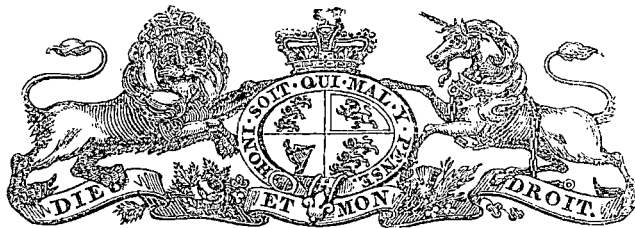


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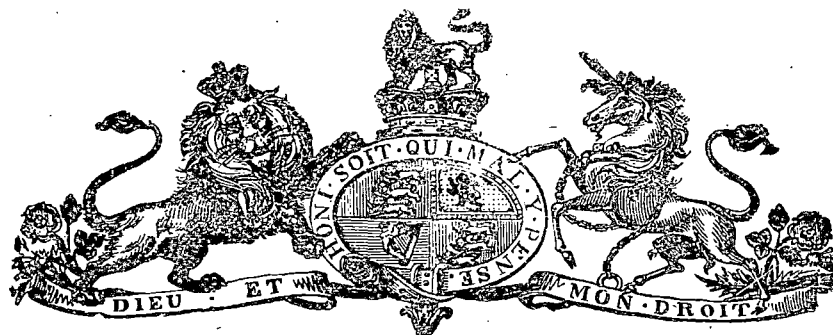
1900.

PARLIAMENT OF TASMANIA.

THE MOUNT BISCHOFF RAILWAY PURCHASE
BILL, 1900, (No. 110):

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

Brought up by Mr. Minister of Lands and Works, December 17, 1900, and
ordered by the House of Assembly to be printed.



SELECT COMMITTEE appointed on the 7th day of December, 1900, to consider and report upon "The Mount Bischoff Railway Purchase Bill (No. 110.)"

MEMBERS OF THE COMMITTEE.

MR. HALL.
MR. PATTERSON.
MR. AIKENHEAD.
MR. URQUHART.

MR. GUESDON.
MR. NICHOLLS.
MR. MINISTER OF LANDS AND WORKS.

DAYS OF MEETING.

Saturday, December 8; Monday, December 10; Tuesday, December 11; Wednesday, December 12; Thursday, December 13; Friday, December 14; Saturday, December 15; Monday, December 17.

WITNESSES EXAMINED.

His Honour Mr. Justice Clark; Mr. John M. M'Cormick, C.E., Engineer of Existing Lines, Tasmanian Government Railways; Mr. F. Back, General Manager, Tasmanian Government Railways; Mr. James Fincham; Mr. William Smith; Mr. E. D. Dobbie, Recorder, Launceston; Mr. James Stirling, Engineer, Emu Bay Railway; Mr. William Jones; Honourable Charles Henry Grant, M.L.C.; Mr. Joseph Dillon, Clerk, Solicitor-General's Office; Mr. Walter Ormsby Wise, Parliamentary Draughtsman; Mr. James William Norton Smith, Managing Agent for the V.D.L. Company; Honourable Nicholas J. Brown, Speaker of the House of Assembly; Mr. John Mitchell; Mr. William Bowman Arnold, Secretary of the Emu Bay Railway Company; Charles Mitchell, Commissioner of Taxes; Honourable William Hartnoll, M.H.A.; Honourable Adye Douglas, President of the Legislative Council; Mr. Charles Cameron Nairn, Engineer, Railway Department; Mr. David Jones, District Surveyor, Waratah.

REPORT.

Your Committee has the honour to report to your Honourable House—

That it has held several meetings, examined witnesses, and carefully considered all the evidence and correspondence which were obtainable.

The proposals, in the Bill referred to your Committee, are as follow :—

- (a.) To acquire, at a price named, the whole of the Emu Bay and Mount Bischoff Railway, and certain land contiguous thereto, rolling stock, and other properties now under offer of sale to the Emu Bay Railway Company, or
- (b.) As an alternative, to acquire certain lands at Burnie on which are erected and constructed the railway station, and part of the said railway running from the station along the foreshore to the wharves and breakwater, and land contiguous thereto, as shown upon plan submitted.
- (c.) To vest in the Crown certain land at Burnie necessary for public purposes.

Your Committee was also instructed to inquire into and report upon the disputes that have arisen between the Government, the Van Diemen's Land Company, and the Mount Bischoff and Emu Bay Railway Company, and the complications arising therefrom.

Your Committee has the honour now to report as follows—beginning with a reference to the history and events preceding and leading up to the signing of a certain agreement by the then Attorney-General on the 21st May, 1889, on behalf of the Minister of Lands and Works, and the various events which followed in connection therewith.

The evidence discloses that in 1876 a small jetty existed at Emu Bay, on which the Van Diemen's Land Company laid a tram-line, although it does not appear that any specific authority was given them for so doing. This line was completed in 1878. In 1880 (26th June), a letter was written by the Master Warden of the Table Cape Marine Board (see Appendix I), to the agent of the Van Diemen's Land Company and the Manager of the Mount Bischoff Tin Mining Company, asking if they would join with the Marine Board in raising a local subsidy towards constructing an extension of the wharf, then first spoken of as a breakwater. On the 19th October, 1880, the Van Diemen's Land Company's agent replied, agreeing to contribute One thousand Pounds on condition "that the Van Diemen's Land Company would be allowed to extend their tramway to the end of the breakwater, should they desire to do so. In case of such tramway being laid it would, of course, be worked in the same manner as that laid on the present jetty by the Company and the Marine Board conjointly." In 1886 a contribution of £1500 from the Van Diemen's Land Company was made towards construction of breakwater. This was followed by further contributions of £2000 in 1887, and £1500 in 1888, a contribution being also received from the Mount Bischoff Company in the year 1888 of £1000. On 7th December, 1888, the agent of the Van Diemen's Land Company wrote to the Minister of Lands (the late Mr. Pillinger) offering to contribute "a further sum of £1000, provided that an additional amount of £5000 towards this work be voted by Parliament during the ensuing session, and also provided that the right be granted to the Van Diemen's Land Company or their assigns, to run and maintain a railway through the land granted to the Crown in 1872 for wharf purposes and over the breakwater." This letter was referred to the Engineer-in-Chief "for his remarks," and replied to by the Hon. Premier of the day (Mr. P. O. Fysh), on the 19th December, 1888 (See Appendix V.); the Premier pointing out that the Colony had, up to that time, expended £28,500, and stating that the proposal would receive full consideration. The Engineer-in-Chief (Mr. J. Fincham) having suggested that more information be obtained as to the alleged necessity for the further expenditure, minutes the letter of 7th December, advising that "the right to run over the breakwater be granted, subject to the right of the Government to run their trains on such railway at any future time—that the rails be laid so as not to impede the free use of any part of the jetty for cart traffic, and that the railway be worked under any such regulations as may be imposed by the Marine Board."

In the meantime an Act had been passed (52 Vict. No. 63), Parliament voting £5000 towards the breakwater construction on condition that the Van Diemen's Land Company contributed £1000; and the Minister of Lands (Mr. Pillinger) wrote, on the 21st March, 1889, asking that the contribution referred to be made. It is stated, in reply (27th March), that the Van Diemen's Land Company "agreed to contribute £1000 on certain conditions, and we shall be very pleased to carry out this agreement" [see Appendix VII]. Some little difficulty arose at the time with regard to the mode of payment [see Correspondence, Appendices IX. and X., 15th and 17th April, 1889]. On the 2nd May following, a letter was written by the solicitors for the Van Diemen's Land Company (Messrs. Dobson, Mitchell, and Allport) to the Minister of Lands (Mr. Pillinger) saying that the £1000 was available, and could be paid over, and asking Mr. Pillinger to "please instruct the Crown Law officers to prepare the lease of the land required, on which the Railway could be laid down, constructed, run, &c." [see Appendix XI.]. This letter was first referred to the Engineer-in-Chief, who advises that it is "only necessary that the lease shall give the Company power to lay down rails on the

breakwater in terms of my former recommendation (23rd January, 1889), so as not to obstruct the use of the same by the Government or the public, and also through land granted to Crown in 1872."

A minute was then made by the Minister of Lands on the letter which appears to have been forwarded, with other correspondence in the matter, to the Attorney-General (Hon. A. I. Clark). Mr. Pillinger's minute [see Appendix XI.] asks the Attorney-General to "have the necessary documents prepared for my signature, guaranteeing the issue of the lease required by the Company, in accordance with Manager's letter of the 7th December, 1888, and the Engineer-in-Chief's recommendation of the 23rd January, 1889, and 3rd May, 1889." These instructions were endorsed on the 7th May by the Attorney-General, to be forwarded to the Crown Solicitor (Mr. E. D. Dobbie). Between that date (7th May) and the 17th May telegrams passed between the Minister of Lands and the Agent of the Van Diemen's Land Company, resulting in the latter wiring that he agreed to contribute £1000, on the condition that right be granted to Company to run railway through land resumed by Crown in 1872 for wharf purposes, and over the Breakwater, provided that "Government pay proportionate cost of maintenance when running their trains over the railway. In event of Marine Board imposing harassing regulations, appeal to be made to the Minister of Lands and Works" [see telegram 17th May, appendix XII.]. The endorsement of Mr. Pillinger to Van Diemen's Land Company's telegram is as follows:—"Conditions agreed to by Mr. Norton Smith approved."

On the 20th May, the following letter passes:—"Dear Sir, Herewith draft receipt, on which, being signed by the Minister of Lands and Works, we can hand you the cheque for £1000. Yours, &c., Dobson, Mitchell, & Allport. To E. D. Dobbie, Esq., Crown Solicitor" [See Appendix XIII.]

This "receipt," which was the agreement to lease, was, contrary to the usual practice, drawn by the Van Diemen's Land Company's Solicitors, Messrs. Dobson, Mitchell, & Allport, and the draft as above recorded, was sent to the Crown Solicitor's Office. All that is shown is that it was there engrossed by Mr. J. Dillon, Clerk, whose initials endorsed upon it are the only evidence that it had then been seen by any person in the Crown Law Department. This document was signed by Mr. Clark, on behalf of the Minister of Lands (absent), on 21st May, 1889. Mr. Clark states that he asked the officer (the late Mr. Hannaford, Clerk in the Engineer-in-Chief's Office) who presented it—if it were in order and approved of by the Minister of Lands, and was informed that it had been. The document coming with a batch of formal papers, he (Mr. Clark) did not regard it as being of great importance, and, accordingly, signed it for his colleague. Mr. Clark is also of opinion that the matter had never been discussed in Cabinet. Following the signing of this agreement, a lease to give effect to it was drafted by Messrs. Dobson, Mitchell, & Allport, was submitted to and amended by the Crown Solicitor, and subsequently engrossed in the Crown Solicitor's Office. This lease gave all that had been agreed to be given with regard to the term and principal conditions in the agreement of 21st May. On the 23rd September, 1889, some difficulties arose: firstly, with regard to the time to be allowed the Van Diemen's Land Company for the construction of the railway on the breakwater, it being pointed out by Mr. Dobbie, Crown Solicitor, that the Company "might defer its construction until the last year of the term," and thus prevent the Government constructing a railway; and secondly, as to the position of the railway track which the Company was to be allowed to use upon it. Although a reference is made to the term of the Lease, there is no legal objection raised. [See Appendix XVII.]

The principal difficulty at the time appears to have been the position of the line of railway upon the breakwater. The Minister subsequently agreed (11th October, 1889) "to alter the form of lease so that the Company might place its line of railway upon any portion of the breakwater which may be approved by the Minister." At this time (18th November, 1889) the matter was referred to the General Manager of Railways, it being considered that the Van Diemen's Land Company was endeavouring to arrange for connection with the future extension of the Government railway to Wynyard. The

General Manager, evidently unaware that the agreement had previously been signed, reports very strongly against the proposal, saying that he was "of opinion that such proposal would be detrimental to the interests of the Colony, and a source of future embarrassment to the Railway Department in the event of the extension of the Government Railways to Burnie." [See letter, 21st Nov., 1889, Appendix XXII.] Further correspondence ensues, the Engineer-in-Chief holding that what was then being claimed with regard to the lease "indicates more extensive concessions than were ever contemplated by the Department." Pressure was brought to bear by the Van Diemen's Land Company's solicitors, who write on the 7th March, 1890, calling attention to the continued delay in the issue of the Lease, and stating that the money was paid in good faith on the 21st May previously. On the 11th March, 1890, the Crown Solicitor writes to the Company's solicitors (see Appendix XXXIII), stating "that the Minister, upon the recommendation of the Engineer-in-Chief, declines to grant the Lease with the present plan attached, but is willing to execute the Lease with the plans marked 'Jan. 2nd, 1890, P.W.D.' " and further states "if your clients are willing to execute the Lease on those terms the matter will be at once completed."

Further correspondence follows and other difficulties are raised on both sides, the Minister of Lands and Works seeking to introduce a condition with regard to "certain turn-outs and shunts at Blackman's Point, not originally indicated by the Van Diemen's Land Company," but now stated to be necessary for the proper working of their line on the Breakwater. The Minister also claimed the right to construct upon, across, or over any of the lines for which right-of-way was to be granted, such sidings or lines as the Minister might require without payment of tolls or purchase. On the 21st May, 1890, the Company's solicitor made a counter proposal, and stated that if no settlement were come to within a week, "action must be taken to have the agreement specifically enforced." On the 24th October, 1891, Mr. Dobbie, writing to the Company's solicitors, said that he had already explained to Mr. Mitchell that the agreement for a lease for 1000 years was *ultra vires* of the powers of the Minister, who had no power to grant leases of the Crown lands beyond that conferred by the Crown Lands Act, and pointing out that the agreement was not prepared in the Crown Solicitor's Office. This letter is the first record of any exception being taken to the term of 1000 years.

Negotiations were then commenced for a Bill to authorise the issue of a Lease in accordance with the agreement of the 21st May, 1889; and on the 2nd November, 1892, Mr. Dobbie wrote, instructed by the Attorney-General (Mr. Lewis), to the Company's solicitors, forwarding a draft of such a Bill, and stating that the Government was prepared to introduce it, conditionally upon a satisfactory arrangement being made with reference "to the three acres of land to be granted by the Company to the Queen."

The Bill was originally drafted by Messrs. Blake and Riggall, solicitors in Melbourne for the Company, and was "settled" by Mr. A. I. Clark (then Attorney-General) in Tasmania, for Messrs. Dobson, Mitchell, & Allport; and was printed either prior to or early in the Session of 1892, it being marked Bill No. 3. Copies and revises in the possession of the Crown Law Department have been exhibited to your Committee, also plan accompanying the Bill showing position of the railway line to be leased across the Government land and upon the breakwater. The Bill, however, was not submitted to Parliament, and it appears from the evidence of Messrs. J. W. Norton Smith, J. Mitchell, and E. D. Dobbie, that Mr. Hartnoll, Minister of Lands during the latter part of 1892, positively refused, at an interview with Mr. Norton Smith in November, to ratify the agreement by the issue of a Lease; although the Bill prepared in the early part of that year was revised by the Parliamentary Draftsman on the 1st November, apparently with the object of its being introduced to the Legislature. The grounds of Mr. Hartnoll's objection to signing the lease are not quite clear; but there is evidence that some kind of compromise was suggested, by a letter of his of 22nd November, replying to one from Messrs. Dobson, Mitchell, & Allport. This letter implies that whatever proposal had been made was not regarded by Mr. Hartnoll as a failure to carry out the agreement. [See Appendix XLVIII.]

This fairly completes the history of the agreement, the matter having been practically left in abeyance ever since.

With regard to the validity of the agreement, your Committee is satisfied that it is *ultra vires*, and, therefore, not legally binding. The Committee feels it to be its duty, however, to call attention to the facts—(1) that it was made for a consideration, the sum of £1000 being paid by the lessees, and accepted by the Government; (2) that although there were disputes about details, the draft leases and the Bills, which were either prepared by, or at any rate, passed through the Crown Law officers' hands, practically were intended to give effect to the main concession invalidly granted by the so-called receipt; and further, that, although the agreement was signed over 11 years ago, and has been the subject of correspondence and negotiation since, no formal repudiation of it has ever been made, nor has the Van Diemen's Land Company ever been asked to accept a return of the money paid.

Your Committee finds considerable difficulty in fixing the responsibility for the entering into of the agreement of the 21st May, 1889, but are unanimously of opinion that that agreement, if legal, would have divested the Crown of rights which should never have been parted with. With regard to the term of 1000 years, it would seem from the previous correspondence that, on the one hand, the Van Diemen's Land Company had aimed at acquiring certain perpetual rights, while on the other, the importance of those rights had not been realized. But as to the term of the agreement which makes the right of the Government to run its railways upon the breakwater subservient to that of the Company, there is nothing in the evidence before your Committee to show that the intention to grant such a predominance to a private company ever existed in the mind of any Minister. The Committee has to express its surprise that a document conferring such extraordinary powers should have passed through the Crown Law Offices without more careful examination, but after the lapse of so many years it is not easy, with the evidence available, to discover which particular officer was to blame. It seems certain, however, that, prior to the agreement being signed, it had not been perused either by the Crown Solicitor or the Attorney-General, but this may have been caused by a subordinate officer accepting an undue responsibility.

Turning from this subject to one which has been brought into association with it, known as the "Three Acres" question, your Committee has perused correspondence too voluminous to print in its entirety, and only feels it necessary to deal briefly with the matter, inasmuch as it is proposed by the Bill to vest the land referred to in the Crown.

On the 3rd July, 1889 (see Appendix XV.), an application was made by the Minister of Lands to the Van Diemen's Land Company for a certain area of land near the breakwater needed for public purposes, "in consideration of an additional sum of, say £6000, being expended in extending the breakwater." This land, which was previously surveyed, was described in the letter referred to, and part of it is stated by the Minister to be "between high and low water mark," such description being borne out by the plans before your Committee.

Surrender of this land to the Crown has never been made, and, unfortunately, the vote of £6000 was expended without the matter being brought to a completion. Lengthy correspondence took place first of all as to the purposes for which it was to be used. Other difficulties cropped up in connection with some leasing rights held by Captain Jones, but ultimately the transfer to the Crown was refused by the Company; the Agent wiring on 9th June, 1899, to the late Premier (Sir Edward Braddon) that the settlement which the Company would approve was the acceptance by Government of three acres applied for or some smaller area, and the simultaneous confirmation of Lease for running powers over breakwater. It will thus be seen that the refusal of the Company to transfer the land is based upon its claim to the execution of the Lease of railway rights over the breakwater, in accordance with the agreement previously referred to, and to the Government also declining to acknowledge the Company's right to land below high-water mark by accepting the area as originally asked for and surveyed.

Your Committee having taken into consideration the above facts, then proceeded to deal with the Bill, and having weighed the evidence in support of the allegations contained in the Preamble of the Bill, has the honour to report that the said Preamble has been proved to its satisfaction.

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

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

EDWARD MULCAHY, *Chairman.*

*Committee Room, House of Assembly,
17th December, 1900.*

MINUTES OF PROCEEDINGS.

SATURDAY, DECEMBER 8, 1900.

The Committee met at 12 o'clock.

Members present.—Mr. Urquhart, Mr. Guesdon, Mr. Patterson, and Mr. Minister of Lands and Works.

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

Mr. Minister of Lands and Works was appointed Chairman.

The Chairman laid upon the Table :—

- (1.) Copy of Telegram dated 8th December, 1900, from the Minister of Lands and Works to J. Stirling, Esq., Engineer, Burnie.
- (2.) Copy of Telegram dated 8th December, 1900, from the Minister of Lands and Works to Mr. Saunderson, Van Diemen's Land Company's Office, Burnie.
- (3.) Copy of Telegram dated 8th December, 1900, from the Minister of Lands and Works to J. W. Norton Smith.

The Committee deliberated.

Ordered, That Mr. J. M. M'Cormick, Engineer-in-Chief, Tasmanian Government Railways, be summoned to give evidence for 11 o'clock; Mr. Frederick Back, General Manager of Railways for 12 o'clock; Mr. James Fincham, for 12 o'clock; and Mr. Wm. Smith, for 2-30 o'clock, on Monday next.

Ordered, That His Honour Mr. Justice Clark be requested to appear and give evidence before the Committee at 2-30 o'clock on Monday next.

Ordered, That Mr. James Stirling, Engineer, Emu Bay Railway, and Mr. W. Jones, Burnie, be summoned to give evidence for 11 o'clock on Tuesday next.

Ordered, That Mr. Arnold, Secretary Emu Bay Railway Company, and Mr. J. W. Norton Smith, Agent Van Diemen's Land Company, be summoned to give evidence for 11 o'clock on Wednesday next.

Resolved, That Mr. Frank Morton be appointed Shorthand Reporter to the Committee. (Mr. Guesdon.)

At 12-50 the Committee adjourned till 11 o'clock on Monday next.

MONDAY, DECEMBER 10, 1900.

The Committee met at 11 o'clock.

Members present.—Mr. Minister of Lands and Works (Chairman), Mr. Guesdon, Mr. Urquhart, Mr. Patterson, and Mr. Nicholls.

The Minutes of the last Meeting were read and confirmed.

The Chairman laid upon the Table copies of the following telegrams :—

- (1.) From J. Stirling to the Minister of Lands and Works, dated 8th December, 1900; and reply, dated 10th December.
- (2.) From the Premier to the Minister of Lands and Works, dated 8th December.
- (3.) From the Minister of Lands and Works to W. Arnold, Secretary to Emu Bay Railway Company, Burnie, dated 8th December.
- (4.) From Minister of Lands and Works to Telegraph Operator, Montagu, dated 8th December.
- (5.) From the Minister of Lands to J. W. Norton Smith, Manager Van Diemen's Land Company, dated 8th December; reply, dated 9th December; and further telegram, of same date, from the Minister of Lands to Mr. Norton Smith.
- (6.) From Mr. Aikenhead to the Minister of Lands, dated 10th December, with reply of same date.
- (7.) Reply from Mr. W. Arnold, from Melbourne, dated 10th December; and further telegram from the Minister of Lands to Mr. Arnold, of same date.
- (8.) From Mr. Hall to the Minister of Lands, requesting that Mr. David Jones, District Surveyor, Waratah, be called by the Committee to give evidence.

Ordered, That Mr. David Jones, District Surveyor, be summoned to give evidence; and that a telegram be sent informing him of the fact, and requesting him to state when he could attend the Committee.

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Resolved, That all evidence heard before the Committee be taken on the witness making the Statutory Declaration prescribed in the Schedule to 35 Vict. No. 11.

His Honour, Mr. Justice Clark, was called in, made the declaration prescribed, and was examined.

Mr. Clark withdrew.

Mr. John M'Neil M'Cormick, Engineer-in-Chief, Tasmanian Government Railways, was called in, made the declaration prescribed, and was examined.

Mr. M'Cormick withdrew.

At 1 o'clock the Committee adjourned till half-past 2.

The Committee met again at half-past 2.

Members present—Mr. Minister of Lands and Works (Chairman), Mr. Guesdon, Mr. Urquhart, Mr. Patterson, and Mr. Nicholls.

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

Mr. Back submitted to the Committee certain departmental correspondence on the subject of the Emu Bay Breakwater Concessions, which was ordered to be printed.

Mr. Back withdrew.

Mr. James Fincham, formerly Engineer-in-Chief Tasmanian Government Railways, was called in, made the declaration prescribed, and was examined.

