston Hotel, Launceston, 12th November, 1867.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter dated 8th instant, asking me to state for the information of the Directors of your Company, "whether I am of opinion that the quantity of land applied for by you is in excess of the requirements of your line of railway;" and in reply I have to inform you that it is impossible to conduct a large goods traffic economically without ample space: and you must also bear in mind that other lines of railway will be projected which will greatly increase your terminal arrangements; and many new sources of traffic will be developed, requiring extensive space; and I am of opinion that you will eventually require the whole of the land that you have now applied for.

And with reference to the latter part of your letter, wherein you ask to be informed "respecting the quantity of land usually required for the principal stations on lines in England and in the Colonies;" and in reply I have to inform you that the space usually occupied by stations in England is no criterion of station requirements in the Colonies, as, for example, the merchants and importers of all heavy articles, and all descriptions of building materials, &c. require extensive space for sorting, free storage, and room to hold public auctions for the disposal of their goods.

I also beg to remind you that your firewood and sawn timber traffic will necessarily be large, and will require ample space for sorting, &c.

And I further beg to mention that the best evidence I can advance is to refer you to the Report of the Engineer in Chief of Victoria for 1866, in which report he states "that owing to the want of space in the Melbourne station yard (which I believe contains 72 acres) the traffic branch has been compelled to refuse the cargoes of nine ships; and the Melbourne station yard, as originally planned, has become wholly inadequate to the requirements of the service."

I have, &c.,

(Signed) SAML. V. KEMP, *Civil Engineer.*  
*Commissioner of the Launceston and Western*  
*Railway Company.*

To H. DOWLING, *Esq., Hon. Sec. Launceston and*  
*Western Railway Company.*

66.

*Colonial Secretary's Office, 21st May, 1868.*

SIR,

I HAVE the honor to acquaint you that a letter has been received from your colleagues, Messrs. Innes and Bartley, representing to the Government that the principal questions in connection with the Launceston and Western Railway submitted to the Governor in Council are of a professional character, and submitting that, in cases which appear to require it, they should be entitled to obtain your opinion in a written form in reply to written interrogatories; and I have to request that, should you see no insuperable objection, you will have the goodness to comply with their request.

I have, &c.,

(Signed) R. DRY.

S. V. KEMP, *Esq., Launceston and Western Railway.*

67.

*Colonial Treasury, 22nd May, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 19th instant, which only reached this Department yesterday morning.

In reply, I have to express my regret that the Directors of your Company should have instructed you to withhold from the Executive Government the information asked for in my letter of the 8th instant, viz., the rate of interest agreed to be allowed by the Union Bank of Australia on the funds lodged in that Bank to the credit of the Railway Company and the Commissioners.

When it is considered that the greater portion of the funds of the Company are derived from the proceeds of Debentures issued by the Government under the authority of Parliament, I must say that the refusal of the Directors to furnish the information required appears most extraordinary; especially when it is known that the information was only required to enable the Executive Government to ascertain the liability they would incur by withholding a sufficient sum to meet the interest on the Debentures for £300,000 during the construction of the Railway.

I take note that the Directors of your Company will not feel justified in entering into contracts until the Government have fulfilled the provisions of the 2nd Clause of the 31st Vict. No. 43, and that they claim to be released from all payment of interest so long as any of the proceeds of the Debentures continue to be held by the Government. In reply, I beg to assure your Directors that the Government have no desire to retain any of the proceeds of the Debentures in the Public Treasury; but it is my duty as Colonial Treasurer to see that the public credit does not suffer by the Railway Company and Commissioners neglecting to make satisfactory arrangements for the due payment of the half-yearly interest during the construction of the Railway, and I regret that in my efforts to make satisfactory arrangements for that purpose the Directors and Commissioners have not thought proper to agree to the terms I proposed.

Should the Directors and Commissioners fail to make satisfactory arrangements with me for the payment of the interest during the period of construction, I shall be compelled to take the opinion of Parliament on the subject during the ensuing Session, meanwhile retaining the control of the funds that have not been paid over to the Union Bank of Australia for account of the Railway Company and Commissioners.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Esq., Secretary Launceston and*  
*Western Railway Company, Launceston.*

## MINUTE PAPER FOR THE EXECUTIVE COUNCIL.

*Colonial Secretary's Office, Hobart Town, 1st June, 1868.*

SUBMITTED—That the Hon. F. M. Innes, Esq., one of the Commissioners under the Launceston and Western Railway Act, be allowed personal expenses at the rate of 18s. per diem while absent from Hobart Town upon business connected with his appointment, together with his coach fare, the usual certificate "upon honor" being duly furnished.

(Signed) RICHARD DRY.

The Governor in Council approves,

E. C. NOWELL,  
1st June, 1868.

*Launceston and Western Railway Company, Limited, 3rd June, 1868.*

SIR,

At the weekly meeting of Directors held yesterday, I was instructed to call your attention to my letter of the 19th ultimo on the subject of interest on Debentures, and to say that it is necessary a decision be promptly arrived at, as it is not the intention of the Board to open tenders for construction whilst this important question is in abeyance.

I am, &amp;c.,

(Signed) H. DOWLING, *Hon. Sec.**The Hon. the Colonial Treasurer, Hobart Town.**Colonial Treasury, 4th June, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of yesterday's date calling attention to your letter of the 19th ult., and informing me that it is not the intention of the Directors of your Company to open tenders for the construction of the railway whilst the question of the payment of interest on the Railway Loan during the period of construction of the railway remains in abeyance.

In reply, I have the honor of forwarding a reply to your letter of the 19th in a letter from this Department dated 22nd instant, which I had directed not to be forwarded to you for a few days, as I thought of visiting Launceston during the past week, and would probably have an opportunity of talking the matter over with yourself and the Directors of your Company: as, however, I now find I shall not be able to visit Launceston till after the arrival of the English mail expected here on or about the 13th inst., I have directed my letter, dated the 22nd ult., to be posted to you by this night's mail, and on the perusal of the same you will understand clearly the views of the Government on the question at issue between the Company and the Government.

I again avail myself of the opportunity of assuring your Directors that the Government have no desire whatever to retain in the public chest any of the proceeds of the Debentures for £300,000: but as Colonial Treasurer it is my duty, on behalf of the Government of the Colony, to see that satisfactory arrangements are made for the due payment of the half-yearly interest on the Loan for £300,000; and if the Directors and Commissioners are not prepared to make satisfactory arrangements it is my duty to do so, and, if necessary, seek the assistance of Parliament for that purpose.

When I requested to be informed the rate of interest agreed to be allowed by the Union Bank of Australia on funds lodged by the Company and Commissioners in that Bank, it was with the view of enabling me to make some proposal to the Directors of your Company which might be mutually advantageous to the Company and the Government; and I expected the information would have been furnished forthwith, instead of a protest against the course I was pursuing on behalf of the Government: and it appears to me better that I should now state to you, for the information of your Board of Directors and the Railway Commissioners, that the Government will be prepared to allow interest on the sum retained in the public Treasury at the same rate as the Union Bank of Australia will allow the Company on the proceeds of the Debentures lodged in that Bank.



Should this proposal meet with the approval of your Directors and the Railway Commissioners, the question will be immediately settled by the Directors of the Company and the Railway Commissioners notifying their consent to that arrangement to this Department.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Junr., Esq., Secretary Launceston and Western Railway Company, Launceston.*

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## 71.

*Colonial Secretary's Office, 6th June, 1868.*

SIR,

REFERRING to my communication of the 23rd July last, I have now the honor to acquaint you that the Governor in Council has been pleased to direct that you be allowed personal expenses at the rate of 18s. per diem, together with coach fare, while absent from Hobart Town upon business connected with your appointment as one of the Commissioners under the Launceston and Western Railway Act, the usual certificate "upon honor" being duly furnished.

I have, &c.,

(Signed) RICHARD DRY, *Colonial Secretary.*

*The Hon. F. M. INNES, Esq., M.L.C.*

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## 72.

*Colonial Secretary's Office, 6th June, 1868.*

SIR,

I HAVE the honor to acquaint you that the Governor in Council has been pleased to direct that the Hon. F. M. Innes, Esq. be allowed personal expenses at the rate of 18s. per diem, together with his coach fare, while absent from Hobart Town upon business connected with his appointment as one of the Commissioners under the Launceston and Western Railway Act.

I have, &c.,

(Signed) RICHARD DRY.

*The Chairman of the Board of Directors Launceston and Western Railway.*

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## 73.