Mr. Fincham withdrew.

The Committee adjourned till 11 o'clock to-morrow.

TUESDAY, DECEMBER 11, 1900.

The Committee met at 11 o'clock.

Members present.—Mr. Minister of Lands and Works (Chairman), Mr. Guesdon, Mr. Hall, Mr. Aikenhead, Mr. Patterson, and Mr. Nicholls.

The Minutes of the last Meeting were read and confirmed.

The Chairman laid upon the Table copies of the following telegrams :—

- (1.) From David Jones, District Surveyor, Waratah, to the Clerk of the House, dated 10th December, 1900.
- (2.) From J. W. Norton Smith, Montagu, to the Minister of Lands and Works, dated 10th December, 1900.
- (3.) From R. Stuart Saunderson, to the Minister of Lands and Works, dated 8th December, 1900.
- (4.) From E. D. Dobbie, Launceston, to the Minister of Lands and Works, dated 10th December, 1900.
- (5.) From W. B. Arnold, Melbourne, to the Minister of Lands and Works, dated 11th December, 1900.
- (6.) From the Minister of Lands and Works to Mr. Saunderson, accountant, V.D.L. Co., Burnie, dated 10th December.
- (7.) From the Minister of Lands and Works to E. D. Dobbie, Launceston, dated 10th December.

The Chairman also laid upon the Table an Estimate of Mr. M'Cormick, Engineer-in-Chief, Tasmanian Government Railways, of the total cost of relaying the Mount Bischoff Railway, which was ordered to be printed. [Appendix LIV.]

Mr. James Fincham was recalled, and further examined.

Mr. Fincham withdrew.

At 12.55 the Committee adjourned till half-past 2.

The Committee met again at half-past 2.

Members present.—Mr. Nicholls, Mr. Patterson, Mr. Hall, Mr. Aikenhead, and Mr. Guesdon.

Mr. Patterson took the Chair, in the temporary absence of the Chairman (Mr. Minister of Lands and Works).

Mr. Minister of Lands and Works subsequently took the Chair.

Mr. Wm. Smith, formerly Secretary of Public Works Department, was called in, made the declaration prescribed, and was examined.

Mr. Smith withdrew.

The Committee proceeded to read through and consider correspondence relating to the Emu Bay Breakwater Concessions, and certain of the documents were ordered to be printed. [Appendices I. to XLIV.]

The Chairman laid upon the Table a paper showing the contributions by the Van Diemen's Land Company on account Emu Bay Breakwater. [Appendix XLIII.]

Ordered, That Mr. E. D. Dobbie be summoned to give evidence before the Committee at 11 o'clock to-morrow.

At 5 o'clock the Committee adjourned till 11 o'clock to-morrow.

WEDNESDAY, DECEMBER 12, 1900.

The Committee met at 11 o'clock.

Members present.—Mr. Minister of Lands and Works (Chairman), Mr. Guesdon, Mr. Hall, Mr. Nicholls, and Mr. Aikenhead.

The Minutes of the last Meeting were read and confirmed.

Mr. Patterson took his seat.

Ordered, That the Minister of Lands and Works—

- (1.) Lay on the Table a copy of the Contract Plan and Section of the Sorell Railway.
- (2.) Give instructions to have a diagram prepared, and laid on the Table, showing the railway line from Strahan to Emu Bay.
 - (a) Strahan to Zeehan, in black, and length in miles.
 - (b) Zeehan to Guildford Junction, in red, ditto.
 - (c) Guildford Junction to Burnie, in blue, ditto. (Mr. Patterson.)

At a subsequent stage in the proceedings the Chairman laid upon the Table the above-mentioned plan and diagram.

Mr. Edward David Dobbie, Recorder, Launceston, was called in, made the declaration prescribed, and was examined.

Mr. Dobbie withdrew.

Ordered, That Mr. Joseph Dillon, Clerk in the Solicitor-General's Office, be summoned to give evidence at 4 o'clock this afternoon.

Mr. James Stirling, Engineer, Emu Bay Railway, was called in, made the declaration prescribed, and was examined.

Mr. Stirling withdrew.

At 1 o'clock the Committee adjourned till half-past 2.

The Committee met again at half-past 2.

Members present.—Mr. Minister of Lands and Works (Chairman), Mr. Aikenhead, Mr. Hall, Mr. Nicholls, and Mr. Patterson.
 Mr. William Jones, of Burnie, was called in, made the declaration prescribed, and was examined.
 Mr. Guesdon took his seat.
 Mr. Jones withdrew.
 The Honourable Charles Henry Grant, M.L.C., was called, made the declaration prescribed, and was examined.
 Mr. Grant withdrew.
 Mr. James Fincham was recalled, and further examined.
 Mr. Fincham withdrew.
 Mr. Joseph Dillon, Clerk in Solicitor-General's Office, was called in, made the declaration prescribed, and was examined.
 Mr. Dillon submitted to the Committee a letter dated 20th May, 1889, from Dobson, Mitchell, & Allport to E. D. Dobbie, Crown Solicitor. [Appendix XIII.]
 Mr. Dillon withdrew.
Ordered, That Mr. W. O. Wise, Parliamentary Draughtsman, be summoned to give evidence before the Committee at 11 o'clock to-morrow.
 At 5 o'clock the Committee adjourned till 11 o'clock to-morrow.

THURSDAY, DECEMBER 13, 1900.

The Committee met at 11 o'clock.
Members present.—Mr. Minister of Lands and Works (Chairman), Mr. Aikenhead, Mr. Hall, Mr. Guesdon, Mr. Nicholls, and Mr. Patterson.
 The Minutes of last Meeting were read and confirmed.
 Mr. Walter Ormsby Wise, Clerk to Law Department and Parliamentary Draughtsman, was called in, made the declaration prescribed, and was examined.
 Mr. Wise withdrew.
 Mr. James William Norton Smith, Managing Agent Van Diemen's Land Company, was called in, made the declaration prescribed, and was examined.
Ordered, That Mr. John Mitchell be summoned to give evidence before the Committee at half-past 2 this afternoon.
Ordered, That the Honourable the Speaker be requested to attend the Committee at half-past 2 this afternoon.
Ordered, That a telegram be sent to the Honourable Wm. Hartnoll, requesting him to attend the Committee at 11 o'clock to-morrow.
 Mr. Norton Smith submitted to the Committee copies of the following letters:—
 (1.) From the Honourable Alfred Pillinger, Minister of Lands and Works, to Mr. J. W. Norton Smith, dated 3rd July, 1889.
 (2.) From the Honourable Alfred Pillinger, Minister of Lands and Works, dated 21st January, 1890.
 (3.) From J. W. Norton Smith, dated 8th March, 1890.
 (4.) A Summary of Statistics for 14 years, ending 31st December, 1897, for the Emu Bay and Mount Bischoff Railway Company, Limited.
 Mr. Norton Smith withdrew.
 At 12:55 the Committee adjourned till half-past 2.
 The Committee met again at half-past 2.
Members present.—Mr. Minister of Lands and Works (Chairman), Mr. Aikenhead, Mr. Hall, Mr. Guesdon, Mr. Nicholls, and Mr. Patterson.
 The Honourable Nicholas J. Brown, Speaker of the House of Assembly, was called in, made the declaration, and was examined.
 Mr. Brown withdrew.
 Mr. John Mitchell, of the firm of Dobson, Mitchell, and Allport, formerly Solicitors to the Van Diemen's Land Company, was called in, made the declaration prescribed, and was examined.
 Mr. Norton Smith gave his consent to Mr. Mitchell giving certain evidence to the Committee.
 Mr. Mitchell submitted to the Committee the following documents:—
 (1.) Letter from Hon. A. Inglis Clark, Attorney-General to Messrs. Dobson, Mitchell & Allport, dated 11th March, 1892. [Appendix XLV.]
 (2.) Letter from ditto to ditto, dated 19th March, 1892. [Appendix XLVI.]
 (3.) Draft Lease of Land for Railway at Emu Bay, dated 1889.
 (4.) Lease of Land for Railway at Emu Bay, dated 1889.
 Mr. Mitchell withdrew.
 Mr. Norton Smith was recalled and further examined.
 Mr. Norton Smith withdrew.
 The Chairman read a telegram from the Honourable Wm. Hartnoll stating that he was leaving for Hobart.
Ordered, That Mr. Charles Mitchell, Commissioner of Taxes, be called as a witness, to produce the valuation of the Emu Bay and Bischoff Railway, as put in by the Emu Bay and Bischoff Railway Company. (Mr. Nicholls.)
 Mr. William Bowman Arnold, Secretary Emu Bay Railway Company, was called in, made the declaration prescribed, and was examined.
 Mr. Arnold withdrew.
 At 6 o'clock the Committee adjourned till 11 o'clock to-morrow.

FRIDAY, DECEMBER 14, 1900.

The Committee met at 11 o'clock.
Members present.—Mr. Minister of Lands and Works (Chairman), Mr. Aikenhead, Mr. Nicholls, Mr. Hall, Mr. Patterson, and Mr. Guesdon.
 The Minutes of last Meeting were read and confirmed.
 The Chairman laid on the Table—
 (1.) An extract from the grant of land in the District of Emu Bay to the Van Diemen's Land Company. [Appendix LII.]
 (2.) Copy of letter from Hon. Wm. Hartnoll, Minister of Lands and Works, to Messrs. Dobson, Mitchell, & Allport. [Appendix XLVIII.]
 Mr. Charles Mitchell, Commissioner of Taxes, was called in, made the declaration prescribed, and was examined.
 Mr. Mitchell withdrew.

Mr. John Mitchell was recalled and further examined.
 Mr. Mitchell withdrew.
 The Honourable William Hartnoll, M.H.A., was called in, made the declaration prescribed, and was examined.
 Mr. Hartnoll withdrew.
 The Honourable Abye Douglas, President of the Legislative Council, who was present, on expressing his willingness to give evidence to the Committee, was called, made the declaration prescribed, and was examined.
 Mr. Charles Cameron Nairn, Engineer, Railway Department, was called in, made the declaration prescribed, and was examined.
 Mr. Nairn withdrew.
 At 1 o'clock the Committee adjourned till half-past 2.
 The Committee met again at half-past 2.
Members present—Mr. Minister of Lands and Works (Chairman), Mr. Urquhart, Mr. Nicholls, Mr. Guesdon, Mr. Aikenhead, Mr. Hall, and Mr. Patterson.
 Mr. Back was recalled, and further examined.
 Mr. Back withdrew.
 Mr. Nairn was recalled, and further examined.
 Mr. Nairn withdrew.
 Mr. David Jones, District Surveyor, Waratah, was called in, made the declaration prescribed, and was examined.
 At 4 o'clock the Committee adjourned during the sitting of the House.
 The Committee met again at 4.45.
Members present—Mr. Minister of Lands and Works (Chairman), Mr. Aikenhead, Mr. Hall, Mr. Guesdon, Mr. Nicholls, Mr. Patterson.
 Mr. Jones' examination was continued.
 Mr. Jones withdrew.
 His Honour Mr. Justice Clark was recalled and further examined.
 Mr. Clark withdrew.
 At 6 o'clock the Committee adjourned till 11 o'clock to-morrow.

SATURDAY, DECEMBER 15, 1900.

The Committee met at 11 o'clock.
Members present—Mr. Minister of Lands and Works (Chairman), Mr. Guesdon, Mr. Nicholls, Mr. Hall, Mr. Urquhart, Mr. Aikenhead, and Mr. Patterson.
 Mr. John Mitchell was recalled and further examined.
 Mr. Mitchell withdrew.
 The Chairman read a letter from Mr. Justice Clark, dated 15th December. [Appendix L.]
 The Minutes of the last Meeting were read and confirmed.
 The Committee deliberated.
Ordered, That a Sub-committee be appointed to prepare a narration of the events leading up to the disputes that have arisen between the Government, the Van Diemen's Land Company, and the Mount Bischoff and Emu Bay Railway Company, and the complications therefrom: such Sub-committee to consist of Mr. Nicholls and Mr. Minister of Lands and Works. (Mr. Aikenhead.)
 The Members of the Sub-committee withdrew.
 Mr. Aikenhead was appointed Chairman during the absence of the Chairman on the Sub-committee.
 The Committee proceeded to read through the evidence, disallowing the alterations of witnesses in certain cases.
 At 1.5 the Committee adjourned till half-past 2.
 The Committee met again at half-past 2.
Members present—Mr. Aikenhead (Acting Chairman), Mr. Guesdon, Mr. Hall, and Mr. Urquhart.
 The Acting Chairman read a telegram from Mr. Hunt, Collector, Launceston, to the Commissioner of Taxes, Hobart. [Appendix LI.]
 The Committee further considered the evidence.
 At 6 o'clock the Committee adjourned till half-past 7.
 The Committee met again at half-past 7.
Members present—Mr. Aikenhead (Acting Chairman), Mr. Hall, Mr. Guesdon, and Mr. Urquhart.
 The Committee further considered the evidence.
 The Acting Chairman laid on the table the following letters:—
 (1.) From Alfred Pillinger, Minister of Lands and Works, to J. W. Norton Smith, Burnie, dated 5th August, 1889. [Appendix XVa.]
 (2.) From Alfred Pillinger, Minister of Lands and Works, to Messrs. Dobson, Mitchell, & Allport, dated 5th September, 1890. [Appendix XLIA.]
 (3.) From Alfred Pillinger, Minister of Lands and Works, to J. W. Norton Smith, dated 24th March, 1897. [Appendix XLVIA.]
 The Sub-Committee, to prepare a narration, &c., brought up its Report.
 The Minister of Lands and Works resumed the Chair.
 The Report of the Sub-Committee was read.
 The Minutes of the day's Meeting were read and confirmed.
 At 12.10 A.M. the Committee adjourned till 9 o'clock on Monday morning.

MONDAY, DECEMBER 17, 1900.

The Committee met at 9 o'clock.
Members present—Mr. Minister of Lands and Works (Chairman), Mr. Guesdon, Mr. Hall, Mr. Aikenhead, and Mr. Patterson.
 The Committee deliberated.
 Mr. Urquhart and Mr. Nicholls took their seats.
 Mr. Charles Mitchell, Commissioner of Taxes, appeared before the Committee, and put in the Assessment Return of the Emu Bay and Mount Bischoff Railway, which adopts the valuation of Mr. Norton Smith, Managing Agent for the Van Diemen's Land Company.

The Committee considered the Preamble of the Bill.
 The Question being put—That the Preamble be found proved ;
 The Committee divided.

AYES.
 Mr. Aikenhead.
 Mr. Hall.
 Mr. Urquhart.

NOES.
 Mr. Guesdon.
 Mr. Nicholls.
 Mr. Patterson.

The Chairman, Mr. Minister of Lands and Works, voted with the Ayes.

So it was resolved in the Affirmative.

The Committee then entered upon the consideration of the various Clauses of the Bill.

Clause 1 agreed to.

Clause 2 postponed.

Clauses 3 to 9 agreed to.

Clause 10.

Amendment made (Mr. Urquhart), page 3, line 18, after "Governor," by striking out "in Council."

Clause, as amended, agreed to.

Clauses 11 to 16 agreed to.

Schedule agreed to.

The Draft Report of the Committee, embodying the Report of the Sub-Committee, was brought up and considered.

At half-past 1, the Committee adjourned till 2 o'clock.

The Committee met again at 2 o'clock.

Members present.—Mr. Minister of Lands and Works (Chairman), Mr. Aikenhead; Mr. Nicholls, Mr. Patterson, Mr. Guesdon, Mr. Hall, and Mr. Urquhart.

The Report was further considered, and agreed to.

The Committee further considered the Bill.

Clause 2.

Amendment made (Mr. Nicholls), page 2, line 7, after "from," by striking out "Burnie to Waratah, including the permanent way thereof, and all works, buildings, stations, and erections erected or built on or connected with the said railway," and inserting "Crown Land (contiguous to the breakwater), at Burnie to Waratah, including the permanent way thereof, and all works, buildings, stations, and erections constructed or built upon, or connected with the said railway, and also including any easement in connection with the said railway, exercised by the company or its predecessors in title, and all claims of the Company or its predecessors in title to any such easement, whether arising out of agreement or otherwise.

Clause, as amended, agreed to.

New Schedule (2.) brought up (Mr. Urquhart), and read the First time :—

"SCHEDULE (2). TOWN OF BURNIE.

"All that piece of land, so far as the same is not already the property of the Crown, commencing at the north angle on Bass Strait of two acres one rood twenty-nine perches as described in Schedule (1.) and bounded by the north-east boundary of that land and by a line forming a continuation of that boundary south-easterly to Emu Bay; thence by that Bay northerly to include Blackman's Point to Bass Strait aforesaid; and thence by that Strait to the point of commencement."

Read the Second time, and agreed to, (to follow Schedule (1.).

New Clause A brought up (Mr. Urquhart), and read the First time :—

"A It shall be lawful for the Minister, if the Governor approves, to take and acquire for public purposes, the land described in the Schedule (2.) hereto."

Read the Second time, and made part of the Bill, (to follow Clause 16).

New Clause B brought up (Mr. Urquhart), and read the First time.

"B The amount of compensation to be paid to the owner of such land so taken and acquired shall be referred to the determination of two arbitrators, one of whom shall be appointed by the Minister, and the other by the said owner; and, for the purposes of this Section, 'The Arbitration Act, 1892,' shall apply."

Read the Second time, and made part of the Bill (to follow New Clause A).

At half-past 5, the Committee adjourned *sine die*.

EVIDENCE.

MONDAY, 10TH DECEMBER, 1900.

HIS HONOUR MR. JUSTICE CLARK, *called and examined.*

Mr. Clark made the Statutory Declaration.

1. *By the Chairman.*—Your name is Andrew Inglis Clark, and you are a Judge of the Supreme Court of Tasmania? Yes.

2. Do you remember on 21st May, 1899, sending a document? Have you got that correspondence that I sent to you this morning?

3. No, it is broken up, but I can get anything you want of it? Well I want to have the correspondence here, and I do not feel prepared to give evidence without it.

4. I will send for it at once. Do you remember anything about that document? I remember distinctly during one week that Mr. Pillinger was away from town—I do not know whether he was away the whole week; but at any rate he was away for some days, and I signed the papers for his department during his absence, as it was the common practice in my time for one minister to sign papers during another minister's absence. On this particular afternoon, Mr. Hannaford came over with a bundle of papers for me to sign. The majority of them were vouchers for payment of contracts. I do not exactly remember, now, what the others were; but I do distinctly remember that there was an agreement with the Van Diemen's Land Company among them, and that I asked Mr. Hannaford, before I signed it, if it was in order, and if the Minister had approved it. He said "Yes," and I signed it; that I remember distinctly. For the rest, I must depend upon the correspondence.

5. Do you remember who was the clerk that brought this over? Yes, Mr. Hannaford.

6. *By Mr Patterson.*—He is dead now, is he not? Yes, I believe he is. I believe he was, at that time, in the office of the Engineer-in-Chief.

7. Chief Clerk to the Engineer-in-Chief? Yes, I think so.

8. *By the Chairman.*—Have you any recollection, Mr. Clark, of the matter being discussed in Cabinet? No recollection whatever, and my own private impression all along has been that it never was discussed in Cabinet? I would not be very confident in asserting that on my own unaided recollection, but my late colleague, Mr. Bird, is of the same impression, and, having his recollection or impression to support me, I feel pretty confident that it never was discussed in Cabinet at all.

9. Do you remember at any time subsequently perusing that document? No; to the best of my recollection I never saw it again; and I may add that I never saw it before I signed it, nor any draft of it. I never had a draft of it submitted to me. In fact, I am confident that, had it not been for the accident of Mr. Pillinger's absence from town, I never would have seen it in any form or shape, either in draft or in engrossment.

10. You have seen drafts of the lease prepared to give effect to that document? That which you showed me, you mean?

11. Yes, and any others? I saw a document in your possession within the last day or two—a draft lease. That is the first time I ever saw it. I never saw, before, this draft lease which you showed me within the last few days. [At this stage the correspondence was produced, and handed to witness.] Now, I wish to draw the attention of this Committee to the fact that on the 3rd May, 1889, a bundle of papers was sent over to me, as Attorney-General, from the Minister of Land's Department, with this note or endorsement:

"As it is necessary that the contribution of £1000 should be at once made by the Van Diemen's Land Company in terms of Act 52 Vict. No. 63, the works at Emu Bay Jetty under such Act being now in progress (*vide* copies letters to Manager, Van Diemen's Land Company), will the Hon. the Attorney-General have the necessary document prepared for my signature guaranteeing the issue of the Lease required by the Company in accordance with Manager's letter 7/12/88, and the Engineer-in-Chief's recommendations of 23rd January, 1889, and 3rd May, 1889. On this understanding perhaps Messrs. Dobson, Mitchell and Allport will at once pay the amount."

ALFRED PILLINGER, *Minister of Lands and Works.*

7th May, 1889.

That is endorsed as having been transmitted to the Crown Solicitor. I must direct attention to the fact that I am there asked to give instructions to have a document prepared strictly in

accordance with an Act of Parliament—in the terms of Act 52 Vict. No. 63, and it also says that it is to be prepared in accordance with the Engineer's recommendations on two different dates. The Committee will immediately see that I would not have the slightest ground for imagining that there was anything doubtful in this agreement—anything, that is, calling for inquiry. I was asked to have something done strictly in accordance with an Act of Parliament. The matter had never been brought to my notice before. I had never been asked for an opinion as to the power of the Government to do what this agreement proposed, nor what the legal consequences of giving effect to it would be.

12. *By Mr. Patterson.*—But that Act referred to: there is nothing in the agreement referring to it, is there? No, but I did not know that at the time; I found it out afterwards. As I say, I was never called on to give an opinion on the matter. I have brought down the Opinion Book of 1887 with me, and you will there find every opinion given by me as Attorney-General recorded there. Some of these opinions are on matters of great importance, and fill pages; some are very brief, only two lines or so; but they are all recorded there. Anything that was ever put on paper by me as Attorney-General—and I believe that Mr. Urquhart would testify to the same practice having been followed in his time—everything, even if it was only three words, was always recorded in this book. If I had been asked at any time previously to the date I have named to give my legal opinion as to the power of the Government to make that agreement, or as to its legal consequences and effect if it should be made, the opinion would be recorded here. I want to make that quite clear. Everything, from a couple of words up to two pages or more, is always recorded here.

13. *By Mr. Guesdon.*—That refers, then, to certain correspondence with the Manager of the Van Diemen's Land Company, and also with the Engineer-in-Chief? Yes.

14. Have you ever seen the correspondence?—because, you know, if the Manager of the Company has asked for a lease to be given in the terms of a certain Act of Parliament, the Act would be cited, and there should be something in the Act to refer to that. Have you seen that correspondence? No. I will draw attention, gentlemen, to the fact that here is a request to prepare a document in accordance with a particular Act of Parliament, and, when I sent the papers to the Crown Solicitor, with instructions to prepare the document, I would rely upon him consulting the Act, as is the usual practice in the department. Mr. Urquhart will bear me out in that.

Mr. Urquhart.—Yes, that is so.