*Colonial Secretary's Office, 6th June, 1868.*

## MEMORANDUM.

SIR,

THE Governor in Council has been pleased to appoint the under-mentioned gentlemen to be Commissioners under the Launceston and Western Railway Act, with Salary at the rate specified after their names respectively; viz.—

The Hon. F. M. Innes, Esq., £200 per annum, from the 1st August, 1867, with personal expenses at the rate of 18s. a day, together with his coach fare, while absent from Hobart Town upon business connected with his appointment; the usual certificate "upon honor" being duly furnished by that gentleman.

Theodore Bartley, Esq., £200 per annum, from the 1st August, 1867.

Samuel V. Kemp, Esq., Civil Engineer, £750 per annum, from 1st September, 1867.

By Command,

(Signed) RICHARD DRY.

*The Colonial Treasurer.*

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29

74.

*Launceston and Western Railway Company, Limited, 6th June, 1868.*

SIR,

I HAVE the honor to acknowledge receipt of your letters of the 22nd ult. and 4th inst., which I will submit to the Directors on Tuesday at their weekly meeting.

Meantime, with reference to the remarks in yours of the 22nd ult. to the effect that the Company has withheld from the Executive Government "information asked for by yours of the 8th instant," I have the honor to remind you that the objection made by the Directors on the 19th of May to discuss "the precise terms of business arranged with the Bankers of this Company" arose out of the fact, that your request was avowedly made for the mere purpose of enabling the Executive Government "to judge of the claims the Company would hereafter have to make against the Government."

It thus became absolutely essential, to avoid all further misunderstanding as to the extent of the liability of the Crown, that your attention should be especially directed to the precise view the Directors had taken of this responsibility so far back as the 7th March last; and they were therefore anxious that, in further addressing you, no other matter should be introduced into this particular correspondence; not from any desire to withhold information on any question affecting the Company's operations,—every point in which the Directors will, at proper times, be always glad to submit to the Executive;—but simply that the leading question affected should be clearly indicated: the question of the non-liability of the Company to pay Interest on their bonds, so long as you persisted in a non-observance of the terms of the Act under the provisions of which the Company gave, and the Government accepted, their bonds.

I have further to point out, in answer to the fourth paragraph of your letter of the 22nd ultimo, that so far as the question is concerned of making "satisfactory arrangements for the due payment of the half-yearly interest during the construction of the Railway," the Company and their Engineer have made such provision; that, besides this, the Chairman and myself, by order of the Board, have signed the memorandum you required, a document also signed by Mr. Kemp, one of the Commissioners, and which agreement is now in your hands. The Company have therefore not been negligent; but, on the contrary, have used all diligence to meet the requirements you have thought fit to superadd to the provisions of the law; and they are in no degree responsible for the course of proceeding your letter indicates, nor for the very disastrous consequences which must assuredly follow its adoption.

I have, &c.,

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Treasurer, Hobart Town.*

75.

*Launceston and Western Railway Company, Limited, 9th June, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 6th instant, advising the Directors of this Company that the Governor has directed that 18s. per diem, besides coach fare, shall be allowed for personal expenses to Mr. Innes, as Commissioner, while absent from Hobart Town upon business connected with his appointment.

The Directors desire me to express their regret that His Excellency the Governor has been advised to add thus largely to the burdens imposed upon the Company; which, for Commissioners alone, promise to amount to fully 2½ per cent. per annum on the subscription of the Shareholders.

I have, &c.,

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Secretary, Hobart Town.*

## 76.

*Launceston and Western Railway Company, Limited, 9th June, 1868.*

SIR,

I HAVE submitted to the Directors your letters of 22nd ultimo and 4th instant, and am directed to say that it will afford them pleasure to meet you in conference as you propose; and if you can name a day to be in Launceston, will take care that necessary arrangements are made.

I am to express the hope that your visit will be at so early a day that the Mail of this month may take home any instructions which may be necessary as the result of such an interview.

I have, &c.,

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Treasurer.*

## 77.

*Colonial Treasury, Hobart Town, 12th June, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 9th instant, in which you inform me that the Directors of your Company will have much pleasure in conferring with me on certain matters at such time as I may name for that purpose. I hope during the ensuing week to name a day when I will be in Launceston for that purpose.

I have now the honor of informing you that the mail from London delivered here yesterday brought letters from the Bankers for the Government in London, stating that the new Tasmanian Government Loan for £400,000 had been advertised for sale by public Tender on the 28th April, in accordance with the instructions forwarded from this Department.

You will see by the terms of the advertisement that the coupon for the half-year's interest due on the 1st July was taken off, and the Debentures offered for sale bearing interest at six per cent. from the 1st July next.

I have much pleasure in informing you that, by the *Southern Cross* Steamer which arrived here this morning, I received a Telegram from the Manager of the Bank of New South Wales, London, dated 29th April, to the following effect:—"Tasmanian Loan a great success. Reserved price One hundred and one. Tenders received for nearly Two millions. Loan all taken above One hundred and two."

This intelligence is most satisfactory to the Government, as I feel assured it will be to the Directors of your Company and the community in general.

I have, &c.,

(Signed) THOS. D. CHAPMAN.

HENRY DOWLING, *Esq., Secretary Launceston  
& Western Railway Company, Launceston.*

## 78.

*Colonial Secretary's Office, 24th June, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 4th ultimo, with reference to the auditing of the Accounts of the Launceston and Western Railway Company, and in reply to inform you that instructions have been issued to the Colonial Auditor to arrange for the due auditing of the Company's Accounts in accordance with the provisions of the Act.

I have also communicated with the Chairman of the Company upon the subject, and conveyed to him the desire of the Government that the Accounts should be submitted to the Colonial Auditor every six months.

Thanking you for calling my attention to the subject,

I have, &c.,

(Signed) RICHARD DRY,

*The Hon. F. M. INNES, Esq., M.L.C.*

31

79.

MEMORANDUM.

By the 15th Section of the 30th Vict. No. 28, it is provided that the Accounts of the Launceston and Western Railway Company shall be submitted to the Colonial Auditor for audit, in the same manner as the Accounts of the expenditure of the General Revenue.

The Colonial Auditor is therefore requested to arrange for the periodical discharge of this duty; and a communication has been addressed to the Chairman of the Company conveying the desire of the Government that the Accounts of the Company shall be submitted to the Colonial Auditor, in accordance with the Act, every six months ending the 30th June and the 31st December.

(Signed) RICHARD DRY.  
*Colonial Secretary's Office, 24th June, 1868.*

*The Colonial Auditor.*

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80.

*Colonial Secretary's Office, 24th June, 1868.*

SIR,

IN accordance with the provisions of the 15th Sec. of the 30th Vic. No. 28, I have the honor to request that you will cause the accounts of the Launceston and Western Railway Company to be submitted to the Colonial Auditor for examination; and in order to prevent any undue accumulation of arrears for audit, I have to convey to you the desire of the Government that such account shall be forwarded every six months ending the 30th of June and the 31st of December in each year.

I have, &c.,

(Signed) RICHARD DRY.

*The Chairman of the Launceston & Western Railway Company.*

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81.

*Launceston and Western Railway Company, Limited, 25th June, 1868.*

SIR,

I HAVE the honor to acknowledge receipt of your letter to the Chairman, dated yesterday, requesting that the accounts of the Company be submitted to the Auditor, in accordance with the provisions of the 15th sect. 30 Vic., No. 28.

On the 29th ult. I addressed a letter to the Auditor requesting information as to the form in which these accounts should be transmitted, and was honored by a reply from that Officer on the 2nd instant.

Since then the Accountant has been fully engaged, but he has prepared the necessary papers which will be sent on to-day.

With respect to the half-yearly audit, the Company will have no difficulty in complying on March 16th and September 16th in each year, the commercial periods of the Company.

I have, &c.,

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Secretary, Hobart Town.*

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82.

*Colonial Secretary's Office, 26th June, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your communication of the 25th instant, and in reply to acquaint you that the dates named therein for auditing the accounts of the Launceston and Western Railway Company are equally satisfactory to the Government as those mentioned in my letter of the 24th instant.

I have, &c.,

(Signed) RICHARD DRY.

*The Hon. Secretary Launceston and Western Railway Company.*

32

83.

*Colonial Secretary's Office, 26th June, 1868.*

SIR,

REFERRING to the Memorandum from this office of the 24th June last, I have the honor to acquaint you that the Governor has been pleased to approve of the Launceston and Western Railway accounts being made up to the 16th March and 16th September in each year, the commercial periods of the Company.

I have, &c.,

(Signed) B. T. SOLLY.

E. J. MANLEY, *Esq.*, *Colonial Auditor.*

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84.

*Launceston and Western Railway Company, Limited, 7th July, 1868.*

SIR,

REFERRING you to my letter of the 21st February, on the question of the payment of the sum of £564 19s. 11d., charges made by the Returning Officer appointed by the Government to take the poll of the railway districts, I have the honor to inform you that I have to-day submitted these accounts; and that I am to request that the items of which a memorandum was furnished to you in my letter of the 21st February may be sent to this office; they are clearly to be regarded as the property of the Company.