Witness.—Well, the Act merely says:—"It shall be lawful for the Minister of Lands and Works to expend a sum not exceeding Five thousand Pounds, out of moneys to be provided by Parliament for the purpose, in and towards the erection, construction, and completion of the Emu Bay Breakwater: Provided that the Minister shall not expend any part of the said sum of Five thousand Pounds unless and until the Van Diemen's Land Company shall have contributed One thousand Pounds, and the Table Cape Marine Board shall have contributed Eight hundred Pounds respectively for and towards the erection, construction, and completion of the said breakwater." I think I am quite within my duty in pointing out to you, gentlemen, that this agreement which I signed makes no reference whatever to this Act of Parliament. It purports to be an independent agreement, under which £1000 is to be paid by the Van Diemen's Land Company in return for a specific concession given to the Van Diemen's Land Company, allowing them to run their rails over the breakwater. On the face of this document, as it stands, it is an absolutely independent agreement for a distinct £1000, altogether apart and separate from the £1000 given under this Act for another purpose; and, if the Van Diemen's Land Company wish to assert any rights under this agreement, they must prove that they have paid £1000 under this agreement. But I am informed that they have never paid any such £1000: that they have only paid one £1000, and that was under this Act.

15. *By the Chairman.*—Who was the Crown Solicitor at that time? Mr. Dobbie.

16. He would be, under you, responsible for the preparation of that document? Yes. Of course, you will understand that I do not wish to repudiate the political responsibility of a minister—of a member of a Cabinet. When a man joins a Cabinet he takes his colleagues for better or worse, and so long as he remains with them he must take joint and corporate responsibility for everything that is done. I take up no other position than that it was by a pure accident that I signed that document, in the absence of the minister concerned, Mr. Pillinger; that it was never prepared by my advice; and that I was never asked for my opinion as to its legal effects and consequences.

17. Would this document be prepared entirely within the Crown Law Office? The Committee will see, if they peruse the correspondence, that Messrs. Dobson, Mitchell and Allport were acting for the Van Diemen's Land Company; and there are very plain indications in the correspondence that Messrs. Dobson, Mitchell and Allport had frequent interviews with Mr. Dobbie and Mr. Pillinger. These interviews were altogether unknown to me.

18. *By Mr. Urquhart.*—That Act was passed in the year, what? In 1889—early in 1889.

19. Have you looked in the parliamentary reports of the time when that was passed to see whether any statement was made in the House of the intention of the Minister to make that agreement? No.

20. *By Mr. Guesdon.*—I would like to be satisfied upon this point—Is there any Act or Law in this land which would justify an individual Minister of the Crown in directing that such an agreement as that which you signed should be prepared? I am not aware of any Act. Of

course, in the position I hold now, it would not perhaps be right for me to give an absolutely emphatic opinion in this matter; but I am unaware who authorised the preparation of an agreement in that form.

21. Now, I think the Crown Lands Act provides that if a minister wishes to give a lease of sheds, or wharves, or other public works under Government control, it is necessary to obtain the permission of the Governor in Council, even if the lease is only for fourteen years—Is that so? The present Crown Lands Act was not in force at that time. You would have to look at the Act then in force: The Crown Lands Act—or the Waste Lands Act, as it was called—which was then in force.

22. At all events, you are not aware of any Act that would give this power? No, I am not.

23. *By Mr. Urquhart.*—Well, this right to put rails on a jetty is only a similar right to that enjoyed by carts going on a wharf—Do you consider this concession a very important one? It all depends on the surrounding circumstances. It is quite possible that if the thing had been deliberately brought before the Cabinet in May, 1889, in the surrounding circumstances then existing, I might have been willing to grant it; or I might have been opposed to it. It is all pure speculation to-day, attempting to say what I would have done. But it is perfectly possible that, in the circumstances existing then, I might have thought it right and proper to have granted the concession. But whatever I or any other minister might have done, that would not have given us any authority to do it unless we had authority in law.

24. Is it in the interests of the public that the line should run right to, and on to the wharf? I suppose it is. It is not a matter of law, and it is not a matter of political policy; it is simply a matter of daily experience. It is not likely that the Van Diemen's Land Company would subscribe to the erection of that breakwater unless it expected to get some use out of it.

25. Then the correspondence shows that prior to the agreement being signed there had been negotiations pending for a considerable time, does it not? I have perused the correspondence during the last week, but I was quite unaware of it when I signed the agreement. Some of the correspondence, of course, passed long before I was a Minister; some of it went back as far as 1880. Probably, almost certainly, Mr. Pillinger had made himself familiar with the previous correspondence—and that is almost a certainty; because it was in his department, and was not in mine.

26. But you are aware, at any rate, that in 1888 and 1889, the development of the West Coast was very small, compared with what it is now? Oh, yes. The development of the West Coast took a large stride during the time I was in office. I think it was in our time that we passed the vote for the Zeehan-Strahan Railway.

27. *By Mr. Patterson.*—Practically, what you said just now agrees with the opinion of the Solicitor-General.—You say that the Government of this country need not carry out the issuing of this lease? (No answer.)

The Chairman: I do not think we ought to ask Mr. Justice Clark for a legal opinion.

Witness: All I have to do is to point out that that agreement does not refer to any Act of Parliament. It purports to be a special agreement, under which £1000 has to be paid for a special purpose. The £1000 is a totally distinct £1000, on the face of it, from that paid under the Act. Therefore, as a matter of fact, not of law, the consideration to be paid under that agreement appears to have never been paid. I have no hesitation in admitting that at present I am not aware of any statutory authority at law directly authorising the issue of an agreement in these particular terms.

28. *By the Chairman.*—Practically, your knowledge, Mr. Clark, so far as your recollection goes, is confined to the signing of the document? Yes. By some freak of memory, I do distinctly remember Mr. Hannaford coming over that afternoon; and that is all I really do remember. But, of course, I am able to trace previous steps from the correspondence, but not from recollection. But, I do distinctly remember Mr. Hannaford coming over that afternoon; and I remember asking him if the agreement was all in order, and if the Minister had approved of it. I simply brought down this book of opinions in order that the Committee might see that I gave no opinion in the matter of this agreement.

29. I might ask you if you can state, on your examination of that book, whether there is any record of an opinion being given upon this question at all? I am quite sure there is not. I have looked through it for some months previous to the date of the agreement. [Witness referred to book.] On the 7th May there is an entry as to the reference of the agreement, to the Crown Solicitor, on which I have already touched. There is nothing between that and the date on which I signed the agreement, 21st May.

30. Have you a record of the signing of the lease? No; I just did that, as Mr. Pillinger's substitute, you know. There is no opinion recorded, and I feel confident that the matter was never submitted to me for a legal opinion. It was simply sent on to me as a thing that had been settled and acted upon. I was simply carrying out a departmental decision.

MR. M'CORMICK, *called and examined.*

Mr. M'Cormick made the statutory declaration.

31. *By the Chairman.*—Your name, Mr. M'Cormick? John McNeil M'Cormick.

32. You are Engineer-in-Chief of Tasmania? I am Engineer of Existing Lines at present. I am not yet gazetted, I think, as Engineer-in-Chief.

33. You have prepared plans, Mr. McCormick, in connection with the resumption of certain land at Emu Bay, for the purpose of connecting the Government railway with the breakwater? Yes.

34. And you have advised the Government thereon? Yes.

I am going to ask Mr. Patterson to conduct your examination first.

35. *By Mr. Patterson.*—Have you not that tracing, Mr. M'Cormick? I have them in the next room. (Tracings produced.)

36. When it was finally determined to construct the line from Ulverstone to Burnie, how was it intended to work the traffic of the line when completed in connection with the breakwater? When it was finally determined to construct the line, I cannot say; that was before I was Engineer of Existing Lines; that was in the last Engineer-in-Chief's time.

37. Are you aware how it was intended to work the line? The proposal was to join the line of the Emu Bay Company; the plan, as submitted, shows the survey to there. It was thought we would have our station-yard to assist us, and would junction with the Emu Bay Company.

38. You have been all over the line, and made an estimate of the cost—of what it is worth, that is? Yes.

39. Have you the longitudinal sections of the line in Hobart? No, I have only seen the company's sections at its office.

40. Do you know the weight of the engines they are importing for that line? I do not know the exact weight; it is somewhere about 11 tons on the axle, I think—yes, 11 tons on the axle. But that is not necessary on the Bischoff line.

41. Now, in your opinion, can these engines be safely worked over the line from Waratah to Emu Bay in ordinary weather?—not merely to work from Guildford Junction? You mean to work them over that line; not merely to take them over it?

42. Yes? No, I would not work them on the ordinary 40-lb. rail. The original weight, I might tell you, is 41½ lbs.; that is the weight given me by Mr. Stirling. As an engineer, I should prefer to work with a heavier rail.

43. 60 lbs? Well, I should make it the same as the Emu Bay Company's present rail, 61 lbs.

44. Now, it has been said in the House, by Mr. Hall, the member for Waratah, that you estimated the cost of re-laying that line with 61-lb. rails at £10,000: is that so? I made no such estimate. I have not made any such estimate at all. I did not at the time, and I have not since I returned. I did not consider it necessary, because I did not consider the question of a 41 or 61 lb. rail came into the question at all, as connected with the Bischoff line. We are already working over 40-lb. rails, and, as far as our traffic is concerned, we should not need to re-lay the Bischoff line; nor am I certain that the Emu Bay Company proposes to re-lay its line at present. It is likely that it will use its light rolling-stock from Burnie to Guildford Junction. I only wish to make myself clear upon that. As a Government line, there would be no necessity for re-laying the line at the present time between Burnie and Waratah. We have rails quite as light on some of our existing lines.

45. Of course, we perfectly understand that all the present Government stock can be safely taken over that line to Waratah in ordinary traffic, the permanent way being of the same class and type as on the Government lines.—The point is this: that we cannot take these heavy engines on the Emu Bay and Zeehan Railway through; they cannot be safely worked over the 41-lb. rails to Emu Bay—is that not so? Oh, yes, to Emu Bay; of course, I would not work over that portion of the line without a heavier rail.

46. Very well. In that event, the moment these heavy trains, with these large and powerful locomotives, get to Guildford Junction, the trains must be split up, and taken with lighter engines down to Emu Bay? That is so.

47. Whatever the value of laying 61-lb. rails is, and importing heavy locomotives for economical work, it will be largely done away with by the fact that they have to split up their trains at Guildford Junction and take them down to Emu Bay with lighter engines—does that not follow? I would not go so far. Of course it would be more economical working with 61-lb. rails, but they need not lay them at once. Of course, from Guildford Junction to Waratah will have to be worked as a branch line. I do not think that there can be any doubt as to that, and therefore it may be advisable to bring the light engines right through. By bringing half the load the big engines will take, and running two trains instead of one, they would deliver a full train at Guildford Junction for the big engines to take on.

48. In other words it is a handicap? It will, of course, be a matter of slightly greater cost, but that is a question for the Emu Bay Company, which they evidently intend to overcome by laying 61-lb. rails.

49. What is the width of formation? 13-foot cuttings and 14-foot banks; the same width as the Government lines.

50. Right through? Yes. There are one or two points where there are projections of rocks, which would not permit the foot-boards to pass, but these are slight matters, easily put right. The most of their banks are fuller than ours.

51. What is the ruling grade? One in 30, or 1 in 33. There are some miles of that from the Burnie end. That grade continues for the first five miles, and then, I think, it falls into the ordinary one.

52. Now, if the Government buy this line, and if, from any circumstance, the Emu Bay people are not able to continue the payment of £8000—Will you allow me to verify that statement about the grade? I am not certain whether it is 1 in 30 or 1 in 33. (Witness refers to papers.) The grade is 1 in 33 between Burnie and 5-miles-20. From that to Waratah, 1 in 44 chiefly, but a portion of it 1 in 38.

53. What is the ruling grade on the Main line? The ruling grade on the Main line is 1-in-40.

54. Now, I stated in the House last week, that the cost, in my opinion, of relaying this line to Guildford Junction with 60-lb. rails, taking out these steep grades and putting in 1-in-40 grades all through—just as we are asking the Great Western people to do—and reinstating culverts and bridges of timber with more enduring structures—Very few of the bridges are of timber; most of them are substantially constructed of masonry and concrete. The few remaining timber bridges are in very good order, and very strong.

55. But the question is this, that to take out 5 miles of 1 in 33, and put in 5 miles at 1 in 40, would probably be a very costly undertaking, would it not? But why should you take it out when it is only a straight run?

56. My impression is, that to bring this line up to the Government standard, 60-lb. rails and proper grades and other appliances, the cost would not be less than £100,000—What do you say? I have not gone into that; but I would point out to you that the line is very well ballasted up. There are about 1500 yards to the mile, which is in excess of what we use; and as to the sleepers, the company is already renewing them in large quantities each year. I never went into the question of altering the grades, because I did not think it necessary, but I have an estimate, which I have here, for the relaying of the line and so forth, with 61-lb. rails. I take that only as far as Guildford Junction, because I take it that on the other branch it is not a necessity. We have eight engines and rolling-stock, and must make it a branch from Guildford Junction. I have put down the cost of a mile of 61-lbs. permanent way. I have put it down at the present rates, in accordance with our own order, which has just gone home to England. Steel and iron are fluctuating at the present. Steel bridges have gone up as much as cent. per cent. The cost of one mile of 61-lb. steel rails, 95·857 tons, at £9, is £863.

57. Is that landed here, in Hobart? Yes, landed in Hobart. I think they would land them equally cheap at Emu Bay. Of course we may get these rails at a little less than that. Then there will be fishplates, at £10; bolts, nuts, and washers, £37 10s.; and spikes, £22—£980 in all. Then —

58. Give me the total—what is it? Well, it is £980 per mile. Against that, I deduct for the 40-lb. rails, representing the difference in value, £621. We can sell them readily for that, so that the difference in cost per mile will be £259. The whole cost of renewal I estimate at £374 per mile; and that, for 37½ miles, will be £14,025.

59. Now, to go back to my question.—It is this: never mind whether you think it necessary or not to bring this line up to the specification—that we insist upon with the Great Western Railway Company—that is to have a ruling grade of 1 in 40—do you follow me? Yes; but, of course, to do that you would have to make extra calculations, which I have not made. I have not the drawings to do so.

60. In your mind, might it be put that the approximate cost of taking out the 40-lb. rails altogether, and putting in 61-lb. rails right through to Waratah, would be £100,000? I don't think so. I do not see how it could. I have nothing to add to my estimate but the fencing. It would be hard to say what it would cost to alter the grade, because there are long grades of 1 in 33. There might not be a summit near, and so you might have to make hard cuttings right through. That, of course, would be a costly undertaking; but I do not see the reason, in this case, for 1 in 40 grades at all.

61. But that is not the point. Do you see? Well, as regards the ruling grade, that, of course, is not the same.

62. Now, I think you left out of this estimate several items. In the first instance, you take these 40-lb. rails as being worth £9? Yes, they are very easily saleable.

63. But surely you have to take off from that the cost of removing the rails and so forth, and then to get them to port? Yes; but we do that with men already in our employ: men who are employed on permanent work in any case. We don't have to pay special men to do the work, so that the cost of that labour is comparatively little.

64. But, if you are going to take up 40 miles of permanent way, you would surely have to put on special men? I have no objection to increasing the estimate in that direction.

65. But you would have to add to this estimate; this is fallacious? I do not think it is fallacious.

66. Understand me.—The estimate is true so far as it goes; but you must surely add the cost of labour.—There is no allowance here at all for cost of labour.—I want you to understand,

that when I used the term "fallacious," I did not reflect upon the estimate.—I simply said the estimate did not go far enough; something is left out.—As a matter of fact, Mr. M'Cormick, you would not like to say what the cost would be of reducing these grades to 1 in 40, without a proper survey to go upon? No; certainly not.

67. Well, now, I come to another question.—In your opinion, is it absolutely necessary to purchase this Waratah line in order to keep the traffic going into Burnie from Ulverstone when that line is completed? That is, irrespective of the others.

68. Yes, irrespective of everything? Well, I don't think so. There are many alternatives. It is a question of policy in this case. I want you to tie yourself to the traffic coming into Ulverstone from Burnie when this line is completed? Simply from Ulverstone to Burnie do you mean?—to the existing station?

69. Yes? Well, of course, it has nothing to do with that.

70. Is there no other alternative to deal with except this purchase—to deal, I mean, simply with the purely local difficulty—Is the purchase absolutely necessary? It might be worked by the Emu Bay Company. I say there are alternatives; I said so in a report which the Minister has.

71. Do you think it possible to meet the difficulty by the suggestion made in the House of Assembly last week, namely, to acquire running powers over the line from the station to the breakwater, and lay down additional lines? The difficulty that I see there is that we have not any ground for additional lines,—that the whole width from the terrace to the foreshore, and from the station to the breakwater has been transferred to the Van Diemen's Land Company. I do not think that you can possibly get power to run over sidings if they are required by the other company.

72. But if it is not required by the other company? Then it is a matter of arrangement for the other company. I do not think that you can get any powers by law.

73. Are you sure? No, I am not sure, I am only speaking from my own impression.

74. I thought you might know from your own knowledge—do you not? No, I do not know of my own knowledge. I am not a lawyer. I have no doubt that the legal gentlemen on the Committee will advise you better than I can on that point. I do not think you have a right to cripple the company by getting a right to run over their sidings. In such a case dual working and dual control is a matter of difficulty, almost an impossibility.

75. Of course you cannot have dual control: that is impossible? Yes.

76. But the point I want to get is this—You will probably have two small trains a day going into Burnie from Ulverstone? The difficulty is not on the Ulverstone-Burnie Line; the only question is the Blythe iron traffic, and that traffic was not anticipated when we let this line.

77. I want to ask you if this is not a reasonable alternative: provide for our own traffic, not for the small traffic that comes in for the Waratah people to deal with.—If we cannot get this breakwater alone, let them work it; is not that a reasonable suggestion? That or the original proposal when the contract was let. It does not touch the difficulty now. The difficulty now is as to the Blythe iron traffic.

78. Well, you can deal with that, can you not? No. I would sooner you went into that with the Traffic Manager. The difficulty of dealing with the handling of such a traffic at a distance of $1\frac{1}{4}$ miles from the breakwater must be very great. In my estimate of Waratah line I have not included fencing. The value of fencing is about £100 a mile—£50 a mile on each side. That is in the way in which we fence Government lines. That would cover everything.

79. Of course you will require better buildings and a better station yard if it is a Government line? Oh, whoever does it will have to spend a considerable sum in station buildings and such matters.

80. *By Mr. Guesdon.*—If this scheme is carried out, and Government decides to complete this purchase, do you consider that, as regards that portion of the line between the Ulverstone and Burnie Junction and the breakwater, there would be any immediate necessity for any considerable outlay? Certainly. There would have to be additional sidings laid down, and there would have to be additional expenditure on the stations. Sidings, of course, must be laid down to meet the extra traffic.

81. Can you give us, roughly, an idea of what you consider that additional expense would amount to? Well, very roughly, station buildings, &c., would cost, say, £10,000, and other expenses would be about £20,000.

82. That is another contingency, beyond the purchase-money? Yes; that is a contingency.

83. *By Mr. Urquhart.*—Someone has to spend that, whether the line is purchased or not? Oh, yes, somebody has to spend it.

84. *By Mr. Guesdon.*—If the alternative is suggested of handing over your traffic to the Emu Bay Company to deal with it from their terminus to the breakwater, what then? Then they would have to spend it.

85. *By the Chairman.*—In which case, they would have to pay for it, either by rent or otherwise? Yes, but the bulk of it would come on us, I presume, to meet the Blythe traffic.

86. *By Mr. Guesdon.*—You do not consider, Mr. M'Cormick, that there would be any immediate necessity for interfering with the existing permanent-way between Guildford Junction and Burnie? I do not know. I cannot say whether they propose doing it immediately or not, but I do not think they do. You see, they have the eight engines and rolling-stock,

and I think that, in all probability, they will not do that at once. Of course that is the workable way of doing it, but there is no immediate necessity.

87. Supposing we do extend the railway system of this Colony on to Flowerdale, do you think that, speaking from an engineering point of view, it would be desirable to have that breakwater?—For instance, if you brought the traffic on to the Emu Bay Breakwater how would you get on to Flowerdale? Of course, in any case that would not do away with the difficulty as to sidings, and so on; but, in any case, we would have to acquire either running powers or land. Of course, we had no idea that the land was going to be transferred to the Emu Bay Company.

88. But, as far as that difficulty is concerned, there would be no difficulty in getting running powers over their lines? (No answer.)

89. It has been used as an argument in the House that it prevents our progress to the westward—what do you think? No, I do not think so.

90. This does not affect our powers? No, not for the through line. Of course, the difficulty now is that, having been taken up by the Emu Bay Company for their own purpose, there would be a difficulty in purchasing, I presume.

91. *By Mr. Nicholls.*—What would be the effect on the Emu Bay Company's traffic, or on the traffic of whichever company had the line from Burnie to Waratah, if the Government absolutely resumed control of the breakwater: that is to say, if they repudiated this agreement? Well, if the Government resumed control of the breakwater, I presume it would mean that they would also have access to the breakwater.

92. I am not considering it from the Government's point of view, but from the point of view of the people who now have it.—Supposing they lost control of the breakwater? Well, if I were in their position, and you took the breakwater from me, I would simply build a new wharf, and make your breakwater useless.

93. How? A new wharf would give them more room, and they could make your breakwater quite useless by building close up to it.

94. You know there would be no difficulty about the resumption from a legal point of view.—What I want to know is whether the resumption of their rights on the breakwater would affect their working? Well, I say there is nothing to prevent their building a new wharf.

95. Except that probably the Government would not permit them to do it,—is not that so? Well, it is their land and foreshore. [Witness made detailed reference to plans.]

96. *By Mr. Patterson.*—Then the statement is not correct that we are blocked here if running powers can be got over a single line? So long as we get running powers over one of their lines that we may extend from, we are not blocked. There is no power at all to stop us.

97. *By Mr. Nicholls.*—If the company could build a jetty which would suit them as well as the breakwater, I suppose the Government could do the same, if they had possession of the foreshore.—Is a jetty as well situated for shipping as the breakwater? Well, if you start building wharves inside the breakwater, you will have to provide additional breakwater protection. The more you get landwards the more you are exposed to the effects of the sea.

98. The breakwater protects the parts inside it far more than it would protect the wharves alongside it? Yes.

99. Then the breakwater is of much more use to the company than a wharf would be? Yes.

100. *By Mr. Urquhart.*—To the company and the public? Yes.

101. If the Government did withdraw this land, or refused to issue this lease, or cancelled the whole arrangement, the Emu Bay Company would be in no worse position as regards produce than the Main Line Railway is in Hobart,—the public would be the sufferers? Yes, the public would be the sufferers.

102. *By Mr. Nicholls.*—You do not mean to say, do you, Mr. M'Cormick, that the use of the breakwater is valueless for the company? Oh, dear, no!—it is of great value.

103. The use of it, I mean? The use of it is of great value.

104. I think its value has been estimated at £40,000? I have not made an estimate.

105. I want to make this clear, because in answer to Mr. Urquhart you said that if the Government resumed the breakwater the loss would be to the public and not to the company—is that what you said? That is because we were talking about the making of another wharf. Of course, if you do resume the breakwater it will be a great loss to the company. I did not take the question in that sense.

106. *By Mr. Urquhart.*—I meant that the right to run over the breakwater was of great value to the public? Yes; that is what I understood.

107. *By the Chairman.*—Would the cancellation of that agreement, or the declaration of its invalidity, relieve the Government at the present time with regard to its difficulty of getting to the breakwater? Well, I presume you could get running power over one road to the breakwater, but there remains all the difficulty of working the traffic; you could not get a siding.

108. In your opinion as an engineer, we would not have the necessary space at Burnie for dealing with a large amount of traffic without acquiring the land between Burnie breakwater and Burnie station? I think that would be the most advantageous way of dealing with it.

109. You are strongly of opinion that there should be, and could be, only one control, as between Burnie station and Burnie breakwater? Certainly.

110. And, therefore, it is either a matter of the Government having that control, or handing over all its freight to a private railway company to deal with? I take that to be the alternative.

111. Although we could get running powers over the through line to Wynyard, would it, in your opinion, be preferable for the Government to own the line and not have to take running powers? I can only say that it would be preferable for the Government to own the line in connection with the working of the breakwater. I should say it does not matter a rap as regards Wynyard by itself; still, taken into account with the other work, it would be desirable for the Government to acquire it. It amounts to this—that if you do not have dual control you will acquire all the sidings, and that will include the Wynyard line.

112. Now taking the running powers which have been suggested as an alternative, would they, in your opinion, enable the Government to take their own traffic to the breakwater? Not to advantage; the distance would be so great for handling the traffic. You would have to handle the traffic where we have stopped now, and all mixed traffic would have to be sorted again at the wharf.

113. You would have to do your assembling and other work at the present station-yard? At the present station-yard, which is $1\frac{1}{4}$ miles away.

114. As a matter of convenience for the local residents, would not the proposal of the Government be much better? I should think so.

115. As an engineer, would you care to express an opinion as to the necessity of extending the Burnie breakwater? I would not care to express an opinion. I have not gone into the matter; but it appears to me that it will become necessary.

116. And that it will have to be done by the Government? I presume so.

117. Is it not desirable, therefore, that we should have full access to it and control over it? I think it is most desirable.

118. With regard to taking up the present 41-lb. rails, and relaying the permanent way with 61-lb. rails, you think that is a matter entirely for the company? I think so.

119. You know, as a matter of fact, that the Government is not pledged any more than the Emu Bay Company is pledged to relay with 61-lb. rails? Yes.

120. And that it is simply a matter of convenience with the Emu Bay Company whether they relay the line to suit their heavy engines, or whether they work it as you suggested a while ago? Or any other way; that is a matter for their judgment.

121. There is no absolute necessity for relaying with heavier rails at the present time? No.

122. You know that there is a contract between the Emu Bay Company and the Union Company for the transport of 25,000 tons of coke and coal during next year? I have heard that incidentally. I do not know any particulars of it.

123. Do you think that, provided they have sufficient rolling-stock, they will have any difficulty in handling that quantity of material on that line? On the Emu Bay Company's line?

124. Yes? I should think not.

125. I am presuming they have sufficient rolling-stock. I will only ask you one more question, Mr. McCormick. Do you think it is desirable that the Government should have full and complete control of a port like Burnie for public purposes? I think it is very desirable.

126. And you think that the acquirement of this foreshore and railway, as proposed, would give the Government that control? I see nothing to prevent it. I think it should do so.

AFTERNOON SITTING.

Committee resumed at 2:30 P.M.

MR. FREDERICK BACK, *General Manager of Railways*, called and examined.

127. *By the Chairman.*—Your name is Frederick Back, and you are General Manager of Railways for Tasmania? Yes, I am.

128. Have you any recollection. Mr. Back, of reporting upon a certain document—an agreement—signed by Mr. Justice Clark? No.

129. Signed by Mr. A. I. Clark? No.

130. Do not you remember a document being sent to you—referred to you—and your advising the Government upon it? I should say, to expedite matters, that a document was sent to me, and I took it to be a draft of a proposed agreement. The copy I had was not signed. Perhaps it will expedite matters if I read the correspondence that took place at the time. If you desire, I can do that; it will not take long. I arrived in this Colony in 1886, but I do not think I visited Burnie—I may be wrong—until I was asked to report upon this question. My letter, dated 21st November, 1889, was addressed to the Minister of Lands (Appendix XXII.). From the tenor of this letter to the Minister, I consider that the document which accompanied this letter was simply a copy of agreement, or part of agreement, or proposed agreement. I was justified, I think, in thinking this was simply a draft agreement, because the Engineer-in-Chief here says, "I think it should be forwarded to him (that is myself), with any remarks he may choose to make, before the Minister signs it." I therefore think I was justified in considering this a draft agreement.

131. Before you go further: would that be a copy of the agreement—for you have seen it since—or a draft of the lease? The agreement; I am sure of that, and all my correspondence confirms that. I am not unaccustomed to deal with these documents, and should not have confused these documents. Following up the instructions of the Minister of the day, I reported

as follows :—(Appendix XXII.). [My report is dated 21st November, 1889, and is addressed to the Minister of Lands and Works.]

132. *By Mr. Nicholls.*—What is the date of that? 21st November, 1889. [This was followed by a memorandum from the Engineer-in-Chief (Appendix XXV.). The object in sending that memorandum to me was, because it was proposed to lease to the Van Diemen's Land Company some strips of land which were the entrances to the wharf—one from the Wynyard side, and the other from the Emu Bay side—and these are the portions marked red, which he says I have not replied to. It was then sent on to me (Appendix XXV.). The Engineer-in-Chief, on the 10th of December (three days after) sent in the memorandum, with sketch showing two portions of land which formed the highway to the breakwater, and wrote to the Minister under date 10th December (Appendix XXVI.). [This is followed by a memorandum from the Minister, Mr. Pillinger, which reads as follows—it is dated, also, 10th December, 1889 (Appendix XXV.). To which I replied on the 24th December (Appendix XXV.). I may say that I had a long interview with Mr. Pillinger, and, I think, made clear to him what detriment the Government lines would suffer in the event of their being continued from another direction to Burnie.

133. *By Mr. Guesdon.*—Then, even on the 24th December, the Minister had not informed you that the lease had been signed? No, it was not till years after that I knew it.

Witness, continuing.—Mr. Pillinger ceased to be Minister of Lands and Works, as you know, and Mr. Hartnoll succeeded him in 1892—I think in August, 1892—and I thought that this 16th matter was of sufficient importance to bring it under his notice, and, therefore, wrote to him on November, 1892. (Appendix XLIII.). I am not quite sure what Mr. Hartnoll did, but, so far as my memory serves me, he was very much averse to completing the lease. I think he wrote to the company, but I am not sure. The matter then came up again in 1897. It was proposed to build a Custom House in Burnie, and also that this Custom House should be placed on that gullet of land which is the key to the breakwater; and Sir Philip Fysh, I think, directed that this should be referred to me, and I reported on the matter, and reported against it, and then took occasion to refer to previous correspondence. That is all I know about the matter. That completes my personal dealings with the matter.

134. And you did not even then know—in 1897—these leases were granted? I did not. I knew in Captain Miles' time.

135. *By the Minister of Lands.*—That is all you know of the transaction? That is all I know, personally, of the matter.

136. Assuming that the agreement which you have read is valid and binding on the Government, would it be possible for the Government and the Van Diemen's Land Company or any other company to join lines on the breakwater? Quite impossible. I should like to explain that the breakwater could only be approached by ships from one side. It is necessary that trucks should be run along to the vessels so that they should be plumb with the yardarm or crane, so that they might take out or put in cargo, and the idea of shipping from a line on the other side of the breakwater is ludicrous, and moreover, with any large business, the wharfage is absolutely inadequate. I say this most unhesitatingly, after years of experience in shipping.

137. Is the breakwater likely to be used for much, excepting as a railway pier? I should not think so. Once you begin to work it with considerable railway traffic you could not use it for any other purpose, and even then, I should suggest that a timber wharf be placed alongside. It would be much preferable to bring a vessel up to timber, instead of bringing it up alongside the concrete, as at present.

138. You know there is a pier in construction? Yes.

139. Do you think when that pier is constructed it is at all likely that any other traffic would take place on the breakwater than railway traffic? I do not think so.

140. If there was a large trade on the breakwater—much to be handled by the public—would it be practicable to work it with drays and with the railway service as well? It would be impracticable, and the expense would prevent traffic.

141. I mean, as a matter of public safety, would it be possible to use both? It would be impracticable.

142. It would be practically a railway pier? Undoubtedly.

143. What distance is your present railway station at Burnie from the breakwater? Rather over a mile.

144. One mile fifteen chains, is it not—I want it put on record? Yes.

145. All that you bring to that station, or nearly all, will have to be taken to the breakwater. I presume the majority of it will go there—all for export, at any rate? All for export, certainly.

146. Will you state, generally, to the Committee, your ideas about the necessity of the Government acquiring the land to enable it to make proper connection with its present station and the breakwater? I think it is very desirable that, instead of handing our traffic to a foreign company, we should have control of it ourselves. The present appliances are absolutely insufficient for any large amount of traffic. They are barely sufficient for present traffic; and a large expenditure will be required in the immediate future, if the traffic at present suggested is to be dealt with. I consider that from a half to one million of money will have to be expended on that harbour if the traffic we have heard of comes about. At present, it would be simply impossible to handle the iron the Blythe Company thinks it is going to forward; nor could we

handle the fuel the Mount Lyell Company proposes to handle there. There is not sufficient siding room to handle the traffic; nor will there be room enough when the present wharf is built. The breakwater is inadequate for large ships, and, altogether, if the business increases, the harbour will have to be improved; and the Government will never continue building houses on other people's property, as they did when they built the breakwater at Burnie.

147. Is there any possibility of any other port serving round Burnie? No. Devonport is too far away. The expenses there would be too great. There the expense of haulage would be large, and then there would be more mileage—four times the mileage.

148. That is from the Blythe Line? Yes.

149. *By Mr. Guesdon.*—That is going back to Devonport? Yes; four times the mileage.

150. *By the Chairman.*—You have carefully inspected the strip of land which is under offer to the Emu Bay Company, between its railway station and the breakwater? I have inspected the land, yes. I know it well, but am not quite clear as to its boundaries.

151. What is your doubt? I am not quite clear as to how the land in this part is bounded. I have seen certain plans, and if the plans that have been shown to me are correct, we should acquire the land from the street in Burnie, in front of the Esplanade, down to the water's edge—high or low water, I am not quite sure; low water, I suppose. I would like to say that I am not quite clear as to the boundaries. I have only seen them on the plans. It may be quite right, but I am not in a position to say.

152. Have you not seen the agreement? I read the agreement, and from that it was not clear to my mind how far we went on the sea side. I understand there are two interests in the land; part of the land is still held by the Van Diemen's Land Company, and a part of the land is leased to the Emu Bay Company.

153. But both are under offer of sale? So I understand, but I am not quite clear. I would not like it to go forth that I have said so; but I have concluded that it is so.

154. Do you think it practicable, Mr. Back, to economically handle large bodies of ore at your present station, supposing that the Government should decide not to acquire the land between that and the Breakwater? (No answer.)

155. Let me make myself clearer. Supposing that the Blythe Mines develop as we are led to believe they are going to develop, and you have to handle a very large body of ore every day—1000 tons a day is mentioned—would it be economical to handle that at your present station-yard, supposing that you have to hand it to another company to take it to the breakwater? It would be possible, but would not be economical. In the first place, if we carried this ore in truck loads to the Government station in Burnie or up to the junction of the Emu Bay Company's land, the company would require to be paid for conveying these trucks on to the wharf and bringing the empty trucks back again; and if they only charged 1s. the ton, I think you will find that, speaking from memory, it will run up to £15,000 or £16,000 a year. That has to be paid by somebody, and, as the ore is to be handled as cheaply as possible, it certainly would not be an economical way of handling. I would like to say here, that if we had the whole of the business in our own hands, the appliances at Burnie are quite inadequate to the handling of 1000 tons of ore a day. Neither the new wharves, nor the breakwater, nor the sidings, nor anything beyond the Government Railway Station, is fit to cope with such a traffic. You may take it for granted that with the present appliances the Mt. Blythe ore cannot be shipped.

156. You think, then, that further wharfage accommodation is necessary, and further siding accommodation to that now in existence is necessary? Whoever works this traffic will have to make sidings and shunting-room on that foreshore. The acquirement of that foreshore is absolutely necessary to the successful economical working of such a traffic as you describe.

157. Do you think that when it became necessary to handle such a large amount of ore as that the harbour accommodation at Burnie at present would be sufficient—I mean the shelter accommodation rather than the wharfage accommodation? Certainly not; quite inadequate.

158. You think, then, that it will involve the extension of the breakwater at some future time? I think so, or the construction of another breakwater. I would like very much that the Government should ascertain what has been the effect of that breakwater since it has been constructed: whether the portion of the land sheltered by that breakwater is being reclaimed—whether it is shallowing. I think I saw decided indications of that when I was up there. I think that that is a matter that the Government might consider in their future dealings with this place.

159. I think you have already told us, have you not, that Burnie must be the outlet for that particular district, and for the Blythe Iron Mine? I think that there is no other way of getting to the shipping.

160. You, in conjunction with Mr. McCormick, inspected the line from Burnie to Waratah? We did.

161. You know that the Emu Bay and Zeehan Railway Company are importing heavy engines? I have heard so.

162. You know, at any rate, that they have entered into a contract to carry several thousand tons of coal next year? I do; yes.

163. Do you think it will be necessary to lay down heavier rails to deal with that traffic? It would be much more economical; and they would be able to use their heavy engines.

164. Is it a necessity? Economically, it is a necessity.

164A. Well, if the company is not in a position to go to the expense of heavier rails, will they be able to handle the traffic, as far as you know, at the present time? They would have to use lighter engines, and take smaller loads. I do not think it would be economical or wise to use such extremely heavy engines as they are importing on so light a rail; it could be done, but the road would go to pieces in a very short time. We run 8 tons on the axle on a 40-lb rail; on the Fingal Railway we have run 10 tons on the axle on a 40-lb. rail.

165. Would that line, as it is now (the line between Waratah and Burnie) carry your ordinary rolling-stock now? Oh, certainly. We are running our rolling-stock on similar lines now; in fact, that line is equal to some of our lines.

166. Which of your lines? The Fingal line, the Sorell line, and the Mersey line.

167. And that section of this line could be worked with the Government rolling-stock? I think so.

168. And at the same expense per train mile? Our "train mile" is a difficult factor to deal with. It is only of value to railway men, who are familiar with the conditions under which the figures are arrived at.

169. Will the steeper gradients on that line involve much heavier expense in haulage? No; not more than the Main line, where we have a grade of 1 in 40, in conjunction with 5-chain curves, and where the resistance due to friction is great in proportion. The resistance due to friction is a very important matter.

170. Do you know the gradient on the Waratah line? I think their steepest is 1 in 35.

171. One in 33, I think? There may be a little bit of 1 in 33, but I was given to understand that the steepest was 1 in 35.

172. On a straight gradient of 1 in 35 it would be as good as a curved gradient of 1 in 40, I think? You could haul as good a load, practically, and you would not have the wear and tear of your curves.

173. *By Mr. Patterson*—Referring to your last answer, Mr. Back, I do not think you can be aware, when you say there is a very short grade of 1 in 33, of the evidence given by Mr. M'Cormick. He has told us, that from Burnie out to 5-miles-10, there is a continuous grade of 1 in 33? I thought it was 1 in 35.

174. Do you think that a line like that, with a continuous gradient of 1 in 33, is equal to lines like the Government lines, with a ruling grade of 1 in 45: such as the Sorell line, for instance? Would you mind putting your question again?

175. You say—you said just now—that this line to Waratah is equal in all respects to a line like the Sorell line? Yes; I said equal in its character of construction.

176. That is what I wanted to bring you to; I thought you were not clear. You are, of course, aware, that it would be giving extremely liberal terms to this company—terms to which you very strongly objected in the amended Great Western Railway Act—if you gave powers such as these. I mean to say, that you strongly objected to allowing the Great Western Railway Company to put in 1-in-40 grades, and 5-chain curves as well? You asked for the Government to be the judges as to where the use of these curves and grades was admissible? Yes.

177. Whereas the Act was carried through allowing the company to be judges as to the indiscriminate use of these curves and grades? Yes.

178. Now, it is proposed to purchase this line with the extremely heavy handicap of 5 miles of 1 in 33, which is not equalled in the Colony at the present moment? There, I do not agree with you.

179. You do not agree with me? No.

180. And you think that using, say 5-chain curves, with a grade of 1 in 40, is equal to 1 in 33, also with 5-chain curves? Oh, no, no! You gave me here a comparatively straight line of 1 in 33.

But this 5 miles we are referring to has 5-chain curves upon it.

Mr. Urquhart: Mr. M'Cormick said it was a straight run all through.

Mr. Patterson: I know he said so, but it has these sharp reversed curves all the same.

Witness: Very few of them. I give general principles only. I do not know the line very well. I said this, and I repeat it; that on a straight road of 1 in 33 you can haul as good a load as on a line of 1 in 40 with a succession of 5-chain curves, such as the Main line and the Scottsdale line.

181. *By Mr. Patterson*.—Nobody doubts that. You made the general statement that you were under the impression that there was a general grade of 1 in 35. Now, you know that there is 5 miles of 1 in 33: does that alter your opinion? Not that it is a straight line. It is the curvature that affects it, as well as the grades.

182. How did you intend to work the traffic of the Ulverstone-Burnie Railway before this question of the purchase of the option of the Emu Bay and Zeehan Railway came into discussion at all?—How did you intend to work it when tenders were called for? We intended to hand it over to the Van Diemen's Land or the Emu Bay Company to carry on to the breakwater.

183. What prevents that being done now?—You know it was one of my contentions in Parliament that that should be done. Why not allow that line, station-yard, and breakwater to be under the single control of the company? Well, the prospects of the traffic having altered so much, the appliances there at present are quite inadequate for the handling of it.

184. In what particular direction have the prospects increased? In the matter of iron and fuel, particularly.

185. We have nothing to do with fuel.—And the fuel is for the Emu Bay and Zeehan Railway Company; it has nothing to do with us as a Government.—If the fuel is landed on the breakwater, and goes up a private company's line to Guildford Junction, and then by the Emu Bay and Zeehan Railway to its destination, what has that to do with the Government? If the Government traffic is to be shipped at Burnie—produce, timber, iron, and so forth—there is no room for them under existing circumstances.

186. But, you see, the iron is very much in the air, is it not? It strikes me that everything has been very much in the air in Tasmania. It has been for years. We have never had foresight; never seen beyond our noses. Every action of the Public Works Department of the country, as I look back on its history, has shown one long want of foresight.

187. You propose to work the local traffic from Ulverstone to Burnie by handing it over to the local company—That is what you propose, is it not? That was my view, knowing that we were blocked, and the Government being fully alive to the fact that we were at a disadvantage in having to hand over the traffic at that point. If you will notice, my correspondence from time to time has drawn attention to that fact. The Government of the day has been fully alive to the fact that such a proposal will be disadvantageous to the public, who will have to pay more. I accompanied Mr. Pillinger down on a visit of inspection to that district, and I think that Mr. Mackenzie, the member for the adjoining district (the Master Warden of the Marine Board), was with me; I explained this matter very fully, showing them why I found myself obliged by the circumstances to adopt that view, and recommend that course.

188. Coming back to the point.—That line would be sufficient for the local traffic, would it not? No, it would not be sufficient. The company, if it undertook this work, would have to increase its sidings and stations.

189. That is their business, is it not? Not altogether. If the Government undertake to carry people's stuff to a destination, the Government has some responsibility, and should by every possible means in its power see that its own clients' traffic is economically and expeditiously handled.

190. You are aware that in England goods are frequently carried over the lines of three different companies? Over five, sometimes.

191. And the original company in that case has to do exactly what the Government in this case has to do over $1\frac{1}{2}$ miles of distance? The circumstances are entirely different. In my experience I have had to pass stuff over other people's lines, and I have sent more traffic to a port in one day than is handled in three months in Burnie. I am talking on a matter as to which I have had long experience, especially as to wharves and breakwaters.

192. It is in view of your extensive knowledge that I am asking you these questions? I say, undoubtedly, that with the limited traffic we anticipated five years ago, we should still be at a disadvantage. There are no proper facilities for shipping. If you think for a minute, you will recognise that. At present, a man has to run down with a truck and a couple of horses with a load, and then bring them back to the town for another load. No large shipping operations could be carried on in that way; because, if you cannot handle 25 tons an hour at the ship's hatch, you are carrying out your business at a loss to yourself, your customer, or the ship. The handling of less than that must lead to a loss to somebody.

193. I come back to the point again—You have a station outside the town at Burnie. It is in the town; or, at anyrate, it was when we bought it.

194. My contention is that there can be no earthly reason why that traffic (supposing 1000 tons a day start to come from the Blythe iron mines two years hence) should not be handled—the mere fact of it being dropped in the station does not involve any handling whatever? No.

195. The same engine and the same trucks will go straight on? Yes, if there is a place for it to go to. You say that the same engines and trucks can go to the breakwater; the same trucks can, but certainly not the same engine.

196. But that is simply a question of arrangement, of putting down additional elbows, making it sufficiently strong, and giving sufficient accommodation between the station and foreshore? No, other circumstances have to be considered; we require a considerable amount of additional siding.

197. Then is there no reason why the Government should not come to an agreement with the company to do that work and pay it a toll for doing it? Well, it could be done, but I doubt whether it could be done economically. The company would naturally require to be paid for the use of its stations and sidings, for clerical assistance, shunting, and so forth, which practically means another terminal. There must be extra expense. It costs nearly as much to forward goods five miles as 10 miles. If you have two handling operations in forwarding these goods through, the terminal expenses will necessarily be greater. This is not like running three or four miles in England, where there is a long haulage. Here you are running into another man's station-yard; you are simply running over your own line and taking advantage of another man's station. There, so far as I have ever heard, there is no such thing as taking running powers on a station yard. You may have a junction station where trains pass, but running goods on to another man's terminal station I never heard of.

198. But some members of this Committee have come to this conclusion, which, of course, may be changed by what they hear now.—Some of us think that we are going to pay an enormous price in order to obtain possession of the Emu Bay station-yard; we are asked to pay for that by buying a line at a first cost of £205,000, with the probability of being called on hereafter to relay that line and put in lighter grades.—Our object in getting you here is to see whether the objections raised to allowing this company to act as agents for the Government, as far as the station-yard is concerned, are insuperable; in other words, if we cannot, by far less expenditure, secure the object we have in view? There are three alternatives in my mind. When you look at the breakwater at Burnie, what do you see? You see a very small piece of water protected by a breakwater. Originally it was an open roadstead; but the Government has built a breakwater and made a harbour—a poor harbour, it is true, but a harbour of sorts; and it has so gone to work that the harbour belongs to the Van Diemen's Land Company. Now Government requires for the public the use of that harbour, and it has either to give over all traffic to the Emu Bay Company, who are the lessees of that station and breakwater,—you have to give the traffic over to them, and the public have to be penalised (I use the word advisedly), because it would have to pay a sum much greater than it would pay if the Government carried the line right through. The Government has either to give over the traffic in this way, or to secure full rights to this breakwater and foreshore, and so acquire the harbour. Now, passing over the position first indicated, that we must hand over the traffic to the Emu Bay Company, by simply remarking that the appliances at Burnie are absolutely inadequate at present, and I doubt whether the company is sufficiently in funds to make the necessary improvements, we come to this:—The harbour of Burnie is the heart of the railway, or practically of two railways—the railway from Zeehan to Burnie, *via* Guildford Junction, and the railway from Waratah to Burnie. If, under any statutory powers, you take away from these companies the heart of their railways, you will have to compensate the whole lot of them, and it becomes questionable then as to whether the amount that you will have to pay for purchasing the harbour, including the foreshore rights—whether the money that you would have to pay for this would not be greater, *pro rata*, than the amount you would have to pay for railway communication, with harbour and station-yard. The advantages, to my mind, of buying the railway are these:—You have given statutory powers to the Emu Bay Company to make a railway from Zeehan to Guildford Junction, and you have in your Act powers of forfeiture and powers of purchase. If by any means the Government acquires that railway from Zeehan to Guildford Junction, you are met with the Waratah to Burnie line, a private line. This private company is wide awake. Some time ago they wanted to get a Bill through the House, and when the Government insisted upon getting running-powers, it withdrew its Bill, preferring to go on as it was. But the position of that line now, giving a through railway from Hobart to Queenstown, is a very important matter for the State, and it seems to me that this is a very opportune time for acquiring a large portion of the missing link between Hobart and the West. It is worth while considering, surely, whether the Government will not do well to extinguish all claims to the land they want at Burnie, and get this line at the same time.