I have, &c.,

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Treasurer, Hobart Town.*

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85.

BY ELECTRIC TELEGRAPH.

5.40 P.M. 7th July, 1868.

AFTER long discussion the Commissioners resolved to sign the original paper providing for interest during construction, thus removing all difficulty respecting the Bankers, leaving to further negotiations the question of lending the sum promised. I will write to-night. There is no time to lose as the mail for London leaves on the 17th.

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Treasurer.*

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86.

*Launceston and Western Railway Company, Limited, 7th July, 1868.*

SIR,

IN pursuance of my Telegram I now write to say that, the opinion of the Solicitors to the Company being found adverse to the negotiation of any loan at interest without correspondence with the Union Bank of Australia, and for objections raised herein during the discussion of the whole question, the Commissioners, on a review of the provisions of the Act and all the circumstances, decided upon signing the memorandum of the 6th of March, very slightly modified to meet the removal from the Debentures of the July coupon, and thus leave entirely open for future negotiation the subject of making a loan to the Government.

I have, &c.,

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Treasurer, Hobart Town.*

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87.

*Colonial Treasury, 8th July, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 7th instant, in reference to leaving in the hands of the Government a portion of the proceeds of the Debentures for £300,000 to meet the interest on the loan during the construction of the Railway, and intimating that the Commissioners, after a review of the provisions of the Railway Act and all the circumstances, had now decided on signing the Memorandum proposed by me in March last, with some slight modifications.

I am glad to find that the Directors of your Company, and the Commissioners, are now prepared to agree to the reasonable terms proposed by the Government many months since, and that satisfactory arrangements will now be made for the payment of the interest on the loan during the construction of the Line.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Junior, Esq., Secretary Launceston  
and Western Railway Company, Launceston.*

*Launceston, 8th July, 1868.*

SIR,

HAVING this day, in conjunction with the two other Commissioners appointed under "The Launceston and Western Railway Act, No. 2," the Chairman of the Board of Directors, and one other member of that Board as Secretary, signed an undertaking to the Government to pay in London the interest and certain attendant charges accruing from time to time upon the Debentures issued for the sum of £300,000 under the said Act, and having previously declined to sign such an undertaking as required by the Government and requested by the Company, I deem it due to the Government, the Company, and myself to state,—first, my reasons for declining to sign such an undertaking, and—secondly, the reasons which have now induced me to sign the same.

I declined to sign it,—

1st.—Because there is no Section or Clause in the said Act which in any way authorised the Government to call upon the Commissioners to sign any such undertaking as a condition to be fulfilled by them before the Government would pay into the Union Bank of Australia, London, the whole of the proceeds of the said Debentures, in compliance with the distinct provision to that effect, as respects the proceeds of the Railway Bonds, for which the Debentures were afterwards substituted,—such provision being made in Section 2 of the said Act.

2nd.—I declined to sign such undertaking to pay such interest and charges out of the proceeds of such Debentures until it was ascertained, by the opening of the tenders for the construction of the Railway, whether, the cost of such construction being provided for out of the capital of the Company, there would be a sufficient margin left to pay the interest out of the same,—there being no provision in either of the Railway Acts that the interest upon the said Debentures was to be a primary charge upon the proceeds of the same, or, in fact, that such interest was in any way to be paid out of such proceeds; on the contrary, certain Clauses in the Act No. 2 would seem to imply that such interest was not to be so defrayed.

I have now signed the said undertaking—

1st.—Because I have distinctly ascertained upon a personal reference to Mr. Adye Douglas, M.H.A., the Solicitor to the Company, who had the charge of the Railway Bills in their progress through Parliament, that although, as is admitted by Mr. Douglas, there is no provision contained in either of the said Acts for the payment of interest upon the Debentures out of the proceeds of the same or out of other capital of the Company, yet in all the financial calculations and other arrangements of the Company, as sanctioned by Parliament, it was distinctly understood and agreed upon by the Government, by both Houses of the Parliament, and by the Company, that the interest upon the Debentures during the period of the construction of the Railway was to be defrayed out of the proceeds of the Debentures and other capital of the Company: these statements and assurances of Mr. Douglas were distinctly and fully confirmed by several Members of both Houses of Parliament, and also by the Board of Directors.

Relying upon these statements and assurances, my views of my duty as a Commissioner upon the question of the payment of interest were entirely changed. Instead of looking upon the payment of the interest on the Debentures out of their proceeds and other capital of the Company as dependent upon whether there would be sufficient margin for such payment after the cost of the construction of the Railway was distinctly ascertained, I now look upon the payment of such interest as a primary charge upon such capital, and that the cost of such construction must either be limited to the amount of capital left after the payment of all interest which may accrue during the period of construction, or otherwise it devolves upon the Company to raise more capital to cover the cost of such construction.

I have signed the undertaking—

2ndly.—Because although, as stated in my first reason for not signing it, there is no Clause in the said Act No. 2 authorising the Government to call upon the Commissioners to sign any such

undertaking, yet, as the Railway Acts have omitted to provide for the payment of the interest out of the capital, as was distinctly arranged and calculated upon by the Government, the Parliament, and the Company, I am now of opinion that the Government were fully justified in calling upon the Directors and Commissioners to sign an undertaking duly to pay all interest out of the capital during the period of construction, as so arranged and calculated upon by all the parties concerned in the preparation, consideration, and passing of the said Railway Acts.

3rdly.—I signed the undertaking the more readily because the proposed arrangement to lodge in the hands of the Government a sufficient amount from the proceeds of the Debentures to cover the interest accruing during the period of such construction might be considered as contrary to the 11th Section of the Act No. 2, which requires that the £50,000 raised by the Company shall be expended before any portion of the proceeds of the Debentures shall be available for the purposes of the said Act, and because the proposed arrangement was attended with other difficulties which might have occasioned serious delay both to the Government and the Company.

I have, &c.,

(Signed) THEODORE BARTLEY, *Commissioner appointed under the Launceston and Western Railway Act, No. 2.*

*The Hon. the Colonial Treasurer, Hobart Town.*

89.

*Launceston, 8th July, 1868.*

SIR,

In reference to a communication of date March 6, 1868, but only signed by the Commissioners under the Launceston and Western Railway Act this day, and which will reach you by first post, I have the honor to acquaint you that I shall feel it incumbent on me to address you an explanatory letter by the post to-morrow or on the succeeding day.

I have, &c.,

(Signed) FRED. M. INNES.

*The Hon. the Colonial Treasurer.*

90.

*Launceston and Western Railway Company, (Limited), 9th July, 1868.*

SIR,

I HAVE the honor to enclose a Memorandum, signed by the three Commissioners under the Railway Act, and by the Chairman of the Company, and myself as Secretary, which has been framed in accordance with your instructions, providing for the due payment of interest on Debentures in London, in lieu of the payments provided to be made in Hobart Town by the Bonds of the Company now in your hands; and have to beg that I may be authorised to inform the Commissioners and Directors that instructions have been sent to the bankers of the Government in London to pay to the credit of the Commissioners and Company, at the Union Bank of Australia, London, the balance of the proceeds of the £300,000 Debentures, as it is very important that this information may be in this office early so as to give time for correspondence with London. I have the honor to beg an early answer.

I have, &c.,

(Signed) H. DOWLING, *Hon. Sec.*

*The Hon. the Colonial Treasurer, Hobart Town.*

*Launceston and Western Railway Company, Limited, 8th July, 1868*

WE hereby undertake that, out of the proceeds of the £300,000 Debentures to be paid by you into the Union Bank of Australia in London, to the joint credit of the Company and Commissioners, in pursuance of the provisions contained in "The Launceston and Western Railway Act, No. 3," less charges paid for the negotiation of the loan, we will cause to be paid at the Consolidated Bank in London to the credit of the Tasmanian Government the amount of interest on the said Debentures on the 20th December and 20th June in each year during the period of construction of the works.

And we further undertake to repay to the Government all reasonable commissions paid by them to their London Agents for paying half-yearly coupons; and also any premiums paid on drafts which may from time to time be sent to London for payment of said interest on said Debentures; it being understood and agreed that such payment of interest in London shall release the Company from their obligation to pay interest at the Treasury, Hobart Town, in terms of the Company's Bond held by the Government.

W. S. BUTTON, *Chairman.*

H. DOWLING, *Hon. Secretary.*

SAML. V. KEMP, } *Commissioners under the*  
FRED. M. INNES, } *Launceston & Western*  
THEODORE BARTLEY, } *Railway Acts.*

*To the Hon. the Colonial Treasurer, Hobart Town.*

## 91.

*Launceston and Western Railway Company, Limited, 9th July, 1868.*

SIR,

I HAVE the honor to transmit, from the Engineer in Chief to this Company, a copy of Sections of the Line and lithography, and one copy each Terms of Contract, Specifications, and Form of Tender, for the information of the Government.

I have, &c.,

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Treasurer, Hobart Town.*

## 92.

*Launceston and Western Railway Company, Limited, 9th July, 1868.*

SIR,

REFERRING you to my letter of the 21st February this year, I have the honor to enclose a cheque drawn on the Union Bank here for £564 19s. 11d. (five hundred sixty-four pounds nineteen shillings and eleven pence), the amount claimed in pursuance of 29 Vict. No. 24, for taking the Poll of the Railway district.

I am instructed by the Directors to pay this amount under protest; and to express their surprise that so large an expenditure should have been sanctioned by the Government.

It is true that under the provisions of the Railway Act the Shareholders must pay the demand: but it is the settled opinion of the Directors that the Legislature, in imposing so great a pecuniary burden on the districts, expected that all payments sanctioned by the Executive on this account would be subjected to rigid examination, and to the most ample proof being demanded of the fairness of all the charges.

This care, the Directors are of opinion, has not been exercised; and they respectfully protest therefore against this account, particularly in regard to the items for emoluments and printing, which they deem to be most excessive, and unjust to the districts.

I have, &c.,

(Signed) H. DOWLING, *Hon. Secretary.*

*The Hon. the Colonial Treasurer, Hobart Town.*

## 93.

*Colonial Treasury, 9th July, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 9th instant, covering a cheque for £564 19s. 11d. (five hundred sixty-four pounds nineteen shillings and eleven pence), being the amount due to the Government by the Launceston and Western Railway Company for expenses incurred in taking the Poll of the Railway District, in accordance with the Act of Parliament 29 Vict. No. 24.

I have, &c.,

(Signed) W. LOVETT, *for the Colonial Treasurer.*

H. DOWLING, *Esq., Hon. Secretary Launceston and Western Railway Company.*



*Launceston, 10th July, 1868.*

SIR,

PRESUMING that you have received from the Secretary of the Launceston and Western Railway Company the communication referred to in my note of the 8th instant, I proceed now to furnish you with the explanations by which it appears to me necessary that it should be accompanied.

As you are aware, the undertaking as to the payment of interest on the Railway Debentures embodied in that communication is identical with what you required from the Company and Commissioners some months since, as the condition of your handing over the whole proceeds of these Debentures; and you are further aware that up to this time Mr. Bartley and myself have declined to attach our signatures to such "undertaking." Leaving to Mr. Bartley, if he sees fit, to be the exponent of his own reasons for the course which he has pursued, I desire to place on record those by which I have been principally actuated.

From the outset it is necessary to bear in mind that if, as I now perceive, a serious oversight was committed in providing on the one hand that the whole proceeds of the Debentures should be paid at once into the hands of the Company,—interest being payable out of these proceeds for a time,—while on the other the Government, not the Company, was made primarily and substantially liable for the due payment of that interest, yet, that such is the effect of the Railway Act is beyond controversy. The Executive, as I presume, discovered the risks which this state of the law involved,—the risk of its being obliged to find money to cover interest on the Railway Debentures before the construction of the line was completed,—the risk of being compelled to resort to the ratepayers in the Railway Districts for the refund of such interest, contrary to the universal impression amongst them that no rate would or could be levied until after the proved failure of the line to pay working expenses and interest. To obviate these inconveniences or risks was the end for which, after some correspondence between yourself and the Directors of the Railway Company, (forwarded by you for the information of the Commissioners,) the expedient of a joint "undertaking" on the part of the Directors and of the Commissioners to provide for the payment of interest was propounded. I need not assure you how earnestly I sympathised with the Executive as to the importance of protecting the General Revenue against a premature or inconvenient charge upon it,—the Railway Districts against a rate which, though not at variance with the letter, would, prior to the completion of the Railway, be indubitably contrary to the prevalent belief as to the intention and effect of the law. But, when I came to a mature and practical consideration of the "undertaking" which the Government was prepared to accept, I felt that beside other objections to it there were these, in themselves sufficiently decisive ones:—(1.) The Railway Acts have defined the position and duties of the Commissioners, which are of such a nature as, if not to make it inconsistent, at least to make it inexpedient, that they should become parties to any "undertaking" on the part of the Company not specifically contemplated by the law; and the objections to their becoming so are none the less, where, as in the present instance, the "undertaking" proposed is with the Government. Unless in the cases defined by law, if the Commissioners concur in any act of the Company, their concurrence, it appears to me, should be merged in that of the Directory (of which they form a part), not given as that of Commissioners. But (2) the "undertaking" proposed was either superfluous or ineffective for the objects intended by it: superfluous, because the notion is inadmissible that (provided there were funds at the credit of the Company and Commissioners wherewith to cover interest) the Commissioners would refuse to sign the necessary cheques for the payment of such interest: ineffective, if, through unforeseen causes, the cost of the construction of the railway should be found in excess of what was estimated, and the Directory failing to require or obtain subscribers for the second moiety (or so much thereof as might be necessary) of the shares, the funds to the credit of the Company in the Bank were exhausted. In a word, I felt that the security sought by the Government in order to protect credit, and shelter the Railway Districts from being prematurely rated, could not be perfectly realised by any means short of its being allowed to retain, or having paid over to it, such an amount out of the proceeds of the Railway Debentures as would cover interest for a given period.

The question remaining in suspense by the refusal of Mr. Bartley and myself to sign the "undertaking," the Commissioners were on the 2nd instant favoured with a communication from the Company's Secretary conveying the following Resolution, to which our concurrence was invited:—

"That in the opinion of this Board it will be of advantage to the Company if an arrangement can be made for placing with the Government at interest the sum of £45,000 of the moneys to be derived from the sale of the Debentures issued for £300,000, and that the said sum be offered to the Government on the following terms:—For the year ending 30th June, 1869, on an interest account to be stated at the end of such period at such rate as the Government may be able to allow, and thereafter at the rate of six per centum per annum whilst such moneys or any part thereof shall remain in the hands of the Government."

To this the Commissioners unanimously acceded as a satisfactory solution of the difficulties to

be overcome, and were prepared as Directors to give effect. I regret, however, to have to inform you that question having arisen as to the power of the Company to conclude such an arrangement, the opinion of the Company's Solicitor was taken, when it appeared that under an agreement which had been entered into with the Union Bank the Company could not dispose of its funds in the way contemplated without the Bank's concurrence. I deem it necessary to add here that the arrangements which thus fettered the discretion of the Directory were made prior to the Commissioners certifying to the Governor in Council the payment of £50,000 into the Bank,—prior, therefore, to their taking their seats at the Company's Board; and neither officially nor otherwise did I ever learn that any agreement existed between the Company and the Bank restraining the discretion of the Directors and Commissioners in respect to the moneys at their joint credit until the fact was disclosed as I have related a few days since.

Thus thwarted in completing the most satisfactory arrangement that could have been made, and seeing that the Government has really no legal power to withhold the payment of the proceeds of the Debentures from the Company, I waived my objections to signing the "undertaking," reserving to myself the right of stating the grounds on which I had previously refused to sign it,—grounds which survive and have not been weakened by any subsequent consideration that I have given to them or by any facts that have come to my knowledge. At the same time I have pleasure in acquainting you that a proposal has been made in the Directory to carry out the arrangement of placing £45,000 in the hands of the Government, provided no hindrance is interposed by the Union Bank, which, if carried out, will accomplish every object which it has been the aim of the Government and the Commissioners to achieve, and, I would add, should redound to the credit of the Directory.

I have, &c.,

(Signed) FRED. M. INNES.

*The Hon. the Colonial Treasurer.*

95

*Colonial Treasury, 10th July, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 9th instant, transmitting for the information of the Government a copy of sections of the line as lithographed, with a copy of the terms of contract, specifications, and form of tender, for which, on behalf of the Government, I beg to thank you.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Esq., Secretary Launceston and Western Railway Company, Launceston.*

96.

*Colonial Treasury, 11th July, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 8th instant, informing me of your reasons for declining to sign the letter I had suggested in March last, for providing for the due payment of the interest on the Debentures for £300,000 during the construction of the line; and also informing me of your reasons for now signing such a letter.

In reply I have the honor of informing you that I feel much pleasure in finding that you are now satisfied that I was fully justified on behalf of the Government in calling upon the Directors of the Company and Commissioners to sign such an undertaking.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

THEODORE BARTLEY, *Esq., Commissioner of the Launceston and Western Railway Company, Launceston.*

97.