199. I suppose you are agreed that if we buy this line the purchase of the line from Guildford Junction to Zeehan will follow? No, I do not think that has been definitely agreed upon as yet. I think it must come sooner or later, because, if the business of the country in the west progresses as it has done since we first saw it as a wilderness and bush 10 years ago, it may become necessary to acquire that line.

200. Supposing you acquired this option from the Emu Bay and Zeehan Co., do you propose to obtain running powers over its line to Zeehan? No, we do not propose to obtain them, because we have the power to take them at any time.

201. But you know that they dispute that? No, I do not know it. The Act under which the line was constructed from Zeehan to Guildford Junction distinctly gives the Government power to take running powers between Zeehan and Guildford Junction.

202. Then there is no necessity to apply for that? No, we have those powers at any time we choose to exercise them. If we acquire that Company's lease at any time, we ought to have running powers over this line from Waratah to Burnie. If you are purchasing you can purchase on your own terms.

203. *By Mr. Urquhart*—Well, Mr. Back, speaking generally on the broad issue; knowing all the circumstances of the case, and knowing the price asked—do you consider it is to the interests of this Colony to acquire the Waratah-Burnie railway line from the Emu Bay Company for the sum of £205,000? Under certain conditions—yes.

204. What conditions? First of all, that all disputes with the Van Diemen's Land Company be at an end; secondly, that we command all the foreshore and all rights to the water—command the harbour, in fact.

205. That is in the option, is it not? I am not supposed to know what is in the option. I say that if we can get these rights—extinguishing of all disputes, the whole of the foreshore, the whole of the land from the street to the water, the rights of the harbour and the rights to run our trains, and with it the acquirement of the Emu Bay line between Guildford Junction and Burnie, and the right to as much land as we may require to make a proper station—then I think it would be a good thing for the country. I am of opinion that these points are in the highest sense valuable; that is to say, all these land and water rights, with right of running our

trains from Guilford Junction to Burnie ; so valuable that the amount we might set aside as the cost of the line would be very small, or comparatively very small in relation to the benefits received.

206. You say that as confidently as you deprecated the concessions years ago ? That is my view.

207. You have the correspondence in front of you ? Yes.

208. Will you look at Mr. Fincham's letter of the 5th December, 1889 ? Yes, I have it.

209. What are the first two lines ? "The right to lay rails, and price to be paid, has been approved and notified preparatory to the embodiment of provisions and a formal agreement."

210. That means that the agreement had been concluded, does it not ? It looks like it.

211. And you said that you were not aware that there had been any agreement ? No ; and I do not know that this will convey that to my mind now, or that my mind is influenced by this. Mr. Fincham's letter says, "the plan attached to the lease (which I see for the first time to-day) indicates concessions of a rather more extended character than I contemplated in my former recommendation—that the company should be allowed to lay a railway down the Emu Bay breakwater. That is to perpetuate the present concession." Now, can any agreement have been made.

212. You say your former recommendation ? Mr. Fincham's former recommendation ; I am reading his words. This is the first memorandum that ever came to me advising me that this was in the air ; and when I saw the Engineer-in-Chief of the Colony indicating variations in a proposal to make an agreement or lease of this kind, I was justified in my conclusion that it was a proposal to lease.

213. But might not that draft have been the draft lease ? It might have been ; but not being a lawyer, it only appeared to me to be an innocent piece of paper.

214. But does this not convey to you the idea or suggestion of an agreement already signed ? "With regard to the enclosed copy of a proposed agreement" it says.

215. Then, again, in reply to that, Mr. Fincham replies to your observation ? Yes.

216. In which he says ? (Appendix XXIII.). There is nothing there to show that a lease had been made.

217. But there is the fact that on that date notification was made to you that the right had been granted ? There is nothing there to show to me, as a layman, or, at any rate, I saw nothing to lead me to believe that the agreement had been completed. But the mere fact of the right being acceded and notification made to them should be sufficient.

The Chairman—No ; that would merely imply that the terms of an agreement had been decided upon.

Witness, continuing—There is a very much stronger point against your contention, Mr. Urquhart. This correspondence was sent to me to ask my opinion as to whether certain pieces of land should be included in an agreement to lease. If they asked me that, was I not justified in believing that the agreement or lease had not been made ? I concluded that, as professional adviser of the Crown, I had a perfect right to deal with the whole question, and in my correspondence to the Minister I said that I had duly considered Mr. Fincham's memo. in all its bearings. It was really sent to me in order that I might express my views as to the granting or otherwise of two strips of land—to enable them to go to Waratah on the one side, and Burnie on the other side. I am very sorry if I misunderstood the matter, but that was my view at the time.

218. Mr. Patterson has asked you if some arrangements could not be made with the Company to take charge of the traffic at Burnie ? Yes.

219. But is it not the case that the principal profit of a line is in the terminal charges ? Well, where we can charge terminals we do so ; but a great deal of our traffic is station to station only, without terminals. There are no terminal charges on minerals in this country ; there are in England.

220. And you would require to pay this company a large annual sum to take charge of this traffic ? Yes, a rate per ton.

221. And, anyhow, you would have a staff at Burnie as well as they would ? Yes. And under the other proposal one staff could work the lot as well as two staffs ? Yes.

222. Can you form any idea of what the annual cost would be to the Government if this Emu Bay Company were to take charge of the traffic ? I have not sufficient data here to give you any figures. I mentioned just now, that if you took a shilling a ton on a thousand tons a day, it would be something over £15,000 a year. But I must emphasise what I have already said, that it is absolutely impossible to start handling such traffic at Burnie in the present circumstances.

223. But, anyhow, a large sum of money that the Government might earn would go into the pockets of the Van Diemen's Land Company ? Quite so.

224. Now, it was stated in the House that undue favour was shown to the Emu Bay Company, inasmuch as they had arranged in the event of this option falling through, to obtain—I do not follow you.

225. You know that if this option is not carried out, the Emu Bay Company have the right to 99 years lease at £10,000 a year ?—Yes.—And the Government proposes to let it for £8000 a year if it purchases ? Yes.

226. Then there is an apparent deficiency of £2000 a year ? An apparent saving to the company.

227. Yes.—Well now, do you consider that £2000 a year would pay for the loss of trade the company would suffer by handing the land between the Burnie station and the breakwater over to Government? (No answer.)

228. You see, the £10,000 a year carries all the trade from the Government Burnie station on to the breakwater.—If the Government acquire this land, it is the intention only to let the line from Burnie station to Waratah, retaining it from Burnie station to the breakwater? Yes.

229. Having control of it? Yes, and being paid for the work.

230. Now, do you consider that that is worth £2000 a year to the Government? It depends very much; because when we have a line working at rates which are payable, as soon as the line begins to pay, Members of Parliament come down and ask us to cut down our rates.

231. Do you consider it is worth £2000 a year to the company? It depends on the traffic. I should say it is worth a considerable sum. I could not fix any sum without knowing what the tonnage was.

232. But it is a good reason why the Government should get control? If the traffic goes on increasing as it is stated and hoped it will, there will be a large Government expenditure required, if the Government owns the line. But there is no doubt that if I had a free hand, and these gentlemen who perpetually ask us to reduce our rates would leave me alone, I could make it pay. If the company were in a position to carry their traffic—if they had yards, appliances—they would make a considerable profit, even now. I quite understand what you want me to say, only I do not want it to be taken down from my lips to be used in evidence against me at some future time if I make any very definite estimate or results now. I do not want people to say, "You are not doing what you said you would."

233. Is it unreasonable for the Government to charge them a less rate by way of rent for the line from Burnie Station to Waratah than from the breakwater to Waratah? Oh, decidedly not.

234. *By Mr. Guesdon.*—Well, Mr. Back, of course you know the discussion that has gone on in the House. Members are very anxious to know all the contingent possibilities in connection with this. I just want to put it in order, in this way :—You have suggested as an alternative that you would recommend to the Government the acquisition of the line from the breakwater to Waratah? Under certain conditions, yes.

235. Of course, that involves an immediate expenditure of £205,500? Yes.

236. Then, in addition to that, Mr. Mc'Corrick estimated this morning that there would be in the near future, urgent necessity for the expenditure of a further sum of money, which he estimated at £30,000, in order to provide extra station accommodation, sidings, and so forth. (No answer.)

237. Well, then, I gather from your own evidence that if we are going to cope with this iron traffic, this 1000 tons daily of iron from the Blythe Iron Mine, it will ultimately involve an expenditure of from half-a-million to a million in improving the harbour—am I right? Well, of course, when one uses empirical figures like that, one does not want to be bound by them. Your harbour there is a miserable failure at present, because the breakwater is not sufficiently long to protect your shipping, and your wharf is so close to your breakwater that in an easterly gale, a vessel casting off from the breakwater would collide with vessels at the wharf. Then there is no proper accommodation for vessels at the breakwater itself, and the vessels lying there are ground up against the concrete. If you will think for a moment what 1000 tons a day means conveyed in trains on trucks, you will see that you must have three trucks moving for every one shipped; and an ordinary truck stands over 17 feet. The trucks that the ore will be carried in will have a capacity of 25 or 30 tons, and stand over 40 feet. I am trying to give you some idea of the facts that whoever may attempt to carry such cargo and ship it, must be at a very large expenditure before long. And it appears to me that it is much better, if the Government has to make the additions, that they should build on their own land rather than on the land of the Van Diemen's Land Company.

238. Still, you said that it would involve an expenditure, ultimately, of half a million or so? Yes. These are mere empirical figures to express my views broadly on the whole question.

239. I take your figures as mere rough estimates relative to the 1000 tons a day said to be coming from the Blythe Iron Mine.—Is that so? It means this, there is no doubt about it: either you will have to shut down your shipments of iron, or you will have to provide largely increased accommodation and wharfage.

240. My object in asking you these questions is that the House is anxious to know, not only what the immediate cost will be, but also what the ultimate cost will be.—That is one of the questions raised in the House, and very strongly commented upon.—I am only asking for this information for the benefit of those Members of the House who deputed me to get this information.—Will you understand that? Well, take the Port of Hobart, history tells us that there was once a small jetty at Sullivan's Cove—once upon a time. Since then you have been building wharves and wharves, and you are building more now; so I take it that Emu Bay will require a harbour, and that her harbour requirements will increase proportionately as her trade increases.

241. Building a harbour is one thing, and building wharves is another.—I do not think half a million was ever spent on wharves you know? Of course I include all the appliances necessary for shipping and protection.

242. Now, have you ever been asked to give any opinion as to whether the Emu Bay Company is likely to command sufficient traffic between Zeehan and Burnie to enable it to fulfil its obligations to the Government, to pay £8000 a year in addition to its other obligations, during the first few years of its running? Of course you are able to form some sort of an estimate now as to what the traffic would be? I do not think the proposal has ever been put to me.

243. Of course, in the event of the Company being unable to fulfil its obligations, the taking over of that portion of the line from Guildford Junction to Zeehan would also be another contingency we may possibly have to meet? That is, if the Emu Bay Company forfeits its rights, they go into the hands of the Government. That is so.

244. I am right in saying that you endorse Mr. M'Cormick's opinion that it would take about £30,000 to make that station capable of carrying this traffic? Yes, I think so; we have had it very carefully taken out. But expenditure in this matter is a variable consideration; it depends entirely upon the traffic. To carry out anything like the traffic you propose—to make a workable station, such as we would do if it were in the hands of the Government, plain, and economical, and safe—it would take that money; £25,000, I think I have in my notes for the immediate expenditure, with another £5000 or £6000 subsequently.

245. How, then, does the Emu Bay Company propose to carry its fuel from Burnie to Queenstown? They propose to receive it into trucks at Burnie, and convey it to Zeehan.

246. And then run on your line? No, we haul it on to Queenstown in their trucks, and hand it over to the Mount Lyell Company.

247. *By the Chairman.*—They will take delivery at Regatta Point? Yes.

248. *By Mr. Guesdon.*—Are not the Mount Lyell Railway and Mount Lyell Smelting and Copper Company two distinct companies? No, only one company.

249. Well, of course, there you have exactly the same difficulty in dealing with the transit of this fuel that you have in dealing with the Government's consignments of freight from Burnie to the breakwater? At what point?

250. Running from Burnie to Strahan? Oh, quite different. Let me explain again. The Emu Bay Railway Company places its trucks alongside the ship at Burnie, and receive the coal into its own trucks. It takes its trucks right through to Zeehan. We hook our engines on to them there, only finding the right of the road and haulage, and run away with them to Regatta Point and leave them there. What I want you to understand is this—The right of running powers over miles and miles of railway, and the working of a station yard, are so utterly dissimilar that there is no comparison between them. All the trucks in a stationyard may make twenty movements each, I should say, from the time they come in until they go out again. The trucks of the various companies get mixed and all boxed up. It is not a question of merely running backwards and forwards. And then there is the safe working of the station. There is only one controlling power possible in the station; but on one line you can have four or five trains going with running powers from other lines without difficulty at all.

251. And would it be impossible for you, with this line in the company's hands, to do all your own shunting at the station, and send your trucks along to be hauled by the Emu Bay engines on to the breakwater? I do not say it is impossible, but it is economically impossible, both in point of time, which is a serious matter, and in point of tonnage.

252. *By the Chairman.*—Mr. M'Cormick said there would not be room.

253. *By Mr. Guesdon.*—Do you endorse that?—Would there be room in that 12 acres for your shunting? Please understand that shunting on one station will not prevent the necessity of shunting at the breakwater. Suppose we had fifty trucks, and handed them over to the company, it could not send fifty trucks at a time to the breakwater. It must send them a few at a time, as it has opportunity, whatever appliances it may use at the ship's side. Then, the empties must be sent back. You would require, at least, two running lines and three shunting lines to be able to handle the traffic.

254. Then, would you regard the purchase of this line as being as urgent a necessity as you now seem to regard it, if it were not for the enormous traffic which is expected from the Blythe Iron Mine? The traffic, generally, is promising. I am looking, generally, to the future. I think if we could get all the advantages I have indicated by buying this line, it would probably be to the interests of the Colony to do so. Do not let out of your mind the point I raised about making the connecting link between Hobart and Queenstown.

255. Do you know anything at all about the company as regards this lease? For instance, if, at the end of 21 years, we purchased the line from Guildford Junction to Zeehan. The options that we would be purchasing from the Emu Bay Company, gives it a lease of the land from Guildford Junction to Zeehan for 99 years? Yes.

256. Supposing that Government finds it to its advantage at the end of 21 years to purchase that line, plus 20 per cent. on the cost of construction, and that that purchase put it in a position to reduce the rates of freight all along, it seems to me that we ought to be perfectly clear as to our power to secure the lease from Guildford Junction to Burnie? I should be satisfied that the conditions of taking over the option are such as would be satisfactory to us, because, first of all, if they failed to pay their rent the line becomes the property of the Government.

257. I am not speaking about that? It appears to me that it is advisable for the Colony to buy this option if the terms of the option first of all settle all disputes, and then give us the

absolute right to the harbour and all the land between the street and the water, and the breakwater, and everything else we want: if we acquire the whole of that and if we acquire this line and the right of running on the line between Burnie and Guildford Junction, thus securing the main link between Hobart and Zeehan—the benefit will be so great that the amount of the purchase may be comparatively small. I hold that it is a good investment for the country, provided that the things I have enumerated are secured.

258. Now, as to the question of fuel, Mr. Back.—Supposing that the operations now being carried out at Macquarie Harbour bar result successfully, and allow ships of large tonnage to get in there, do you consider that the Emu Bay Company could ever deliver coke at Queens-town at rates that would compete with the coke brought direct from Macquarie Harbour Bar to Strahan? You mean if they had deep water there, sufficient to carry—what?

259. I mean if the scheme is successful? What depth of water are you to give?

260. Say, sufficient to accommodate vessels of 3000 tons? No, it would not do. You would never be able to compete unless you were able to get back-loading for your trucks. If the minerals along the line were sufficient to provide this loading, possibly there might be something in it.

261. What is the percentage of iron in this Blythe ore? Something over 70 per cent., I am told.

The Chairman—It gives, in some cases, up to 90 per cent. of what is called ferric oxide.

262. *By Mr. Nicholls*.—The expense of carrying this iron ore to the breakwater, if it is handed over to the company, would fall on the iron mine, would it not? Probably.

263. It would not be a public charge? It would not be a charge on the Government. It would be merely a question whether it would pay the iron company to pay the extra carriage, or whether it would not? I think, in the end, it would be a charge on the Government. If it was found that the company had to pay the Emu Bay Company for carrying its ore, we should almost certainly be squeezed, in order to induce us to lower our rates proportionately. The iron ore is of very low value, and sooner than lose the traffic, the Government would have to subsidise the mines, just as it now does with reference to the Fingal coal.

264. Well, the extra charge on that ore should be paid by the people for whom it is carried, should it not? Yes, but it is no use of my begging the question. My fixed opinion is that the country would have to pay it. If there was a shilling to be paid, it would probably be squeezed out of the Government railway revenue.

265. Well, I do not know. It does not seem to me that we ought to anticipate that Parliament and the Administration will not do their business in a profitable way? Mr. Patterson will tell you that it is an absolute impossibility, with our rate of wages, to haul Fingal coal as cheaply as we do now and not lose by it, and yet we have to do it.

266. *Mr. Patterson*.—The coal belongs to a local company that can bring influence to bear. This Blythe ore is extremely rich.

Witness: I say this—that with the example before us of the Fingal coal and of other instances where we have had to cut down our rate to suit colonial interests, I think we should have to do the same thing again.

267. *By Mr. Nicholls*.—But that assumes that the mine could not be worked if this extra shilling had to be paid. Supposing that the mine could be worked profitably and pay this extra carriage, would not the mine pay it? Not if they could help it.

268. The answer you gave, that the Colony would be forced to pay it, now was not that based on the assumption that the mines could not be worked if they were charged this extra carriage? I have come to the conclusion that every industry and everybody that has anything to do with the railway will, if possible, get out of paying proper railway dues. If the railway was owned by a private company your suggestion would be quite correct, but knowing how things are done I think it is probable that we should have to pay it, and I think it is right to regard the thing from that standpoint.

269. You do not consider it possible, then, that the Blythe Iron Company will put this pressure on the Emu Bay Company instead of on the Government, and compel the Emu Bay Company to carry its ore more cheaply? I do not think the Emu Bay Company are squeezable. I do not see how you can put the pressure on a private company, unless you are able to show them that what you want is to their advantage.

270. But, possibly, the shareholders may consist of pretty much the same bodies? I do not know that they are.

271. I have heard it said so? But the Emu Bay Company is not going to get very much out of this business, except this haulage for a mile.

272. Is not one shilling a mile for a ton rather an excessive rate? No, I do not think so.

273. Well, supposing the Government takes it over, would the extra Government charge amount to one shilling a ton? I am not very confident, we would get all we could.

274. But would the Government charge on a fair arrangement amount to that? We are taking it on a longer haulage, you see.

275. But, of course, each portion of the journey could have its percentage of the cost apportioned to it? Minerals are charged with us at what is called station to station rate; that is, without terminals.

276. *By the Chairman*.—Mr. Back, with regard to this amount of £20,000 to £30,000, which, it is said, would have to be spent at Burnie; is that a fair charge against the line we are now buying, or against the Ulverstone-Burnie Line? It should be divided between them.

277. How proportioned? Well, I could not say off-hand; probably, half and half, it being the terminus of both lines.

278. It is an expenditure absolutely necessary in connection with the Port of Burnie? Whoever works the traffic there, it has to be done.

279. And whether we work it ourselves or another body works it? It will be the same thing, that work has to be done. You can no more talk of handling the suggested traffic there with present appliances than you could ask us to do the work of Sydney in our yard here.

280. Is it a fair thing to take into consideration in connection with this matter?—Is it to be done whether we buy the line or not? Yes, somebody has to do it.

281. When you were speaking of seeing a million or half a million expended at Burnie I suppose you meant you saw the necessity of expenditure to make it a larger port? I meant more breakwater, railway, and wharf accommodation, more harbour accommodation, more reclamation, and more such work generally. If Burnie is to be the output of the Blythe iron you will have to have a proper wharf, with hoppers or hydraulic cranes—the first preferably. They will get the most up-to-date American appliances, and you will have to spend a large sum in wharf accommodation, sidings, and so on. Of course, if the traffic does not come you will not want to make the expenditure. But we have a right to look ahead, as I have on more than one occasion remarked in this room.

282. Well, apart from the purchase of the line, or the purchase of the foreshore, or the obtaining of running powers, or dealing with traffic in any possible way, is there, to your mind, a necessity of larger expenditure of public money at Burnie? Well, either you stop the traffic or you make the expenditure. There is no doubt about it; large expenditure must come.

283. Is it probable that the Government will extend their railway westward to Wynyard and Flowerdale? That is a question of policy.

284. Apart from policy, is it probable that the Colony will do that? I should not like to say.

285. Is it probable, judging by what has been in the past?—Is it a district that will justify a railway being made to it? I think some day or other it will come.

286. If we do not settle this breakwater business now, one way or the other, will it also be necessary to hand over our freighting and traffic from Wynyard and Flowerdale district to another body to handle at the breakwater? They deal with all the export and import there: certainly, yes. That is why I opposed one of these strips of land being given up.

287. *By Mr. Urquhart.*—This suggested expenditure of half a million—or whatever other sum may be necessary to improve the harbour accommodation of Burnie—is not a corollary expenditure caused by the purchase of this railway? Certainly not.

288. But simply by the expansion of traffic? Yes, by the expansion of traffic. If what we are told is going to happen in the next few years does happen, you will either have to shut down your mine or your business to a great extent, or go to a great expenditure.

289. Then this large expenditure is not caused by the purchase of this railway? Not at all.

290. Now, this £30,000—will that come out of the £200,000 already voted for the Burnie Railway? Well, there is money there.

291. Well, it practically is a portion of the work covered by the vote for the Ulverstone and Burnie line? It might fairly be called so.

292. How much money have you spent since the Ulverstone and Burnie construction was commenced?—What is the unexpended balance?—Do you know?—Is it about £50,000 or £60,000? Oh, it is more than that.

293. *By Mr. Guesdon.*—How much? There ought to be a balance of £60,000 to £70,000 when everything is completed. But you will please take that as “off the book.”

294. I would not like to have any misapprehension about this probable increased expenditure. Of course, if the Government does not take it up, there is no doubt that if a mine of that sort is likely to make a profitable return, it is more than likely that some people privately interested will do as the Mount Lyell Company has done—make such arrangements with the Van Diemen's Land Company themselves as will enable them to get away their produce—and that it will pay a private company to do it better than it will pay the Government? Take it from me, that there is not room enough in the harbour for any more wharf at present. It would be interesting to have soundings taken, and see what the operation of the breakwater has been. I think the water is shallowing. There is a small port, swept by east and north-east winds, and they have made a small breakwater there; and the breakwater is so far inland that there is very little space left for building wharves. They have only one wharf, which occupies all the water that is deep enough, under existing conditions, to berth a vessel in. Therefore, I say that they will have to have a larger breakwater and larger wharves, and I say that the harbour should be in the hands of the Government.

295. And you say that the Government should have a proper examination of the harbour before these important works are put in hand? It would be very interesting to know what the effect of the breakwater has been. One breakwater I saw built is 2400 feet long, and in 20 years the detritus from the rivers has reclaimed the whole of that breakwater, and there is a bar now forming across the end of it. It is interesting to watch the effect of a breakwater in a harbour of that description.

MR. JAMES FINCHAM *called and examined.*

Mr. Fincham took the statutory declaration.

296. *By the Chairman.*—Your name is James Fincham, and you were formerly Engineer-in-Chief of the Government Railways? Yes.

297. You held that office in the years 1888 and 1889? Yes.

298. Do you recollect negotiations being conducted between the Van Diemen's Land Company and the Government, or Minister of Lands of the day, in connection with acquiring a perpetual road, or a right, rather, to lay down rails on the Burnie breakwater—Do you remember anything of that, Mr. Fincham? Yes. Among the mass of things that were before me at that time, I cannot, of course, now, after the lapse of 11 years, be expected to remember details, but, I am absolutely certain of certain salient facts. One is that I had no knowledge, in any way, of the initiative of the proposal for granting a portion of the breakwater under a certain lease to the Van Diemen's Land Company. I have been trying to tax my memory as to how the matter first came under my cognizance, and although I would not positively state that I had not seen these plans and this agreement before, yet I seem to have a very strong impression that I first saw them in connection with a communication from the then Crown Solicitor. I remember the circumstances, because the matter came upon me as a sort of surprise. I am quite clear that I had several interviews with the then Crown Solicitor on the matter, when I objected—as far as I can remember I have always objected to the thing (I always did, from first to last, as far as my best recollection goes). I am quite sure of this, that over and over again, to the Crown Solicitor, I expressed myself in terms of disapproval on the matter. My next recollection, although I cannot remember as to its following my immediately seeing the plans, was made in the interests of the Government. Seeing that the strip of line, as I remember it, was right down the centre of the breakwater, and therefore, meant, practically, giving the breakwater over to the company, and knowing that there was room on the breakwater for two lines of rails, my efforts for some time were devoted to trying to get possession of the strip down the middle altered to one side.

299. I think it would be as well if we could get from you, by questions, what took place prior to the agreement being signed—Have you ever seen the agreement or a copy of the agreement signed by Mr. A. I. Clark, the then Attorney-General, on behalf of the Ministry? Not that I am aware of.

300. Do you remember sending this letter of the 10th of December? (Appendix XXVI.).

301. And Mr. Back's answer? (Appendix XXVII.).

302. Then, on the 10th December, you wrote to the Minister? (Appendix XXVI.).

303. Now, that agreement is referred to there—Have you any recollection of what that agreement was? No; I have not any recollection. I did not know I had written those letters. Of course, I cannot remember letters among an immense mass of correspondence; it is impossible. I have had no opportunity whatever of refreshing my memory.

304. I wanted to ascertain from you, if your memory will permit, whether you had any recollection of the negotiations prior to the signing of a certain document by Mr. Clark—have you any recollection of the negotiations of a right for running a railway on the breakwater? I have already said so.

305. You could not remember the negotiations? Certainly not. My first recollection of the matter at all—and I am clear as to that point—was having certain plans not prepared in my office, prepared, I presume by Mr. Norton Smith's people, and a certain agreement placed before me.—I have already stated (I would not swear), but I believe the first occasion I saw those documents was from the Crown Solicitor. I am quite certain Mr. Dobbie can confirm my objections to it, and I must have repeatedly pointed it out to the Minister.

306. *By Mr. Nicholls.*—You say you objected, to Mr. Dobbie—Did he never tell you who it was insisted it should be given? I have some recollection of his saying once, and it may have been more than once, that Mr. Norton Smith's solicitors were pressing very much to get the thing settled.

307. *By Mr. Patterson.*—You do not know who recommended the lease? No, certainly not. The first time the thing came before me was in a cut-and-dried shape. There were fixed plans and an agreement, and I had no knowledge whatever of the negotiations for the proposal.

308. *By the Chairman.*—When did you enter the Government service? In 1877.

309. Have you any recollection of the time you first visited Burnie? No, I could not recollect. It would be during the first year of my office, no doubt.

310. What existed at Burnie then in the shape of a jetty or breakwater? What we used to call the "bird-cage," an open—very light open—jetty of wrought iron.

311. What followed that? Well, if I may use the term, a solidification of that "bird-cage" by filling in with concrete.

312. Was not there a sort of breakwater—a sort of T-head or hammer-head? Yes, that was added afterwards.

313. Did the Van Diemen's Land Company have any railway on that jetty or breakwater? If you mean on the T-head one, I think it is very likely, because they had one on the "bird-cage."

314. Was that just a tramway to the shore, or connecting with the town end? Just to the shore—the sort of thing that has always existed there.

315. Have you any recollection whether they were given any permission to construct a tramway on the first breakwater—a small one? No, I am not able to tell you whether any formal permission was given or not.

316. The breakwater was constructed under you? Yes, the whole of it, from designs by Napier Bell; I carried out his designs.

317. Do you remember being asked at any time, by them, to permit them running a line of railway on the breakwater? I could not swear to that. They might have asked for permission, but I cannot recollect.

318. Do you remember if they had a tramway on during the construction of the breakwater? Prior to 1889, do you mean?

319. Yes.—In 1889 the breakwater was very nearly done, if not quite done, as it is now? I cannot recollect; but there was a rough, temporary tramway on the unfinished top of the breakwater to the last, and, certainly, the Van Diemen's Land Company used that tramway, chiefly because it was the principal exporter—shipper—but the general public would use it at the same time.

320. Was it put up by both, or at their expense, do you know? I could not say. Most probably at their expense. I am quite certain that our Government officer would never have laid it down for them.

321. It was not used in connection with the construction of the breakwater? Except, possibly, for landing cement.

322. You cannot say whether they had any priority of right, or claimed any priority of right? Oh, dear, no. To the best of my belief it was regarded as a purely temporary arrangement. It was not used by the Government for construction purposes, because we required something very much heavier to carry our crane, itself carrying 23-ton blocks for building. This was only a temporary thing right along the edge.

323. Have you any recollection of who laid the two lines of railway now on the breakwater? Yes, I know all about that, although I have not seen them. With your permission, I will go back and continue the answer to my first question. Subsequently, as I said, to my efforts to get the strip of line shifted, I made proposals that as there was room for two lines of rails on the breakwater the Van Diemen's Land Company should consent to one of these lines being a line—

324. The Van Diemen's Land Company should consent to what? To the two lines.

325. Why should they be asked? Because their line blocked any line going on the breakwater. It was right down the middle.

326. But why did you have to ask them? Simply because this strip of red, as I remember it on the plans—it was 10 or 11 years ago—was down the middle of the breakwater, and in my anxiety to preserve the Government interests—after objecting to the Crown Solicitor—I made efforts to get this strip shifted, so that there should be room for a Government line as well as the Van Diemen's Land Co.

327. But did you acknowledge that the Van Diemen's Land Co. had any right to object? I could do nothing else, under this agreement.

328. Then you did know of the agreement? Yes. I said so. I said I knew nothing of the negotiations of this proposal. The first I knew of it was seeing a properly-prepared legal document, which I knew nothing of, with plans attached. And I then went on to say that the matter came to me as a surprise, and its coming to me in the way of a surprise has fixed it in my memory. Now, to go on about the two railways. My efforts were devoted to that, and I am pretty certain the late Mr. Pillinger had a conversation with Mr. Norton Smith, and I am pretty certain Norton Smith was willing to allow the second rail, but he wanted the Government to take the back seat, and I wanted the company to take the back seat, and the matter was left in abeyance. Now about the two rails: Some time before I left office, with the consent of the Minister, I prepared for the Marine Board at Burnie—the request and all negotiations in connection with what I did coming through Mr. Norton Smith, who was on the Marine Board, I believe, at the time—I prepared for them a plan for finishing the breakwater; I did it as a labour of love. In consultation with Mr. Norton Smith, two lines of rails, certain sidings, together with a parapet and lighthouse on the end. The specifications were prepared by Mr. Norton Smith's agent, or by himself. They were sent on to me for revision, and the contract for finishing the breakwater was let from these documents which I had prepared, but I have no personal knowledge as to whether these two rails have ever been laid down. The fact that Mr. Norton Smith agreed readily to the plan for two rails of this final contract, showed that he was willing to have the two rails on the breakwater; but he wanted the pick for himself, and I wanted it for the Government.

329. If that had been settled, was that all that prevented the execution of the lease? No. I would not say that. I objected altogether to it, but my object in getting the two lines was to save something from the wreck, or what I considered equal to it.

330. Was the survey that was made to Burnie made in your time—I mean the survey to Wynyard? Oh, yes.

331. On from Burnie? From Ulverstone to Burnie.

332. Yes, you went on to Wynyard? Yes, from Ulverstone to Wynyard, I meant to say.

333. How did you propose getting through Burnie—do you remember? Yes. And not only do I remember my original surveys—what have been termed Parliamentary surveys—but I remember that after the Act was passed I prepared contract plans on a specially large scale

(working plans), showing how I proposed to deal with the railway through Burnie. I was aware there would be difficulties with the Van Diemen's Land Company; but I was perfectly easy in my mind, knowing that Parliament had been so very liberal with the vote. When they cut off the portion between Burnie and Table Cape I proposed to deal with the matter in this way: I joined the Van Diemen's Land line somewhere above the present station, entered the station, and then turned off as soon as I was clear of the station, running my main line on the left side of the present siding, on to a station at West Burnie. The plans will show a fairly commodious railway station on level ground; and I arranged the sidings so that, practically, the breakwater siding would form merely the extended portion of the railway sidings. I saw no difficulty in my proposal, because what I was doing was what I had known to be done in England. If you will allow me to say so, I have had more experience in connection with the English Parliamentary practice, and the Board of Trade sanctions to lines bearing upon them, than anyone in this Colony, and I saw no difficulty in joining the station at Burnie, and running a main line, but parallel to a mere siding, until I reached my station at the breakwater. I am quite sure of this, that, in England, if the public necessity demanded it, no hostile company in a similar position to the Van Diemen's Land Company at Burnie, with a bit of a siding, would be allowed to block the extension in a similar position. There would be no difficulty in England. I had sidings in view of future traffic to Table Cape.

334. *By Mr. Guesdon.*—If that piece of land was taken away by the agreement, would that prevent your plans from being carried out? I blocked the three acres first of all, because I arranged with Mr. Norton Smith, and when I saw the plans, I refused the sanction, though I pointed out that the Government were entitled to the land by the Act of Parliament, and I would not take water for land. Afterwards I tried, when this was on the tapis, to get the three acres transferred from there, subject to the approval of the Minister of the day, and leave them to him—(witness refers to plan)—here, for the station; but he would not do that, though, of course, I saw through the whole thing.

TUESDAY, 11TH DECEMBER, 1900.

Examination of MR. FINCHAM, continued.

Witness.—Before the Committee proceed any further, I would like, with their kind permission, to supply a small omission in connection with my evidence in connection with the breakwater, as given before you yesterday. On a change of Government taking place—Mr. Hartnoll succeeding Mr. Pillinger—one of the first things I did was to bring this matter before Mr. Hartnoll, and he fully concurred in what was proposed to be obtained, and I am pretty sure that there are in the Public Works Office letters that passed between Mr. Hartnoll and Mr. Norton Smith in reference to this matter. I forgot that in my evidence yesterday, though I meant to have told you.

335. *By Mr. Guesdon.*—I should like you to refresh your memory, Mr. Fincham, and would like to draw your attention to the evidence given by Mr. Justice Clark. Yesterday, he read a letter from the Hon. Alfred Pillinger, in which he says: "Will the Hon. the Attorney-General have the necessary document prepared for my signature, guaranteeing the issue of the lease required by the company, in accordance with Manager's letter 7/12/88, and the Engineer-in-Chief's recommendation of 23rd January, 1889, and 3rd May, 1889. On this undertaking, perhaps Messrs. Dobson, Mitchell, and Allport will at once pay the amount." Now, your memory seems to have failed you altogether, because you do not seem to recollect any of this. The first letters you seem to have any recollection of is one dated 10th December, and all your evidence goes to show that you persistently opposed this lease. This agreement of lease was signed 21st May, 1889, and the letter here says, "the Engineer-in-Chief's recommendation." Do you think your memory may have failed you in any way?—The two things do not exactly fit in? I see nothing inconsistent in it—I could not set myself up as a superior power to the Minister. Once it was decided that a thing should be done, I should recommend it; otherwise I should be flying in the face of the Minister. I do not think any man could be supposed to remember, at a distance of 12 years, the dates of official correspondence, or anything about them but the salient points. I told you yesterday that I could only remember salient points, and if I am to answer questions on these letters I must ask the permission of the Committee for time to look through the correspondence.

336. *By the Chairman.*—I would like to read this to you—(Appendix IV.) Well? No doubt that is a fair copy of my endorsement, and I have always contended that the Government should not be obstructed in the use of the breakwater.

337. *By Mr. Guesdon.*—In Mr. Clark's evidence, he said that the instructions came to his department to prepare the conditions of the lease in conformity with a certain Act of Parliament, and he said he received a recommendation from the Engineer-in-Chief. These instructions went up according to the Minute Book produced yesterday by the Minister; these instructions went up, yet, in your evidence yesterday, you say "My first recollection of the matter is—and I am clear as to that point—was having certain plans in my office—prepared, I presume,

by Mr. Norton Smith's people—and a certain agreement placed before me. I have already stated (I would not swear), but I believe the first occasion I saw these documents was from the Crown Solicitor?" I adhere most positively to that evidence, but I do not follow you exactly in what you said. There was no Act of Parliament in connection with this breakwater, and there was none in connection with the three acres.

338. But this letter I will read to you fully:—"As it is necessary that the contribution of £1000 should be at once made by the Van Diemen's Land Company in terms of Act 52 Vict. No. 63, the works at Emu Bay Jetty under such Act being now in progress (*vide* copies letters to Manager Van Diemen's Land Company), will the Hon. the Attorney-General have the necessary documents prepared for my signature, guaranteeing the issue of the lease required by the company in accordance with Manager's letter 7/12/88, and the Engineer-in-Chief's recommendation of 23rd January, 1889, and 3rd May, 1889. On this understanding perhaps Messrs. Dobson, Mitchell, and Allport will at once pay the amount?" I cannot understand that at all.

Mr. Patterson—I can easily explain that. Mr. Clark told us yesterday this Act of 52 Vict. No. 63 was a totally different Act. This memorandum is distinctly wrong.

Witness: There were two items of £1000.

The Chairman: There were two Acts of Parliament. One said that the sum of £6000 should be expended on the breakwater, conditionally on the Van Diemen's Land Company giving 3 acres of land; the other, that £5000 should be spent on the breakwater conditionally on the company spending £1000. Now, neither of these Acts were binding on the company, and, unfortunately, the money was expended without the company being first applied to for its contribution. The company then said, "We will give you £5000 on conditions," and also that they would give 3 acres of land on conditions; but the conditions in regard to the land were, that it should be taken below high-water mark.

339. *By Mr. Guesdon*.—I presume if you gave a recommendation of this sort you would give it in writing. Would you give it in writing or verbally? Both.

340. What is the practice? Generally we give it in writing, but in this case, most likely, I should see the Minister and discuss the matter verbally with him, and give him my objections, because I never have, while in the service, shirked putting my objections before ministers in a respectful manner, and not always to my own advancement. I am pretty sure that prior to this proposal being embodied in the Act there were letters from Mr. Smith, agreeing to supply the £1000, and agreeing to the 3-acre business.

341. Of course. The only thing I want to find out from you was this: the letter giving instructions to the Attorney General's Office was sent on the 21st May, and that letter says you recommended the lease in two letters, 23rd January, and 3rd May, 1889; you recommended that these should be given. Now, I think I would like an explanation from you, as you told us yesterday you never gave any such recommendation.

342. *By the Chairman*.—You have the letters? As I have said, there is nothing whatever inconsistent. After I fought out the matter with the Minister, there was no inconsistency in my obeying orders. But, I say, in the most emphatic manner, that the evidence I gave yesterday is absolutely correct, and, I did, over and over again, object to it.

343. *By Mr. Nicholls*.—Is it a professional officer's duty to recommend a thing because the Minister has decided to do it? It is sent to him for his official recommendation.

344. Does not that stamp it as being given with his recommendation, although, in his opinion, it may be bad? I should like to see my recommendation. The one that is specially referred to now.

345. *By the Chairman*.—23rd January, and 3rd May, there is a letter, bearing Mr. Fincham's endorsement, from Dobson, Mitchell, & Allport: "We are instructed to say that the £1000 is now available" (that is the £1000 referred to in the Act); this is endorsed by you? (Appendix XI.). That, sir, tallies with the whole of my evidence yesterday, where I contended that they held the right to run over, but the difficulty was, that I could not consent to the Government taking a back seat.

346. You never recommended that the lease as actually sent should be signed? That is inconsistent with all my recollections of the business, all my efforts being directed to preserve the government rights.

347. Have you any recollection or any means of suggesting who it was that made the recommendation for the lease as it was actually signed—I mean the agreement? No; I could not tell that. It was backwards and forwards amongst so many I could not tell how it was arranged at last at all.

348. *By Mr. Hall*.—Now, you say, in your evidence, that you prepared plans—plans on a specially large scale. In your plans you joined the Van Diemen's Land Line somewhere above the station, entered the station, and then turned off as soon as you were clear of the station, running your line on the right side of the present siding? That should be left.

349. At that time there was no mention of a railway running to the West Coast. Do you think now, as an engineer of many years' standing, that the effect of that extension to Zeehan has enhanced the value of the Emu Bay-Waratah Railway Line? I suppose so.

350. Now, if the Government carried out your suggestion at the present time would it not interfere with the Emu Bay Company's traffic running through from the station? Certainly

not. You are perfectly well aware the Main Line Railway joined the Western Line at Evandale Junction, running over the Government rails to near Launceston, and then turns off at their station in Launceston. Now, I submit this proposal is a similar one, though, if anything, it strengthens my argument, because the piece on the Burnie Line is of comparatively small value as compared with the Evandale to Launceston piece, which is on a main line of railway. I submit, with respect, that no engineer in England would have difficulty in getting powers to enter a station like Burnie and even run along their line.

351. Can you name any similar cases where a company has obtained power to run through a station? Oh, yes, numerous cases.

352. In the case you mention the Western Company ran down the Government line, but it crossed the Tamar lower down on its own bridge, and then into Launceston into its own station. It does not run into a Government station; but you propose to run right through their station? I propose to run through their station, yes.

353. And you do not think they would have any claim for compensation? No, I do not say that. I believe provisions could be made by Act of Parliament. It is a usual proceeding in England for one company to run over another company's lines. Why, to take one very large case: that of the underground railway in London. Here you have crowded trains running every five minutes, and I remember that in my time the local trains on the Great Northern Line from St. Alban's, 20 miles out, used to come down and mix with the underground traffic. But in this country we often lose all sense of proportion in dealing with railway matters. Our trains are limited, our traffic is small, and our speed is slow. We often make a bugbear of danger where none exists.

354. Is it many years since you visited Burnie, Mr. Fincham? I have certainly not visited it for six or seven years.

355. You have not been there within the last twelve months? No, I have had nothing to take me there.

356. I will ask you another question, Mr. Fincham. You know the Government propose to purchase this line under the Bill that has been referred to this Select Committee: I suppose you have an outline of that proposal? I know nothing of it, except what I have read in the newspapers.

357. But you have some sort of idea of it through the press? Yes.

358. Would you, as an engineer, consider that that is a business-like proposal, inasmuch as it must do away with all difficulties with the Van Diemen's Land Company? Let me understand the question—the proposal to purchase the line, you mean?

359. Yes, and to take over the necessary strip of road, and so forth? It is a course I would never advise, were I in my old position, and for this reason: the company are asking the Government to pay too much for that line, which is a mere surface line of railway.

360. Do you speak from careful examination? I speak from having examined the line for the purpose of making a valuation.

361. How many years ago? I examined it, and made a valuation for the Commissioner of Taxes. I do not know how many years ago that was—eight or ten, probably. But allow me to go on with what I was saying. The line is really a surface line in every sense, without expensive stations, and without fencing. There are two or three small bridges, which have lately had the timber tops or trusses renewed by steel girders. The line is about the same length as the Fingal line. The Fingal line has long expensive viaducts, heavy earthworks, and numerous expensive stations, while a considerable sum was paid for the purchase of land. The Emu Bay Company is asking the Government to pay a price for its surface-line in excess of what the Fingal line cost, including all capital charges.

362. Now, following up that, Mr. Fincham, you say that the line has one or two small bridges crossing small streams? Where the line crosses it?

363. Yes? Yes, I should. It is a very small bridge there. I know, as I say, that steel girders were substituted for timber in the bridges over the Whyte and Hellyer (?).

364. Would you be surprised if I told you that there was no wood in either bridges? That is what I say. Originally the bridges were wood, but they substituted steel.

365. You say it is a surface line: that, I take it, shows that there are wooden culverts there? The expression "surface line" does not necessarily imply that.

366. You made a careful examination of the line? I went over the line to value it, because the Commissioner of Taxes of the day wanted to have a check upon such information as he had supplied to him as to the value of the line.

367. And, of course you examined it, and valued it with regard to its traffic from the Waratah District over it? Oh, dear, no; I merely took into consideration the intrinsic value of the works.

368. And not with regard to the traffic at all? No; he did not require that.

369. He wanted the capital value? Yes.

370. *By Mr. Patterson.*—Now, you told us yesterday, Mr. Fincham, that you had had a very long Parliamentary (?) experience in connection with railways; probably the longest of any man in the Colonies? Possibly. Not in the Colonies; in this Colony.

371. I believe you have. I have also had a large experience. I want you now to go back to that experience, and to tell this Committee your opinion on the following question.—First: It

was suggested by one witness yesterday, that in England running powers obtained by one company over another company's lines only extended to the main line, so to speak, and not to sidings and stations. Is not that a misunderstanding of the meaning of running powers? I think it would depend upon the nature of this application to Parliament. The powers might generally only be for running through a station along one line; but certainly, in numerous cases, it is for the use of sidings as well.

372. One moment, Mr. Fincham? The point is this: suppose that in England the London and North-Western have the right to run through the station-yard of the Great-Western, and supposing there are, say, twenty parallel lines in that yard, would they not have running-powers on any one of those twenty lines? Clearly.