*Colonial Treasury, 11th July, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 9th instant, transmitting a letter dated the 8th instant, signed by the Chairman and Secretary of your Company and the three Commissioners appointed under the Railway Act.

As the Company and Commissioners, by their letter of the 8th instant, undertake to provide for the due payment of the interest on the Railway Loan for £300,000 during the construction of the line from the proceeds of the Debentures for £300,000, and also undertake to repay the Government all reasonable commissions that may be paid to the Bankers of the Government in London for paying the half-yearly interest, as well as any premium that may from time to time be paid for drafts remitted to London for payment of the interest, I have much pleasure in complying with the wishes of your Directors to pay over the balance of the proceeds of the Debentures to the credit of the Company and Commissioners at the Union Bank of Australia in London.

I am unable at present to inform you the actual balance that will be due to your Company, as I have not yet received from our London Bankers the Account Sales of the Debentures.

I learn, however, from the letters received by the last mail that the Debentures had all been sold at an average price of £102 9s. 4d. per cent., that the deposit of £10 per cent. had been paid, that the balance of the purchase money would be paid on the 1st of July and the Debentures delivered over to the purchasers, and that the account sales would be forwarded to this Department by the mail leaving London on the 17th July. I hope, therefore, to receive them on or about the 5th September, when a statement shall be immediately forwarded to you.

The Manager of the Consolidated Bank, London, in his letter dated the 1st May last, advises me that, on receiving the balance due on the Debentures, he will immediately pay over to the Union Bank of Australia in London the sum of £100,000 for account of the Launceston and Western Railway Company, Limited, and the Commissioners appointed under the Launceston and Western Railway Act, in accordance with the instructions forwarded from this Department.

The Manager of the Bank of New South Wales, London, in his letter dated 22nd May last, advises me that, on the 1st of July instant, he will also pay over to the Union Bank of Australia in London the sum of £140,000 for account of your Company and the Commissioners, in accordance with instructions forwarded from this Department.

You will see, therefore, that no time will be lost in paying over the sum of £240,000 to your Company and the Commissioners, the greater portion of the proceeds of the Debentures for £300,000.

I have now to inform you that instructions have been forwarded from this Department to the Bank of New South Wales in London to pay over to the Union Bank of Australia in London a further sum of £50,000 for account of your Company and the Commissioners; and that instructions have also been forwarded from this Department to the Consolidated Bank in London to pay over to the Union Bank of Australia in London the further sum of £10,000 for account of your Company and the Commissioners.

When these payments have all been made to the Union Bank of Australia, your Company will have received the sum of £300,000 on account of the proceeds of the Debentures for £300,000; and on receiving the Account Sales from our London Bankers, any further sums that may be due to your Company shall immediately be paid.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

HENRY DOWLING, *Esq., Secretary Launceston and Western Railway Company, Launceston.*

98.

*Colonial Treasury, 13th July, 1868.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 10th instant, giving your reasons for signing the letter from the Company and Commissioners, dated the 8th instant, in reference to the payment of the Interest on the Railway Loan during the period of constructing the Line.

It is very satisfactory to me to find that the Company and the Commissioners have at length agreed to the terms I proposed many months since, as the inhabitants within the boundaries of the Railway District will now feel assured that they will not be assessed for any payment of interest on the Loan till after the Railway is open for traffic, and the Government are assured that the half-yearly Interest will be regularly paid to their London Bankers during the same period,—in fact, the Public and the Legislature will see that everything has been done that could reasonably be expected to protect the interests of all concerned.

I have, &c.,

(Signed) THOS. D. CHAPMAN, *Colonial Treasurer.*

*The Hon. F. M. INNES, Commissioner Launceston and Western Railway Company, Newlands.*

*Launceston and Western Railway Company, Limited, 13th July, 1868.*

SIR,

I have the honor to acknowledge receipt of your letters dated respectively the 8th, 10th, and 11th instant, all to hand this morning.

I have, &c,

(Signed) HENRY DOWLING, *Hon. Secretary.*

*The Hon the Colonial Treasurer, Hobart Town.*

*Launceston, 18th July, 1868.*

SIR,

AMONG the "General Conditions to be complied with under the Contract" entered into with Messrs. Overend & Robb, the Contractors with the Launceston and Western Railway Company, are the following:—

"6. The Company shall be at liberty at any time, or from time to time, by notice in writing under the hand of the Engineer, to require the *omission* of *any particular* item or items of Works mentioned in the said Schedule, or of any portion or portions of the Works described in the Specification or shown in the Drawing whatsoever, constituting an item or portion of an item of Works in the said Schedule, and the value of such omissions shall be deducted from the amount of the Contract, estimated at the price of such item when the omissions shall consist of entire items in the said Schedule, or at the rates mentioned in the Schedule where the omissions shall consist of portions of the Works not appearing in the Schedule as distinct items. And the Contractor shall have no claim for any loss, damage, or compensation in respect of such omissions, anything herein contained to the contrary notwithstanding."

"6 A. Whenever from time to time during the progress of the Works it may be found desirable to make *any addition or substitution* to or for the Works contracted for, or any item or portion thereof, and such addition or substitution shall not be provided for as an item in the said Schedule, the Engineer shall notify to the Contractor, in writing, his intention to carry out such additional or substituted work, and shall provide him with Drawings and Specifications of such work, and shall by such notice request the Contractor within seven days, or such other time as the Engineer shall give, from the receipt thereof, or leaving the same at his (the Contractor's) Office to *tender* for such *additional or substituted* work at a price to be named by him; and if the Engineer shall accept such tender, then such additional or substituted work shall be deemed an additional item in the said Schedule, and all the provisions of this Contract shall apply to such new item as if the same had been originally mentioned in the said Schedule as part of the Works originally *contracted* for. But the Engineer shall be at liberty, in the exercise of his discretion, to reject any such tender, and may therefore let such work to be constructed by any other person or persons, or have it executed in any manner he may think fit, and the Contractor shall not offer any let or hindrance to the execution of such additional or substituted works by any person or persons who may *contract* to perform the same, or who may be employed by the Engineer for such purpose. And the Contractor shall have no claim for damages against the Company in consequence of the admission of such other person or persons upon the works or otherwise in consequence of the execution of any such additional or substituted work, unless any injuries done to his works, or any damages in any way caused to him by the execution of such additional or substituted works might, in the opinion of the Engineer, by reasonable care or good management on the part of the person or persons executing the same have been avoided, in which case any sum which the Engineer shall assess as being the value of such last-named injury or damages shall be paid by the Company to the Contractor."

By the 7th Section of 30 Vict. No. 28, it is provided, "that 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."

We desire to obtain the opinion of the Law Officers of the Crown before reporting to the Governor in Council in accordance with 30 Vict. No. 28, Section 7, whether, by the conditions of Contract quoted, the Company will be relieved from the obligation of obtaining the consent of the Governor in Council to the "*omissions*," "*additions*," "*substitutions*," or new *Contracts* therein contemplated.

We have, &c.,

(Signed) { SAML. V. KEMP,  
FRED. M. INNES,

*Commissioners under the Launceston and Western Railway Act.*

*The Hon. the Colonial Secretary.*

Will the Attorney-General be good enough to give his opinion on the question raised by Mr. Innes, as soon as convenient?

(Signed) RICHARD DRY.

*July 20th, 1868.*

*Colonial Secretary's Office, 21st July, 1868.*

SIR,

I HAVE the honor, by direction of the Colonial Secretary, to acknowledge the receipt of your letter of the 18th instant, bringing under his notice and requesting the opinion of the Law Officer of the Crown upon certain provisions introduced into the Launceston and Western Railway Company's Contract with Messrs. Overend and Robb.

Your letter has been referred to the Hon. the Attorney-General, and I am now instructed to forward you his opinion upon the clauses in the Contract to which you have drawn attention.

I have, &c.,

(Signed) B. T. SOLLY.

*The Hon. F. M. INNES, Esq., M.L.C., Newlands.*

(Copy.)

I HAVE considered the accompanying letter from the Railway Commissioners.

The Act (Section 7) requires the contract for the construction of the whole of the Railway and works (so far as they are to be constructed within the Colony) to be submitted to the Commissioners and reported upon by them to the Governor in Council, and no deviation from the terms of such contract is lawful without the consent of the Governor in Council.

The proposed contract contains terms empowering the Company to deviate from, omit, or add to the works specified;—in other words a new line might be made without reference to the Governor, or works costing an additional £100,000 might be at once ordered by the Company, although the Governor is by the Act required to be satisfied that the works can be opened for traffic for a sum not exceeding £350,000.

Whilst the law requires that no deviation from the terms of the contract shall take place without the assent of the Governor, clauses are proposed to be inserted in the contract itself to empower the Company to deviate in any way it sees fit from the plans and specifications approved by the Governor, and these form the substance of the contract.

I am of opinion that such clauses would be repugnant to the spirit and the letter of the law. They ought not to be inserted or assented to, and even if inserted I believe they would be illegal.

(Signed) W. L. DOBSON.  
21st July, 1868.

*The Hon. the Colonial Secretary.*

*Launceston, 22nd July, 1868.*

SIR,

I HAVE the honor to forward, for the information and consideration of the Executive Government, a note I have this day received from the Secretary of the Launceston and Western Railway Company, requesting me to act as "a negociator" for the purchase of Lands required by the Company for "Railway purposes."

I am not at present aware that the performance of such duty would interfere with those which are attached to my office as Commissioner, and should be prepared to comply with the Company's request, provided the Government saw no objection to my doing so.

Should, however, the Government entertain any objection to my undertaking such employment in connection with my office as Commissioner, I shall, of course, at once decline to accede to the request of the Company.

I have, &c.,

(Signed) THEODORE BARTLEY.

*The Hon. SIR RICHARD DRY, M.L.C., Colonial Secretary,  
Hobart Town.*

(Copy.)

*Launceston and Western Railway Company, Limited,  
22nd July, 1868.*

DEAR SIR,

The Solicitors to the Company will require a negociator to be employed by the Company.

The duty will be to go over the line, and as far as possible negotiate the purchase of the land required for the Line with resident proprietors, whilst the Solicitors are engaged in preparing other arrangements for putting the Contractors in possession.

You can understand how important to the Company to have the services in this matter of one so fully informed on the subject of relative values, and also of a conciliatory disposition.

No man in this place can so well serve the Company in this respect as yourself, and I write to ask if I may name you for this work.

It has to be undertaken at once ; and therefore I desire an answer.

I have, &amp;c.,

(Signed) H. DOWLING, *Hon. Secretary.*T. B. BARTLEY, *Esq.*

## 103.

*Colonial Secretary's Office, 23rd July, 1868.*

SIR,

IN reply to your letter of yesterday's date, I have the honor to inform you that the Government entertain no objection to your acting as negociator for the purchase of land required by the Launceston and Western Railway Company for railway purposes.

I have, &amp;c.,

(Signed) RICHARD DRY.

T. BARTLEY, *Esquire, Launceston.*

## 104.

*Launceston, Tasmania, 24th July, 1868.*

SIR,

I HAVE the honor to submit, for the information of His Excellency the Governor in Council, my Report upon the contract for the construction of the whole of the Launceston and Western Railway and works, so far as the same are to be constructed within the Colony, and my estimates for rails and other portions of the said railway and works, so far as they are to be imported from abroad, in pursuance of the 7th Section of the Launceston and Western Railway Act, No. 2.

I also herewith forward copies of letters from the Engineers and Secretary of the Company, showing their respective estimates of the cost of constructing the said railway and works, so far as they are to be imported from abroad, and a sum for contingencies which may be incurred by the Company in the Colony.

I have, &amp;c.,

(Signed) SAML. V. KEMP,

*Commissioner under the Launceston and Western Railway Act.*

*To the Honorable the Colonial Secretary,  
Hobart Town, Tasmania.*

*Launceston, 24th July, 1868.*

SIR,

WE have the honor to report, for the information of His Excellency the Governor in Council, that we have carefully examined the report and estimates prepared by our professional colleague Mr. Kemp, hereunto attached ; and that we are of opinion that they are, in every respect to be relied upon as furnishing the best information obtainable as to the probable cost of those portions of the railway and works referred to therein.

We have also carefully examined the estimates of the Engineers and Secretary of the Company, also attached, and find that the amounts of such estimates most satisfactorily approximate to those of Mr. Kemp.

We have, &c.,

(Signed) THEODORE BARTLEY,  
FRED. M. INNES,\*

*Commissioners appointed under the Launceston and Western Act, No. 2.*  
*The Hon. the Colonial Secretary, Hobart Town.*

\* POSTSCRIPT.—In subscribing to the above I deem it necessary to state that I concur in the view expressed in the note appended to Mr. Kemp's Report, that the items of estimate "supplied by the Company \* \* \* are only just sufficient to meet the requirements of the Act," the requirements of the Act not being coextensive with the permanent requirements of the railway, in order to insure its efficiency for the traffic it has been estimated to carry. It follows that a more or less considerable addition to the Company's outlay must be anticipated as a proximate necessity; in fact, necessary expenditure is only postponed, the occasion for which will, I believe, arise before the returns of the railway can be expected to cover such expenditure, in addition to the charges for interest and working expenses. And in arriving at this conclusion I am mainly guided by the authority of Mr. Doyne. In his estimates of the requirements of the Launceston and Western Railway, furnished to the Joint Committee of Parliament in 1863, Mr. Doyne put down £21,000 for station buildings, and this sum as sufficient only at first, but requiring additions as traffic developed. That estimate he now reduces by £17,000. Of course there is room for much latitude in the actual outlay upon stations; but whether so large a reduction as that quoted can be reconciled with an adequate provision of station buildings, or any permanence in the character of those to be erected, may be doubted. Again, Mr. Doyne estimated £30,000 for rolling stock, (p. 9 Evidence), in which, according to his Railway Report of 1862, handed in to the Committee, it is shown that "six locomotive engines at a cost of £2500 each" are included, as giving "sufficient power to work the line in the beginning." (Report, p. 8.) But he now provides for only two, which must be wholly inadequate, unless all former estimates of traffic are to be set aside; the reduced estimates (for engines) being framed to meet the requirements of the Act and not of the line; in which case a future outlay to provide sufficient rolling stock must be contemplated as inevitable, and for which occasion will arise before the returns from traffic will be sufficient to defray such outlay, in addition to the other charges upon the railway.

Although, by the terms of the Act, 30 Vic., No. 28, the Commissioners are required to report only "whether the said railway can be opened for traffic for a sum not exceeding £350,000," &c., it has appeared to me expedient not to keep out of sight the risk or probability of necessary additions to that sum arising after the railway has been opened, or before it has become remunerative.

F. M. INNES.

*STATEMENT showing the estimated Cost of constructing the Launceston and Western Railway.*  
*18th July, 1868.*

	£	s.	d.	£	s.	d.
Messrs Overend & Robb's tender.....	200,671	8	8			
Less amount for maintaining the Line twelve months after its completion	6453	5	4			
				194,218	3	4
Messrs. Doyne, Willett, & Major's Contract for Engineering and Super- vision .....	17,600	0	0			
Amount already received .....	3600	0	0			
				14,000	0	0
Amount of money already expended by the Company, as per Bank Book	..			6830	5	6
Interest on £300,000 borrowed capital for two years at 6 per cent. per annum.....	..			36,000	0	0
Purchase of land, about 392 acres, at £10.....	3920	0	0			
Add for compensation, &c. ....	1080	0	0			
				5000	0	0

*Permanent Way Materials.*

	£	s.	d.	£	s.	d.
4800 tons Rails (65 lbs. to the yard), at 6s. 10d. ....	31,200	0	0			
188 tons Fastenings for ditto, at £12.....	2256	0	0			
235 tons Fish Plates and Bolts, at £8 .....	1880	0	0			
<u>5223 total weight.</u>						
Supervision and Engineer's charges in England as per agreement, 2 per cent. on £35,336 .....	706	14	6			
Insurance and Duty, 1½ per cent. upon £36,100 .....	451	5	0			
Agency and Shipping Charges 1½ per cent. (as per agreement) upon £36,493 19s. 6d. ....	547	8	0			
5223 tons of Freight at 30s. per ton.....	7834	10	0			
Wharfage upon 5223 tons at ½ per cent. ....	1305	15	0			
				46,181	12	6

## NOTE.

45 miles of Line from Launceston to Deloraine at 65 lbs. per lineal yard, or 130 lbs. for every lineal yard of line of way.  
2 miles sidings, &c.

47 miles × 130 lbs. = 4800 tons.

Fastenings 4 tons to the mile × 47 = 188 tons.  
Fish Plates and Bolts 5 tons to the mile × 47 = 235 tons.