373. Now, will you look at these plans, prepared by Mr. McCormick, and tell the Committee this: we have both the plans prepared by the Engineer of existing lines, showing not only the method of dealing with the Burnie and Ulverstone traffic to and through the station-yard on to this freehold, but also the proposal for getting on beyond to Wynyard. Now, will you tell the Committee what earthly objection there is—or if there is any objection—to the Government obtaining, by an Act of Parliament, running powers from this junction, above the Emu Bay station-yards here, going through them as shown here (Mr. Patterson refers to plan), and obtaining also, if necessary, a portion of this land, by resumption by Act of Parliament? I certainly see no valid reason why it should not be done. It is not inconsistent with railway practice; and it is really as I tried to explain yesterday to the Committee. I proposed that years ago in connection with my proposal for a terminal station at West Burnie.

374. Well, now, there is another alternative: that which Mr. Back intended to avail himself of if this question of the purchase of the Waratah line had never cropped up; that is to say, when he was going to bring his traffic to the station-yard there outside the limits of this Company's line, and hand over the limited traffic that may be expected from Ulverstone for this company to deal with—There is no difficulty as to that, I presume? No; it would be a matter of arrangement.

375. Another alternative is that, in order to get rid of the difficulties that exist at the present moment with the Waratah Company, the Parliament of to-day should purchase, for £205,000, this line to Waratah.—In your opinion, would that be a justifiable expenditure, as a means of getting over this difficulty you see before you? As a responsible officer of the Government, I should be very sorry to recommend such a course, for the reason, as I have said, that I know the value of this line pretty well.

376. Now, we were told yesterday by the General Manager of Railways that although this Waratah line has a continuous grade for over five miles from Burnie of 1 in 33, yet, in his opinion, it was equal to many of the Government railways—notably the railway to Sorell, which has a ruling grade of 1 in 40, and extremely few 5-chain curves. In your opinion, as an engineer, is that five miles of continuous 1 in 33 equal or comparable to these lines of the Government, some of which were designed by you, and carried out by me? Certainly not. Any engineer would know, that the difference between 1 in 33, for five miles in length, and 1 in 40, even for seven miles, is very serious.

377. You are aware that this 1 in 33 follows surface only? Yes; I have said so. My knowledge of the line is that it is a surface line. There are a few little banks, but, practically, it is a surface line.

378. Now, would the lowering of these grades from 1 in 33 to 1 in 40 over five continuous miles of line cost a great amount of money? I would not like to say without seeing the country through which I had to work, but, speaking generally, I think I should be safe in saying that the cost would be excessive.

379. *By the Chairman.*—You have not hesitated to give an opinion on the present condition of affairs—may I ask if you are aware of the circumstances of Burnie at present? Do you know anything of the possibility of a very large traffic? I think it is quite possible that there may be a large traffic.

380. If you were aware, for instance, that there is a definite possibility of having to deal with 1000 tons daily in connection with one particular product—would that alter your opinion in connection with the matters on which you have given evidence? Certainly not, sir.

381. You think that the thousand tons of ore daily, apart from, and additional to other traffic, could be dealt with economically and conveniently at Burnie, in two hands? In two hands—how do you mean?

382. Well, by the Government railways, and the privately-owned railways? Well, as a business man, I think it would be best for one person to have control of it, undoubtedly.

383. But you think that the obtaining of mere running powers on the company's line between our junctioning point and the breakwater would be sufficient to enable the Government to handle, economically, 1000 tons of iron ore a day? No, not without they had more sidings.

384. Where? In some convenient place to be arranged.

385. You might say where. You know the locality? I see no difficulty. I can give you some idea of it. My proposal was, as I stated yesterday, to run the Government siding to the breakwater on the left of the present siding, between there and the road.

386. Yes, I understand that? And Mr. Hall, at all events, will know that the road is not parallel to the breakwater siding. There are large spaces, which would allow of sidings going in there. I contemplated utilising these spaces on the plan I made out. Then, again, I see no

reason why my idea of the sidings for the station at West Burnie should not be utilised for the same purpose.

387. How are you going to get to West Burnie? I have already explained that to the Committee.

388. By getting running powers? Not necessarily; by putting a line down alongside the Van Diemen's Land siding.

389. But you have just said that running powers would be ample for all we have to do at Burnie? No, pardon me, I did not say that.

Mr. Patterson.—He said in conjunction with sidings.

390. *By the Chairman.*—You are aware, Mr. Fincham, that all the land needed in the vicinity of the breakwater is the property of the Van Diemen's Land Company and the Emu Bay Railway Company? As far as I know, the land upon which I proposed to lay the line is the property of the Van Diemen's Land Company.

391. Now, as an Engineer, having to lay out works for handling and dealing with 1000 tons of ore a day, would you say it is desirable or necessary that that land between the Burnie Station and the Breakwater should be owned by the Government? Yes, I proposed to acquire it in the plans I made out.

392. How much of it? I cannot tell you the acreage; but I believe it was all the space between the public road and a certain limit from the existing siding, to the breakwater.

393. Do you think, as an engineer, that the Government and a private railway company could work that breakwater jointly? I do not see why they should not; on separate lines, as I proposed.

394. For railway purposes? I do not see why they should not.

395. You know, of course, that only one side of the breakwater can be used as a wharf? Of course.

396. And that only one line can be used for loading and unloading purposes? Only one at a time. But, as I explained to the Committee, and as I made plain in the plans I prepared for the Marine Board, the second line would give standing-room for trucks.

397. In your opinion, could such traffic be worked as I have indicated before, if a shipment of a thousand tons a day had to be made on to the breakwater—could it be worked jointly? Well, my plans and proposals were made before ever the Emu Bay Line came into existence; but I have never said that I thought these two sidings on the breakwater would be enough for the supposed traffic of 1000 tons of ore a day.

398. You have replied to questions as an engineer. You know the width of that breakwater? Yes, about 23 feet.

399. I am asking you whether it would be safe to have a dual ownership of that breakwater, one of the owners having to deal with 1000 tons of ore a day. Could it be safely worked? No, it would be too crowded under those circumstances.

400. Would it be safe to work it under those circumstances? I do not see why it should not be safe.

401. Would you recommend it as an engineer? I should not consider that the breakwater was sufficiently extensive for a shipment of 1000 tons a day.

402. Not at all?—Not in any circumstances? I should not think so.

403. Therefore you think that one owner with full control could hardly carry out that work on that breakwater? I think it might be difficult.

404. How could two people work it, then, if one could not? Well, I suppose that two people would take each one half of the traffic, and work it as far as they could.

405. In dealing with a large amount of traffic like that, is it desirable that your marshalling and preparing sheds, your sidings and so forth, should be as near the breakwater as possible? Yes, I designed this very thing.

406. Did you propose to put them on this piece of ground we propose to acquire? No; on the piece of ground at West Burnie, where I wanted to go—the 3 acres being taken there.

407. And to get through you would have to travel over this piece of land we now propose to acquire? Quite right.

408. And will you state, as an engineer, that you had ample room up there at North Terrace to deal with large quantities of cargo? I had ample room in my design for the requirements of that day.

409. I am asking you now, not so much about what you proposed yourself as Government Engineer at that time, as to what you believed under the circumstances now existing? I am unable to answer that without proper information and full study of the matter. I cannot tell you from memory whether the plans I prepared 8 or 10 years ago, before the Emu Bay Company was thought of, are applicable to present circumstances.

410. But you have given an opinion that the Government proposal is one that you, as a responsible adviser, would not recommend. I want, therefore, to know what your position really is? My position is very simple. No matter what accommodation you propose to acquire or to get for working this supposed traffic of 1000 tons a day, it must, in any case, be cheaper for the Government to follow the ordinary every-day practice of acquiring running powers over other people's railways and lands than to purchase, as I understand it is proposed to purchase the Bischoff Railway.

411. You know the Burnie station pretty well? Yes, unless it has been altered since I was there.

412. Is it a large station? No.

413. If station-yard accommodation is required, where must it be found? Where I proposed it.

414. I do not mean accommodation for the Burnie station, but for the company? I do not know what the company's requirements may be.

415. Well, the ordinary requirements of a terminal station, at any rate? I cannot speak for other people. I do not know what they might require.

416. I am not asking you what they might be likely to require in the future. Judge the railway as you know it, and, taking into consideration the ordinary increase of products, apart from extraordinary products, is there any area suitable for a station-yard other than that between the present Burnie station and the breakwater? I could not answer that question without seeing the ground.

417. I will give you the plan? You want more than the plan to go on.

418. I will give you the plan at any rate (plan produced): now, there are contour lines on that plan. You know, I suppose, that the line begins to ascend at once here at this point, near the station? Possibly.

419. But you have examined and reported on this line, Mr. Fincham? Quite right, but you do not expect me to carry in my head all the gradients of a line, do you? The line does come down somewhere near the station.

420. Are you aware that almost immediately after the line leaves the station it commences to mount a little? I am aware that soon after it leaves the station it begins to mount a little.

421. Now I will ask you: For that railway station is there any other proper accommodation for a station-yard beyond this land I have referred to? For whom?

422. For the owners of this line? Yes. If I were the Emu Bay people I should try and get a siding out there. [Witness refers to plan.]

423. *By Mr. Guesdon.*—Is it shallow water out there, then, that can be reclaimed? Yes, I think so. It would be expensive, of course, but I do not think it would be necessary to incur any prohibitive expense in order to find room.

424. *By the Chairman.*—Now, supposing that the Government have to deal with 1000 tons a day brought up to this point, is it desirable that they should be in a position to take that ore themselves along to the shipping-place? I should say so; preferably to putting themselves in the power of another company.

425. And, therefore, is it desirable that we should acquire what is necessary in connection with this station-yard and this foreshore? And, therefore, it would be desirable that you should acquire necessary accommodation for your shunting-sidings somewhere.

426. Will you point out the most desirable place now? Well, speaking from memory, I see no reason why an extensive station should not be made there in West Burnie. [Witness refers to plan.]

427. Of course, another engineer says it would be impossible? I see no objection; it is level ground.

Mr. Hall: It is basaltic rock up there.

Witness: Pardon me, where I proposed to put the station it was a sandy flat.

428. *By the Chairman.*—And you see no reason why we should not deal with all the traffic up here at West Burnie? It is quite possible.

429. Then to get our 1000 tons of ore a day through, we must come through the station-yard here, through other people's property, and bring it up this spot? Just as you have to bring the ore down from Bischoff, a longer distance.

430. But is it economical and desirable that we should bring it here and hand it to another railway company? I would not do that; I said so.

431. You recommend that we should take it ourselves? By some means or other, certainly. I recommend that the Government should get their own traffic to their own shipping place.

432. And you think that in order to do that it is not necessary for us to acquire this land and breakwater? I say it is? it is merely carrying out my plan.

433. *By Mr. Patterson.*—Now, Mr. Fincham, if you are told that, in addition to the two lines on the breakwater, the Marine Board is constructing a jetty with five pairs of rails on it, and that the Blythe Iron Company has not the least intention of seeking admission to the breakwater, but intended to use this high-level jetty, which will be furnished with hoppers and everything necessary for expeditiously carrying on their work, would that alter the position? It alters the whole case. The Chairman put it to me that there was only one outlet for this iron—the breakwater.

The Chairman.—I do not know where Mr. Patterson has got those facts.

434. *By Mr. Patterson.*—I got them from the Blythe Iron Company itself. I will bring all that in later on. At present I will repeat my question, in order that that may be clear. If you are told, Mr. Fincham, that, in addition to the two lines on the breakwater, the Marine Board constructing a jetty parallel to that breakwater, with five pairs of rails upon it, and that the Blythe Iron Company has no intention of using the rails on the breakwater for this imaginary traffic of 1000 tons a day, but intend to construct a high-level jetty of its own for the

purpose of discharging direct from railway trucks—would that, in your opinion, simplify the whole question? Yes; I say that if you get five lines of rails on the Marine Board jetty, and the rails on the breakwater as well, it ought to be enough for ordinary traffic, and for the Blythe traffic too.

435. Then there is no reason to take the extreme step of purchasing this railway in order to get over these difficulties? I would not advise it.

436. *By the Chairman.*—Will you explain to the Committee, Mr. Fincham, how you would use this jetty from the Government line? In the same way that I proposed to use the other jetty—by running lines out from the station I would build there.

437. And what of the line running on to the breakwater, the property of the other company? The line running on to the breakwater, the property of the other company, would have to be arranged for, as it was shown on this lease—about which all the trouble has arisen—by a back shunt. They cannot possibly run their engines from their present tramway on to the breakwater. But Mr. Norton Smith designed a line up here with a back shunt.

438. Is it possible to adopt the same thing with regard to this jetty? For the Van Diemen's Land Company or the Government?

439. For any one at all? I should think so. I do not know what the jetty will be for. My own proposal is plain. [Witness refers to plan.] I propose to acquire land here, and to run a line along here and through the quarry to a station here. From that station it was a matter of the greatest ease to shunt trucks backwards and forwards to the breakwater. I see no reason, giving an extension of this station, why we should not do the same thing here. The extension ought to be perfectly practicable, although it may cost money.

440. Could that be done without interfering with the rights of the other owners to get on to the breakwater? We should very likely have to cross their siding.

441. On a level? On a level.

442. And for purposes of handling large quantities of stuff, would that be safe? I see no reason why it should not be safe, under proper management. You must remember that there is no fast-speed traffic along this line.

443. Would the Board of Trade allow that? I have no doubt they would. I remember a case near Bedford where a main line crossed the sidings of another company.

444. How long ago? 25 years ago—more than that.

445. Do you know anything about any new Board of Trade regulations as to that matter? I cannot tax my memory as to that. I know that the Board of Trade have altered their regulations as to some matters.

446. Do you know whether the Board of Trade will not allow the crossing of an outside line on a level? I do not know; but I say again that we lose all sense of proportion when we discuss railway matters in Tasmania. The traffic here is so small compared with the enormous traffic that the Board of Trade has to do with, that the two things have practically nothing in common.

447. Would you call this 1000 tons a day a small traffic? No, that is not a small traffic; but I see no danger in running waggons at one or two miles an hour across there, even with a large traffic of 1000 tons a day. There would be signal-men there, men in charge of the crossing, and so forth.

448. *By Mr. Hall.*—You state, Mr. Fincham, that where you did propose to put your station is a perfectly level piece of land? My working plans would show the place.

449. This is known as Blackman's Point—here? [Refers to plan.] Yes.

450. Basaltic? Yes.

451. How far does the basalt extend around? I would not like to say, not having seen it for ten years. [Witness refers to plan.] With all respect, Mr. Hall, I do not know what you have in your head; but I assert that where I propose to put the station it was level. My plan was made from a very careful survey.

452. I understood you to say that when you got through this station you would cross the line—or was it that you would keep to the west side? I said I would keep to the left side; the side next the road.

453. Are you aware that the Emu Bay Railway Company's line goes up close to that road in places, sometimes within five feet of it? It crosses it in one place. As I explained before, I run into the terminus, and through it. When I got sufficiently clear of it I should make a siding, which would be a Government siding, between the company's siding and the main road. I run on to the rails until I clear the station, and as soon as I get room I turn off. There were double lines through the quarry then. But if you refer to my working plan you will see what provision I made.

454. *By Mr. Patterson.*—Can you get these plans, Mr. Fincham, or any plans?—Are they available? They ought to be available; they are big enough.

The Chairman.—We can get them.

455. *By Mr. Aikenhead.*—Mr. Patterson has pointed out in the plan three alternatives that are open to the Government, in order to acquire access to and on to the breakwater, and to get beyond it for railway extension through to Table Cape. Which would you recommend as the best under existing circumstances, and having regard to future possible developments in traffic from various sources, and will you give your reasons? Well, I have really answered that question in my evidence already.

456. Well, I want to bring you to the point? I would still adhere, in view of the increased traffic, or the probability of increased traffic to the Emu Bay Company now existing, to an amplification of my original design, which was to take powers for running through the terminus of the Van Diemen's Land Company, at Burnie; and then by an independent line or lines, running to a station ground to be acquired and formed at West Burnie; because a station in that position would have easy command both of the breakwater—the original structure—and of the Marine Board jetty, as far as I can judge from its position as just now sketched out for me by the Chairman.

457. You speak of independent lines—do you mean lines constructed, say, alongside the Van Diemen's Land Company's present line? Yes, on either or on both sides of it.

458. And what was the estimate of the intrinsic value of the Waratah Railway which you made in order to enable the Commissioner of Taxes to estimate its capital value for taxation? I have no figures preserved, but I remember it was under £80,000; and, knowing the purpose for which the Government (through the Commissioner) wanted the valuation, I was careful not to make it unduly low.

459. Can you state whether the intrinsic value of that line has increased since you made that estimate? I know it has increased to a small extent, by virtue of the substitution of steel girders for wooden trusses on the bridges. I know that fact; but, beyond that, I have no knowledge of the line—as to what improvements have been made, and so on.

460. And you can give no idea? I have not seen the line since—I have no knowledge—I do know that steel girders were substituted for wood, as I say.

461. *By Mr. Guesdon.*—Were they 41-lb. rails when you examined the line? They were 41-lb. rails—yes.

MR. WILLIAM SMITH, *called and examined.*

Mr. Smith made the statutory declaration.

462. *By Mr. Patterson.*—Your name, Mr. Smith? William Smith.

463. You were formerly Secretary of Public Works? Yes.

464. Have you any recollection of any facts leading up to the making of an agreement by the late Minister of Lands, Mr. Pillinger, to lease for 1000 years the two lines on the breakwater at Burnie? No sir, I have not; the matter was not arranged through me, and I have no knowledge whatever of the transaction.

465. Then, as a matter of fact, you cannot give this Committee any information as regards that question? No, sir; I cannot give any. The matter was arranged through the Engineer-in-Chief, and the correspondence was conducted by his clerk, Mr. Hannaford, who dealt with all papers relating to railway matters, taking them to the Minister himself.

466. And you have never seen the draft of this agreement? I do not think that I knew that this document was in existence till some considerable time afterwards, when the Honourable Mr. Douglas came into the office, in Mr. Hartnoll's time, and asked if such a document existed. It was then produced. Until then I believe I knew nothing whatever of the transaction.

467. *By Mr. Guesdon.*—Produced from your office? It was called for, and produced, in the Minister's office.

468. But this breakwater is one of the public works of the Colony, is it not? Yes, sir; undoubtedly.

469. What is the practice in the Service—Is it regarded as a practice that any negotiations in reference to works of this sort should be dealt with in departments other than that to which they belong? No; but I consider that it was an irregular proceeding. It was a cause of great friction—friction that has not healed to-day—between Mr. Fincham, the late Engineer-in-Chief, and myself. He wished to retain the conduct of all correspondence relating to railways. Of course, I held otherwise, considering that I was Secretary of Public Works, and railways were public works; but I did not press the matter, as the Minister was satisfied. I often had a row, and at one time it went so far that I was about to ask Mr. Hartnoll to let me go. Still, the correspondence was conducted specially through Mr. Hannaford, and I was in utter ignorance of all that was being done; in fact, papers which should have been under my control were not brought to me. Anything that could be kept away from me was kept away.

470. And this proceeding was in direct violation of the rules of the office? In my opinion it was a violation of ordinary office management.

471. I suppose you have had occasions where the Minister has dealt with Public Works: that is as to leasing them, during the time when you were in the service? No, sir; I do not call one to mind, and I have had an experience of 35 years in the office.

472. I suppose there must have been leases of public works by the Government, if not by the Minister, during your time? I do not recall one.

473. *By Mr. Aikenhead.*—You say you did not know anything about this document until after Mr. Hartnoll was Minister of Lands and Works, when Mr. Douglas came in about it—that was the first time? Yes, I believe so.

474. Can you remember what took place on that occasion? As far as my memory serves me, Mr. Douglas came in and asked if such a document existed, and it was produced. I do not know what took place. Some time after that I left the room.

475. Who produced the document? Mr. Hannaford, so far as I can recollect.

476. Do you remember anything being said or done? Not to my knowledge; not while I remained there. I did not stay very long. I left the room soon after Mr. Douglas came in.

477. *By the Chairman.*—Did you act as Secretary for the Minister of Lands, Mr. Smith? I was Secretary for Public Works.

478. Did you act as Minister's Secretary as well? No, sir.

479. Well, I suppose this wouldn't go through your Department, would it, being in the Engineer-in-Chief's hands? It did not, sir; it was conducted solely by the Engineer-in-Chief, and the correspondence was carried out by his special clerk, Mr. Hannaford.

480. Did any correspondence take place between the Minister, Mr. Hartnoll—within your recollection, that is—between Mr. Hartnoll and Mr. Norton Smith, on this question? I do not recollect any.

481. Do you recollect Mr. Hartnoll taking any action about it at all? I have a recollection of some action by Mr. Hartnoll, but I cannot say now what it was. Of course, the records would show that. Whatever correspondence took place would be in the Letter Books.

WEDNESDAY, 12TH DECEMBER, 1900.

EDWARD DAVID DOBBIE, *called and examined.*

Mr. Dobbie made the statutory declaration.

482. *By the Chairman.*—Your name and position, Mr. Dobbie? Edward David Dobbie. Do you want my full titles? No. Well, I am now Recorder at Launceston.

483. You were formerly Solicitor-General of the Colony? Yes, for a short period, and afterwards Crown Solicitor, when the offices were divided.

484. I will ask you attention first, Mr. Dobbie, to a minute which the late Minister of Lands and Works (Mr. Pillinger) has made, dated 7th May, 1889, forwarded to the Attorney-General of the Colony, Mr. A. I. Clark, as an endorsement on a letter from Dobson, Mitchell & Allport, and requesting the preparation of a certain document guaranteeing the issue of leases required by the Van Diemen's Land Company. Have you any recollection of receiving those instructions forwarded by the Attorney-General? No, I have no recollection, all this occurring so many years ago; but I have no doubt that the papers were received, with that endorsement, in the ordinary course of business. Of course, that was the ordinary practice, adopted generally with papers bearing instructions.

485. What was the ordinary professional course with regard to the preparation? If the matter followed the ordinary course, and if the instructions were followed out, that document would have been prepared by me, and forwarded on to Dobson, Mitchell, & Allport, who were then acting as solicitors for the Van Diemen's Land Company, for their perusal.

486. Was it so prepared? My impression is that it was not. In fact, since this matter has cropped up in public I have endeavoured to throw my memory back, and I have not been able to recall anything in connection with it; but my impression is that I did not prepare it.

487. You have read that agreement? I have read a typewritten copy of it, many times. [Appendix XIII. handed to witness.]

488. Is that a draft of it? Well, of course, one would require to compare it with the document, to speak with accuracy. It looks to me a draft of that document.

489. *By Mr. Nicholls.*—Do you know the handwriting? The writing is that of a clerk of Dobson, Mitchell, and Allport. I do not know the clerk, but that writing is quite familiar to me as proceeding from their office.

490. And the alterations? The alterations are in the hand of Mr. John Mitchell. [Witness examines papers.] Yes, this is a draft of the document. Certainly, this is a draft of this very document, and that has always been my impression about it, that it originally proceeded from Dobson, Mitchell, and Allport's office: and this document seems to confirm that view.

491. *By the Chairman.*—Having seen that draft, Mr. Dobbie, are you under the impression that the document was prepared in Dobson, Mitchell, and Allport's office? Yes, I am distinctly under that impression.

492. Was it submitted to the Crown Law Officers? That, of course, I cannot say. It ought to have an endorsement, "submitted for perusal"; and, if perused by me, it ought to bear some mark.