*Two Locomotive Engines.*

Estimated cost at the Manufactory, each .....	2000	0	0			
Carriage of Engines to Shipping Port, each .....	50	0	0			
Supervision and Engineer's Fees, 2 per cent. on £2000 .....	40	0	0			
Insurance and Duty, 1½ per cent. on £2100 .....	26	5	0			
Agency and Shipping, 1½ per cent. on £2116 5s. 0d. ....	31	15	0			
Freight (30 tons), Special Rate .....	250	0	0			
Wages, cleaning and erecting in the Colony .....	70	0	0			
Extra discharging from ship's side .....	100	0	0			
Wharfage, 30 tons, ½ per cent. ....	7	10	0			
Cost of one Engine .....	2575	10	0			
			2	5151	0	0

*Viaduct crossing River Esk at Longford.*

200 tons of Ironwork will cost in England £15 per ton .....	3000	0	0			
Supervision and Engineer's charges 2 per cent. on £3000.....	60	0	0			
Insurance and Duty 1½ per cent. upon £3100 .....	38	15	0			
Agent's Commission, 1½ per cent. upon £3098 15s. 0d. ....	46	9	6			
200 tons of Freight at 35s. per ton .....	350	0	0			
Wharfage, ½ per cent. upon 200 tons .....	50	0	0			
Carriage from Launceston to Longford, 200 tons at 12s. per ton.....	120	0	0			
Scaffolding and Staging, at £4 per ton .....	800	0	0			
Labour erecting, at £6 per ton .....	1200	0	0			
Painting and Scraping the Ironwork ..	150	0	0			
Timber, Cross Bearers, and Foot Boards .....	200	0	0			
Warren's Royalty, 5 per cent. upon £3000 .....	150	0	0			
				6165	4	6

*Ironwork for Rolling Stock, 55 sets, as follows:—*

3 First Class Carriages, weight 4 tons, at £189 4s. 0d. each .....	567	12	0			
7 Second ditto ditto, weight 4 tons, at £143 4s. 0d. each .....	1002	8	0			
3 Brake Vans, weight 4 tons, £118 17s. 6d. each.....	356	12	6			
40 Goods Wagons, weight 3½ tons, £110 7s. 6d. each .....	4415	0	0			
2 Horse Boxes, weight 4 tons, at £106 2s. 0d. each .....	212	4	0			

55

Supervision, &c. 2 per cent. £6553 16s. 6d. ....	131	1	6			
Insurance and Duty 1½ per cent. £6600 .....	82	10	0			
Agent's charges 1½ per cent. upon £6767 8s. 0d. ....	101	10	0			
200 tons Freight, at 35s. per ton .....	350	0	0			
Wharfage ½ per cent. on 200 tons .....	50	0	0			
Cartage from Wharf to Carriage Works, 200 tons, at 3s.....	30	0	0			
Scraping, Cleaning, and Painting .....	50	0	0			
				7348	18	0



		£	s.	d.	£	s.	d.
<i>Turntables.</i>							
1 Turntable at Launceston, cost in England .....		229	0	0			
1 ditto at Deloraine, ditto .....		229	0	0			
Supervision and charges, 2 per cent. upon £458 .....		9	3	0			
Insurance and Duty, $1\frac{1}{4}$ per cent. upon £475 .....		5	18	9			
Agent's charges, $1\frac{1}{2}$ per cent. upon £473 1s. 9d. ....		7	1	6			
Freight (probable weight 14 tons each) 28 tons, at 35s. per ton .....		49	0	0			
Wharfage, $\frac{1}{4}$ per cent. upon 28 tons .....		7	0	0			
Cartage to Station ground and to Deloraine, say .....		8	0	0			
Erecting, Cleaning, Painting, &c. ....		230	0	0			
					774	3	3
<i>15 Sets Points, Crossings, and Switches.</i>							
15 Sets Crossings and Chairs, at £13 each .....		195	0	0			
15 Sets Switches and Chairs, at £18 each .....		270	0	0			
Supervision and Engineer's Charges, 2 per cent. ....		9	6	0			
Insurance and Duty, $1\frac{1}{4}$ per cent. upon £475 .....		5	18	9			
Agent's Charges, $1\frac{1}{2}$ per cent. upon £580 4s. 9d. ....		8	14	0			
Freight (probable weight) 34 tons, at 35s. ....		59	10	0			
Wharfage, $\frac{1}{4}$ per cent. upon 34 tons .....		8	10	0			
					556	18	9
<i>Water Cranes and Tanks.</i>							
1 Water Crane at Launceston .....		29	0	0			
1 ditto at Longford .....		29	0	0			
1 ditto at Deloraine .....		29	0	0			
1 Tank and Pumps at Longford .....		250	0	0			
1 ditto ditto at Deloraine .....		250	0	0			
Supervision and Engineer's Charges, 2 per cent. on £587 .....		10	15	0			
Insurance and Duty, $1\frac{1}{4}$ per cent. upon £600 .....		7	10	0			
Agent's Charges, $1\frac{1}{2}$ per cent. upon £595 5s. ....		8	18	6			
3 Water Cranes, 11 cwt. each....1 ton 13 cwt. } Freight, 8 tons, at 35s.		14	0	0			
2 Water Tanks, 3 tons each .... 6 tons							
2 Sets of Pumps..... 7 cwt.							
Wharfage, 8 tons, at 5s. ....		2	0	0			
Cartage along the Line, say .....		8	0	0			
Timber Frames and all labour erecting ...		300	0	0			
					938	3	6
<i>Office Expenses and Salaries.</i>							
Secretary, £550 ; Accountant, £350 .....		900	0	0			
Clerk, £200 ; Junior Clerk, £70 ; Messenger, £50 .....		320	0	0			
Rent of Offices (as at present).....		30	0	0			
Fuel and Light, say .....		12	0	0			
Stationery, £50 ; Printing, £20 ; Stamps, £20 .....		90	0	0			
For one year .....		1352	0	0			
				2	2704	0	0
<i>Commissioners' Salaries and Expenses.</i>							
Mr. Bartley, £200 ; Mr. Innes, £200 ; Mr. Kemp, £750 .....		1150	0	0			
Travelling Expenses, &c., say .....		150	0	0			
For one year .....		1300	0	0			
				2	2600	0	0
<i>Rolling Stock to be made in the Colony.</i>							
3 First Class Carriages, at £380 .....		1140	0	0			
7 Second Class Carriages, at £300 .....		2100	0	0			
3 Brake Vans, at £200.....		600	0	0			
2 Horse Boxes, at £100.....		200	0	0			
40 Goods Wagons, at £35 .....		1400	0	0			
					5440	0	0
<i>Stations.</i>							
The Company propose to spend £4000 upon Stations, which are to be of the cheapest character, and to be expended as follows :—							
Launceston .....		1500	0	0			
Longford .....		500	0	0			
Deloraine .....		1000	0	0			
And for all the intermediate Stations .....		1000	0	0			
					4000	0	0
					£337,908	9	4

SAML. V. KEMP.

	£	s.	d.
Amount of subscribed Capital .....	50,000	0	0
Amount of Debenture Capital .....	300,000	0	0
	<hr/>		
	350,000	0	0
Amount of Estimate ..	337,908	9	4
	<hr/>		
Balance for Contingencies .....	£12,091	10	8
to meet Law Costs and Arbitrations; extra Earthwork in Cuttings, the slopes of which are specified to be only $\frac{1}{2}$ to 1, and it is a question whether they will stand at that batter; maintenance of the line for twelve months, amounting to £6453 5s. 4d.; and a number of other unforeseen incidentals.			

The following is a List of what I consider to be omissions, and which will be indispensable to meet the requirements after opening the line for public traffic :—

Three more Locomotive Engines.	Weigh-bridges, (Road, Rail, and Platform).
Additional Rolling Stock of all kinds.	Hoisting Cranes.
Additional Station accommodation for Passengers and Goods.	Carriage and Wagon Turntables.
Furniture for all the Stations.	Antifriction Grease and Oils.
Semaphores and Signals for the safety of the Traffic.	General Stores of all kinds.
Lamps of all kinds.	Wagon Covers and Tarpaulins.
Workshops and Tools for effecting Repairs.	Clocks, Guards' and Engine Drivers' Time-keepers.
	Ticket-dating Machines and Cabinets.

NOTE.—In making my estimate I have adopted the items so far as supplied by the Company, and which are only just sufficient, in my opinion, to meet the requirements of the Act.

SAML. V. KEMP, *Commissioner under the Launceston and Western Railway Acts.*

Launceston, 24th July, 1868.

*Launceston and Western Railway Company, Limited, 17th July, 1868.*

GENTLEMEN,

IN pursuance of the provisions of the 30 Victoria, No. 28, Section 7, I have the honor to forward to you the Contracts entered into by the Directors of this Company for the construction of the line, with the Report of the Engineer to the Board recommending the acceptance of the tender of Messieurs Overend and Robb, with his estimate of the amount of money required for purposes connected with his department to complete the line for traffic; with a further estimate from this office of other expenditure outside the Engineer's department, calculated to be necessary during the period of construction.

I am requested by the Engineer in Chief to say that certain details of alterations agreed to by the Contractors, in the total sum of £6653 11s. 4d., will be immediately made, and a copy of the whole Schedule as amended forwarded to you as your office record; but, in order to facilitate your proceedings under the Act, I have thought it desirable at once to forward the papers enclosed, and which you will please return to this office as soon as convenient.

I have, &c.,

(Signed) H. DOWLING, *Hon. Sec.*

*The Commissioners Launceston and Western Railway Company.*

Correct copy.—W. J. NORWOOD.

#### OFFICE ESTIMATE of Money Requirements.

	£	£	s.	d.
The total sum given by Mr. Doyne 16th July, 1868 .....	—	295,668	4	10
Add interest for 2 years .....	36,000			
Office Management, including Commissioners .....	4000			
Already expended .....	6719			
	<hr/>	46,719	0	0
Total .....		<hr/>	342,387	4 10
			<hr/>	

	£
MEMORANDUM.	
Proceeds of Debentures, say .....	300,000
At a nett premium of 1 per cent. ....	3000
	<hr/>
	303,000
Subscribed capital.....	50,000
	<hr/>
	353,000
	342,387
	<hr/>
Contingent .....	10,613
	<hr/>

Correct copy.—W. J. NORWOOD.

*Launceston and Western Railway Engineer's Office,  
Launceston, Tasmania, 16th July, 1868.*

DEAR SIR,

WE have the honor to hand you the Engineering Estimate for the completion of this line of railway, and beg to state that in our opinion the quantity of rolling stock, &c. therein provided for is amply sufficient to open the line in accordance with the terms of your Act.

We have, &c.,

(Signed) DOYNE, MAJOR, & WILLETT.

*The Hon. Secretary Launceston and Western Railway.*

Correct copy.—W. J. NORWOOD.

*ENGINEERS' ESTIMATE for the Completion of the Launceston and Western Railway.*

	£	s.	d.	£	s.	d.
Rails, 5400 tons, at £6 10s.....	35,100	0	0			
South Esk Bridge .....	6600	0	0			
Two Locomotives .....	5000	0	0			
55 sets Wheels and Axles, at £200.....	11,000	0	0			
Turntables .....	500	0	0			
15 sets Points and Crossings.....	450	0	0			
Water Cranes and Tanks.....	1000	0	0			
				59,650	0	0
Land Compensation .....				5000	0	0
Engineering.....				14,000	0	0
Stations .....				4000	0	0
Carriages and Trucks.....				6700	0	0
Commission in England .....				2100	0	0
Freight .....				10,000	0	0
Amount of Messrs. Overend & Robb's Tender (accepted)	200,671	8	8			
Less for Maintenance after opening the Line ..	6543	3	10			
				194,218	4	10
Total.....				295,668	4	10

(Signed) DOYNE, MAJOR, & WILLETT.

*Launceston, 16th July, 1868.*

Correct copy.—W. J. NORWOOD.

*Launceston and Western Railway Engineer's Office,  
Launceston, Tasmania, 16th July, 1868.*

DEAR SIR,

WE have the honor to report that we have carefully analyzed the tender sent in by Messrs. Overend and Robb for the construction of this line of Railway, and compared the quantities and prices given therein with those contained in our estimate laid before the Board yesterday.

We find that this tender is prepared in a business-like and satisfactory manner, and in strict conformity with the instructions for tendering. We have suggested to Messrs. Overend and Robb a few alterations, which they are prepared to make, and which will reduce their tender by the amount of £6653 11s. 4d., bringing the total £813 18s. 3d. over our estimate. Their original

tender being the lowest, and their characters individually and as contractors being high, we recommend that their amended tender be at once accepted.

We have, &c.,

(Signed) DOYNE, MAJOR, & WILLETT.

*The Hon. Secretary Launceston & Western Railway.*

Two enclosures—

1. Amended tender of Messrs. Overend and Robb.
2. Estimate for completion of works.

Correct copy.—W. J. NORWOOD.

## 105.

*Launceston and Western Railway Company, Limited, 26th June, 1868.*

SIR,

I HAVE the honor to forward the Accounts of receipts and expenditure of this Company to the end of the financial year, 16th March, 1868, in pursuance of the provisions of the 15th and 30th Vict. No. 28; and for the future the Account can be sent forward every six months.

In forwarding these Accounts I have the honor to enclose a letter from the Honorable F. M. Innes, one of the Commissioners, and at his request. You will observe that in quoting Sections 66 and 67 of 29 Vict. No. 24, he has overlooked the fact of their having been repealed.

Your obedient Servant,

H. DOWLING, *Hon. Sec.*

*The Colonial Auditor, Hobart Town.*

(Copy.)

*Hobart Town, 10th February, 1868.*

SIR,

I HAVE to request that, in forwarding for audit under the 15th Section of the Act 30 Vict. No. 28, the Accounts passed at the meeting of the Directors of the Launceston and Western Railway Company held on the 5th instant, you will transmit to the Colonial Auditor this communication intimating my dissent from the passing of those items in the Accounts which purport to have been incurred in negotiating with Banks in Melbourne and Hobart Town, with a view to enabling the Company to meet the conditions upon which the guarantee of the Government was to be given, namely, that a sum of £50,000 had been paid into some Bank to the credit of the Company and the Commissioners. According to my reading of the Acts placed in the hands of the Commissioners for their guidance, the 29th Vict. No. 24 (Sections- 66, 67), and the 30th Vict. No. 28 (Sections 4, 7, 11), the sum of £50,000 free of all costs or deductions incident to obtaining that sum should be paid into some Bank in Tasmania; and the admission of the expenses in question as a legitimate charge on a paid up capital not exceeding £50,000 cannot be made without involving a principle on which further charges of the same nature may be insisted on, and thus indefinitely reducing the value of the condition on which, according to the intention of the Legislature, the guarantee of the public credit was to be given.

I am, &c.,

(Signed) FRED. M. INNES.

*The Secretary Launceston and Western Railway Company.*

## 106.

*Audit Office, 15th July, 1868.*

DEAR SIR,

WITH the Accounts forwarded to me for audit by the Honorary Secretary of the Launceston and Western Railway Company, Limited, I received at your own instance a letter you addressed to that gentleman under date 10th February last, in which you intimated your dissent from the passing of those items in the Account, which purport to have been incurred in negotiating with Banks in Melbourne and Hobart Town, with a view to enabling the Company to meet the conditions upon which the guarantee of the Government was to be given, viz., that a sum of £50,000 had been paid into some Bank to the credit of the Company and the Commissioners.

As I find that your initials are written upon very few of the Vouchers sent to me, the bulk having been passed by the other two Commissioners, I am unable to ascertain which are the

particular payments referred to in your letter, the special object in question not being made apparent upon any of the documents before me. I have therefore to request that you will be so obliging as to favour me with further information to enable me to select the Vouchers objected to, with a view to giving due consideration to your protest.

I have, &c.,

(Signed) E. J. MANLEY.

*The Hon. F. M. INNES, Esq., Commissioner of  
Railway, Launceston.*

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107.

*Hobart Town, 24th July, 1868.*

DEAR SIR,

My absence from hence in Launceston has prevented an earlier answer to your letter of the 15th instant.

I have now to acquaint you that the items to which the principle of my objection applies are more or less distributed among other items to which that principle may not apply; but leaving such mixed accounts, I would refer you to Voucher 3, H. Dowling; 12, Messrs. Dowling and Button; 18, the same; 23, R. Green (steamer fare); 26, R. Green; 29, Messrs. Sherwin and Green: all of which comprise expenditure incurred in negotiating with banks in Melbourne and in Hobart Town, so as to enable the Company to satisfy the conditions of Sections 4 and 7 of the 30th Victoria, No. 28, that a sum of £50,000 had been placed to the credit of the Company and Commissioners at some bank.

I considered it my duty also to withhold my initials from an account to J. Stephenson (Voucher No. 7) for printing, the details of which date in 1864 and in 1865, that is prior to the passing of the Act 29 Vict. No. 24, empowering the construction and maintenance of a Railway from Launceston to Deloraine, and prior, by from two to three years, to the formation of the existing Launceston and Western Railway Company.

Mr. Dowling has pointed out to me an inadvertence in my letter to him of the 10th February, forwarded to you with the Company's accounts, namely, in referring to Sections 66 and 67 of the 29th Victoria, No. 24; but you will perceive that the oversight in question does not affect the principle of my objection as set forth in that letter, which is that the £50,000 subscribed and paid into a bank should be free of all costs, immediate or prospective, incident to getting that sum from any individual or from any firm by way of loan or accommodation.

I have, &c.,

(Signed) F. M. INNES.

*The Colonial Auditor.*