493. What is this? [Hands document to witness.] That, I know, is in the handwriting of Mr. Dillon (who was a clerk under me then, and who is now a clerk in the Solicitor-General's Office). It is a memo. showing that he copied it. Is the document, signed by Mr. Justice Clark, in the possession of the Committee?

494. No, that is an original document? That would show whether he signed the copy that was made by Dillon or not. On the back of this document, which evidently was drafted in the first instance in Dobson, Mitchell, and Allport's office, there is the ordinary endorsement of the Crown Solicitor's Office, which is in the handwriting of Dillon, who was a clerk in my office. But it also has a note "Engd. 'J-C-D.'", which means that he made a copy of it. The engrossment would be made in the ordinary course of business, and unless he made it he would not have put the note there. On the 21st day of the fifth month of 1899 he made a copy of this document for some purpose; of that there can be no doubt. There is nothing on the document itself to show that I perused it.

495. *By Mr. Aikenhead*:—He was a clerk in your department? Yes, he was a clerk, and he made a copy of it. He is now a clerk in the Solicitor General's office; he has been there all along. A very capable clerk he is, too.

496. *By the Chairman*:—Does not the fact of this endorsement by a clerk in the Crown Solicitor's office show, at any rate does it not imply—that this document had been perused by you? Yes, I think it does. I think it is most probable that I saw that document—that draft—unless I happened to be away. Of course, sometimes I was away. For instance, I might have been in Launceston in connection with criminal work.

497. Have you any recollection, Mr. Dobbie, of having prepared any document of this nature at all for signature by the Minister? No.

498. No recollection? No. Of course that does not say that it was not done, but I do not recollect it; but that the copy was made is evident; there is the endorsement.

499. Then have you no recollection of these draft leases? I remember the leases, there was a lot of bother about them.

500. I would like you to see if you can help us with that. [Hands paper to witness.] That appears to me to be the first draft lease; is it? I do not remember this handwriting at all. The lease itself, apparently, in the first instance, seems to be marked "Dobson, Mitchell, & Allport," as if they had drawn it; and I notice that it is also marked as drawn by the Crown Solicitor. In practice, the lessor's solicitor prepares all leases, and if the ordinary practice was followed, this was prepared in my office; but this does not bear the marks that it ought to bear—the endorsement, "Forwarded for perusal by the Crown Solicitor."

501. Do you remember this memo. written by you on 24th November, 1891: "Your letter of 22nd October received during my absence from office. I do not understand the request you make therein," &c. Do you remember that? Have you got the letter of the 22nd October that is referred to, here?

502. No, we have not that letter here. Well? This letter was, no doubt, written after the difficulties had arisen. As I remember this transaction, at some stage, and, I think, before this I had an interview with Mr. Fincham, or, rather, he came to see me, partly in an official and partly in a friendly way, and then he produced the plans that had been attached either to the draft lease or to the agreement. At any rate, there were plans which showed the connection of the Emu Bay Railway with the tramway running on the breakwater; and I remember Mr. Fincham pointed out two very serious objections on the plans, from a railway point of view, and one, I remember—and I have a vivid recollection of this,—was that the plans were of such a nature as would be injurious to the Government railway, as it blocked the extension westward. And he also pointed out that the position of the rails as shown on the breakwater was such as would, practically, give the breakwater to the company; and he objected on both these grounds, and then the matter got, so to speak, blocked. At any rate, this lease, which was a formal document to follow that which was practically a receipt for the £1000, was never carried out, and there was a lot of trouble. Dobson, Mitchell, & Allport were threatening proceedings to enforce the agreement. Then this letter was written; and, in pointing out that the agreement was not prepared in my office, my object, apparently, was to remind them that they had themselves drawn it up, and therefore, could not complain of me taking the legal objection to its validity, as I then did.

503. Have you any idea when it was suggested that the document was not valid? I have no independent recollection of the circumstances at all, now; it is such a long time ago; and that then the matter has passed out of my mind. But I have no doubt that the explanation would be this: difficulties had arisen, and Dobson, Mitchell, & Allport were pushing the matter in the interest of their clients. This would cause one to look at the position legally, and see how matters stood, if there was going to be litigation, to know where we were. Then, probably, looking at it in that way, the question of the Crown Lands Act would come up, and it would be seen that this agreement went beyond the powers of the Minister, and must have the sanction of Parliament.

504. Should not that have been looked into at the Crown Law Office at the time the agreement passed through it? Yes, I think, properly, it should.

505. And there is no record of objection being taken to it on legal grounds until that appears? When the business came to the office the matter had been apparently arranged, and the whole thing settled. If the matter had been referred for advice, all questions would have been gone into; but, apparently, the arrangement had been made, and the question was—Was the document drawn up in accordance with the arrangements entered into?—and the legal side of the question, apparently, did not arise.

506. Is there evidence on these Crown leases that they were perused in the Crown Law offices? A fair copy of the draft was, I see, made in the office. I forget the clerk's name, but I remember the handwriting, and I see some pencil memoranda in the handwriting of Mr. Henry, who was the conveyancing clerk; and then there is an engrossment, in Mr. Dillon's handwriting, with a memorandum of Mr. Fincham's in the margin. I have no doubt that it went backwards and forwards from the Minister of Lands' office and the office of the Engineer in Chief.

507. These leases, at any rate, have been through the Crown Law Office? Oh yes, there is no doubt of that. I believe the whole thing was very irregular, because, I believe that the first document was prepared in the office of Dobson, Mitchell, & Allport, and I have a distinct remembrance of Mr. Henry Dobson bringing over a draft lease—I think it was this one; he handed it to me himself, and I objected, at the time, to his preparing leases of Crown property: that he had no right to draw them up; they should be prepared in the Crown Solicitor's office. Apparently, this document was prepared in their office, but, I could not be certain of that; it may have been some other lease.

508. If that agreement, prior to the draft of these leases, signed by Mr. Clark, had been properly prepared in the Crown Law Office, whose duty would it be to present it to the Minister for signature? My practice was to take such documents myself and get the Minister's signature and witness it.

509. Do you remember Mr. Hannaford? Yes, well, he was clerk to the Engineer-in-Chief.

510. Would such a document as that be put into his hands from the Crown Law Department? I do not think so.

511. Mr. Justice Clark has told us that it was Mr. Hannaford that brought the document for him to sign. Could you explain that? Of course, that might be so if he brought it from the Engineer-in-Chief's Office.

512. Would the Engineer-in-Chief have anything to do with it—as a legal matter? Well, I do not think he would. The only way it would come from any department under the Minister of Lands, would be in the way of a payment voucher—as a voucher for money that had been paid.

513. Would it be likely that a document like that would be sent from Dobson, Mitchell, & Allport's office to the Minister for signature, direct? It is quite possible, because that document would be regarded as to be followed by a regular and formal lease. It would be regarded more in the light of a voucher for the £1000. It might have been submitted to the Minister of Lands so.

514. You think such a thing is likely, seeing that the Crown Law Officers were instructed by the Minister to prepare an agreement?—Do you think it likely that, without the intervention of the Crown Law Officers, a document could have been presented to the Minister? I can only say that if the business was done in a regular way it ought not to have been. That document, in the regular way of business, ought to have been presented to the Crown Solicitor, and the signature witnessed by him.

515. You were present at an interview between the Minister of Lands and Mr. Norton Smith? Yes.

516. Can you tell the Committee what took place at that interview? Yes. There was an interview at which the whole of these matters were discussed; and the object of the meeting was to get the matter settled, and the lease signed. There was a long discussion, and the whole thing was gone into, and it finally ended by Mr. Hartnoll emphatically declaring that he would not carry the arrangement out; that, in his view, it was a bad arrangement, and not in the interests of the Colony, and as long as he was Minister of Lands he would not be a party to it; and, that if it was to be carried out, there would have to be another Minister of Lands, or something of that sort.

517. Was that in connection with the signing of the leases? In connection with the whole matter. The lease and the other matters mixed up with it. There was also a question of the three and a half acres. It was all being discussed—the whole question; breakwater, and lease, and everything.

518. Have you any recollection of a Bill being prepared to validate the agreement? I do not think I had anything to do with the preparation of any Bill; but, probably, when it had been discovered that the thing had gone further than it could legally go, a proposition would be made by Dobson, Mitchell, and Allport to get the necessary authority from Parliament to carry it out.

519. You do not recollect, I suppose, whether Mr. Hartnoll's proposal was to have a Bill prepared? In my opinion it was a distinct refusal to carry out the agreement. I have a distinct recollection of that interview, because I have spoken to Mr. Norton Smith about it since.

520. *By Mr. Guesdon.*—Practically, he said that he could not carry it out? He regarded it as against the interests of the Colony. He was very strong about it.

521. Then, have you any recollection of seeing these Bills before, Mr. Dobbie, or any drafts of them? It is quite likely that I saw them; but, then, one sees so many Bills that it is impossible to have a distinct recollection a few years after about any particular one. I fancy that Dobson, Mitchell, & Allport wrote to me about preparing a Bill, and that I told them I did not prepare Bills; and then, no doubt, they communicated with the Attorney-General.

522. Can you give any idea of the time of the year when that interview took place? Was it early in Mr. Hartnoll's time? I have no recollection of the exact date. I remember the interview very well.

523. And the year—Was it '92 or '93? I could not say.

524. There is evidence here of Mr. Lewis preparing a Bill, or a Bill being prepared, in the latter end of 1892, revised by Mr. Lewis on the 31st October, 1892, and second revise on the 2nd November, and, finally, the Bill as revised. Do you think that interview was prior to that Bill or subsequent to it? I could not say. I am unable to fix it—I made no record. I was simply sent for. There was to be an interview, and I was sent for to be present.

525. Have you any idea why you were sent for? Oh, I was sent for, presumably, because I was Crown Solicitor, and had to do with the matter. I was probably sent for to advise the Minister.

526. *By Mr. Guesdon.*—When Dobson, Mitchell, & Allport dealt with this question of the leases, they must have known, as solicitors, that no Minister or no Cabinet would grant this lease, save by Act of Parliament? Yes, they ought to have known that.

527. They must have known—Is that your idea?—Is it a fair assumption that any man capable of acting as solicitor to represent such a company would have looked into that point? They ought to have looked into it. Unless, of course, the document was regarded as a voucher for payment of money, then that side of the question, no doubt, would not occur. Then, as solicitors, they ought to have known, of course, that the thing could not be done without an Act of Parliament. Although one could easily understand that solicitors who have dealings with owners of properties daily would fall into the error of supposing that the Minister was practically the owner of the land. Of course he was not; he is subject to the provisions of the Crown Lands Act, and he could not go outside that.

528. Now, these instructions which came to your office referred to an Act of Parliament, a particular Act—52 Vict. No. 63—now, that Act contains no reference whatever to a lease.—I do not know whether you recollect that Act? No, I do not.

529. I think there is the Act? [Witness refers to Act.] That was authorising the work to be done—I see—yes. Well the document, apparently, never was prepared.

530. But the document was forwarded on to the Crown Solicitor's office? The instructions were.—

531. Then, the first business would be to examine that Act? Yes, to look at that Act; but one would require the whole previous correspondence, before doing anything, which set out the reasons upon which the lease was to be granted. These would be the instructions: this Act is simply nothing.

532. But leases of this kind can only be granted under the Waste Lands Act? That is all.

533. And the powers to grant that lease would also be examined by the Crown Law Officers? Yes.

534. And, evidently, in this case, this has not been done? Apparently not.

535. However, do you think it has been done, Mr. Dobbie, and the lease not prepared because the department had its doubts as to its legality? Of course, I cannot say now. There is only the fact that the document was not prepared, and that subsequently the question arose, and the point was taken. How it was, of course, I cannot say now.

536. There is no doubt, I suppose, that the whole transaction was beyond the scope of the Minister or Government to grant—it is a matter that must be authorised by Parliament? Yes. The Minister, of course, has no authority outside the law.

537. Nor the Governor in Council? Nor the Governor in Council. Whatever goes beyond what the law allows is invalid.

538. And do you think that a company like the Van Diemen's Land Company, owning a large territory, and being represented by a firm of solicitors of the standing of Messrs. Dobson, Mitchell, & Allport, must have been fully aware that this lease was valueless unless it was confirmed by a special Act of Parliament—was outside the powers of the Minister or the Governor in Council? I could not say. We all make mistakes. They might have been honestly under the impression that the Minister could grant such a lease for a thousand years. They would easily fall into that error, because a solicitor in ordinary practice is dealing every day with absolute owners of land, and he might naturally fall into the error of supposing that the Minister was practically owner of that land. I think it is quite natural. We are all liable to make mistakes, even the best of us.

539. You say that a Minister has the power to grant leases under the Mineral Lands Act and under the Waste Lands Act. I do not know how this idea presents itself to you, but to my mind, it would be a monstrous thing for a mining company to come and ask for a lease which they know is beyond the scope of the Minister to grant under the Mineral Lands Act. Of course, if they asked any such thing, what they practically asked for would be that Parliament would sanction it. [No answer.]

540. And a company like the Van Diemen's Land, doing a big business, and holding a vast territory, should have been aware that the concessions asked could only be granted either by the Minister or by the Governor in Council—that it must have been a matter for the consent of Parliament? Yes, probably. They should have known the fact.

541. Is not that the construction you put upon it—the construction, I mean, that they must have asked for what they knew was illegal? No, I think they honestly made the error that they seem to have done. I think it is unreasonable to suppose that a company or a firm of solicitors would come to the Government and ask for something which they knew to be illegal.

542. *By Mr. Nicholls.*—Do you mind looking at that again, Mr. Dobbie, that draft? There are one or two points in it I want to call your attention to. Have you got it? Yes.

543. You notice that there is no endorsement in the same handwriting as that of the body? No, there is not.

544. The endorsement is in the handwriting of Mr. Dillon, whereas, the body of the document is in the handwriting of a clerk of Messrs. Dobson, Mitchell, & Allport? Yes.

545. That is a very unusual thing, is it not? Yes.

546. The endorsement ought to have been made by the people who prepared the document? Yes, undoubtedly. The ordinary practice is to put an endorsement on every document, shortly describing it, and to write at the foot the name of the solicitor who prepares it.

547. I suppose that when you approve any deed or document in the Crown Law Office you follow the ordinary practice, and make a tick on it in red ink? When I passed a document I always marked it "Approved." That was my practice. That practice was always followed.

548. You notice that the agreement was engrossed on the 21st of May? Yes, on the 21st May.

549. That is the same day on which it was signed? I did not know it was signed on that day.

550. Well, you see, taking all these three circumstances together—the fact that there was no endorsement on it, that it was engrossed on the same day that it was signed, and all the other circumstances—there are evidences of very great hurry? Yes, it appears to me to be quite evident.

551. Now, could you find out, in any way, whether you were away on that day, the 21st of May? I can endeavour to find it out.

552. Do they keep any Instructions Book in the Crown Solicitor's office? No; the common practice was this: the instructions for any document, lease, or conveyance, came on a printed form, with all the papers connected with it, and when the business was transacted, the whole of the papers, with the completed document, were sent back to the Public Works Department, and a receipt taken for them in a book. That was the practice. There was a printed book, setting out what the instruments were. That was brought down with all necessary instructions, and, accompanying it, the papers that gave the history of the transaction up to that point.

553. But no books were kept? Only a book containing entry of the document handed over.

554. Supposing you were out of the office, would Mr. Dillon have taken instructions from anybody else to engross a document? I should hardly think so. Of course, Mr. Henry was then conveyancing clerk, a competent man, who was quite able to attend to a matter of this sort. What might have happened in this case—I do not say it did happen—is, that this document was taken over to the Public Works Department, brought over to my office by an officer from there, copied, and taken back; and I may never have seen it.

555. It looks very much like that—does it not? That is what may have been, because it is a curious thing that I have no recollection whatever of this document.

556. If you got an agreement to lease by the Crown, I presume you would inspect it as rigidly as if it were the lease itself? Certainly; the regular course, which should have been followed, was for it to have been passed in the ordinary way from one office to another for perusal, and when it was finally approved as to form, the document should have been taken to the Minister for signature, and witnessed by myself or some other competent officer. What you point out to me as to the date is a thing I was not aware of: it evidently points to great hurry somewhere.

557. Should there be any entry in the books of the receipt of that agreement? No, I do not think so; because it has not been the practice to keep a diary like an ordinary practitioner does; there are no charges made. If some responsible officer of the Public Works Department brought this document over, it would be copied and handed back to him, and there would be an end of it. It would be regarded as merely a receipt for so much money.

558. Then of course there is no record as to where the instructions came from relative to the term of lease being a thousand years, and as to the Government having a use of the breakwater, subject to the convenience of the company? That would be in the earlier correspondence.

559. Well, will you try and find out whether you were in the office on that day, on the 21st May, 1889? Yes.

560. I suppose you might be able to find it out by going to the office? Yes, I might be able to trace something that would enable me to ascertain the fact.

561. And of course you might be able to assist the Committee by going over the papers there with Mr. Dillon? Yes, I might be able to find out something.

562. *By Mr. Aikenhead.*—Mr. Dobbie, what would be the ordinary rule or practice in connection with any memo. or document referred by the head of a department, say, to the Attorney-General, and then, in return, referred by him to the Crown Solicitor?—Would not the practice, be for the Crown Solicitor to return that to the Attorney-General, who in turn would give it back to the Department concerned? That is the ordinary course; but I do not know that it would be followed in a matter of this kind, where there are two offices involved. Probably the document would be sent to the other office for their perusal. If a matter were referred to the Crown Solicitor to prepare, he might prepare a document the other party would utterly reject. The arrangement would be that it would be prepared according to instructions, and submitted to the solicitors on the other side for their perusal. Then, when they had agreed as to the form of

it, the next step would be to take the document, the form having been settled, and engross it, get the signature of the Minister to it, and then go over to the other office with the document, and get the money. That is the ordinary regular course which, in this instance, does not appear to have been followed at all.

563. Supposing the Attorney-General had requested the Crown Solicitor to draw up an agreement in certain terms? Yes.

564. Would the Crown Solicitor return that to the Attorney-General? Not necessarily. He would make a jump, so to speak. He would draw up a document according to instructions, and then if the instructions showed him that there was a solicitor on the other side, he would submit his draft direct to the solicitor; and when the two solicitors, the Crown Solicitor and the solicitor for the other side, had agreed as to the form, the document would be copied, and instead of sending it back to the Attorney-General it would go direct to the Minister and get his signature; then he would notify the other side that he had the document signed, and they would pay the cheque and get it. That is the regular course—the course I have adopted in numberless instances.

565. *By Mr. Patterson.*—Seeing the suspicious circumstances that attend and surround the preparation of this agreement, are you of an opinion that the Government would be justified in still refusing to issue the lease? Well, of course, that is rather a big question. It involves a question of policy into which many considerations enter.

The Chairman: I do not think the question should be asked. I do not think it is exactly a fair position to put a gentleman in who comes here to give us evidence as to facts rather than opinions.

566. *By Mr. Patterson.*—The question is this—I repeat it—Seeing the suspicious circumstances that surround and attend the preparation of this agreement for issuing the lease for 1000 years at a rental of one shilling a year—that the agreement was not prepared in the Crown Solicitor's Office—that the Minister had no power to make such an agreement—that subsequent ministers steadily refused to issue the lease—are you of opinion that the Government would both ethically and legally justified in still refusing to issue the lease, and that the repayment of the sum of one thousand pounds, together with compound interest, would meet the equities of the case? Well, that is a question I am hardly prepared to answer. It involves very many considerations, and I should want a great deal of time.

567. *By Mr. Nicholls.*—Of course you can answer it as to the legal position at once? Well, that involves considerations too.

568. *By Mr. Patterson.*—But you have already advised us as to that—have you not? I have already put on record my opinion that the arrangement was *ultra vires* as to the Minister's powers.

569. You are not prepared to answer the other question I put to you? I am not prepared to give an opinion straight away. It involves so many questions of policy—questions, for instance, as to the desirability of Parliament ratifying that agreement.

MR. JAMES STIRLING, *called and examined.*

Mr. Stirling made the statutory declaration.

570. *By the Chairman.*—Your name and position, Mr. Stirling? James Stirling, Engineer in charge of the Emu Bay Railway.

571. *By Mr. Patterson.*—How many trains a day go into Burnie from Waratah? At the present time?

572. At the present time? One, as a rule; sometimes there is a special.

573. What is the average tonnage of goods and minerals brought into Burnie? Over the Waratah line we run about 5000 tons, exclusive of line-construction traffic.

574. Per year? Per year.

575. What is the average construction of the train as to the number of vehicles, &c. We generally run about two carriages, and four to five cattle or goods-trucks.

576. I suppose you have not the tariff of goods and passengers with you? I have not got the tariff with me; no—that is cost per ton, and so forth?

577. Yes? No.

578. You do not know from memory? Mostly, about three pounds per ton, I think.

579. What are the working expenses, and what the earnings of this line, on the last return you have? For 1900?

580. For 1900, as far as you have gone? On the Waratah section, for the 10 months of 1900, up to the end of October, the receipts were £15,038.

581. What were the earnings for the same period? Those are they—the receipts.

582. Of course; I beg your pardon—what were the working expenses? £13,747, including rent, general charges, maintenance of road, and traffic expenses, &c.

583. That is the proportion of the rent? Yes.

584. At the rate of £10,000 a year? At the rate of £10,000 a year—yes.

585. How is the traffic from the Burnie station to the breakwater conducted?—Of course, I know personally, but I want to have it on record.—How do you take the goods? In trucks.

586. By what motive power? Engine-haulage sometimes; but mostly horse, at present.

587. Will your engines go round that $3\frac{1}{2}$ -chain curve from the siding to the breakwater? No; but that is not a $3\frac{1}{2}$ -chain curve.

588. What is it? One and a half.

589. It is shown on the plans here as $3\frac{1}{2}$? No; the $3\frac{1}{2}$ is that on to the new wharf. We have an engine that will go round that.

590. What size are the sleepers on the railway? About half of them are 9×5 , and the remainder $9 \times 4\frac{1}{2}$. Since 1891 they have been relayed right throughout the whole line. They were put in $9 \times 4\frac{1}{2}$ in section. Since I have been here we have put in 30 odd thousand, and we have more to put in yet. They are all 9×5 since I have been here.

591. I presume the object of laying 9×5 sleepers was the contingency of relaying with 60-lb. rails? No. When I came over we were putting 9×5 sleepers on the new line, and in letting the contract for this line I did not trouble to look what the original sleepers were, and put in the same.

592. What is the length of line from Guildford Junction to Zeehan? 48 miles 50 chains; that is, to the Junction.

593. What is the class of railway construction you have adopted—is it equal to that on the Government lines? Practically, the Government standard.

594. Built to Government specifications? As nearly as possible.

595. To the satisfaction of the Government engineer? It has to pass the Government officer.

596. It is a superior class of line to this surface line from Burnie to Waratah? Merely in having the rails heavier.

597. Are the grades heavier on the Burnie-Waratah line? With the exception of the five miles out from Burnie, they are the same.

598. What is the average grade on the new line? The ruling grade is 1 in 40.

599. How long is that grade that has been referred to out from Burnie that Mr. M'Cormick says is 5 miles 20 chains? The 1 in 33 does not extend the whole distance of the 5 miles, but beyond the 5 miles there are no 1 in 33 grades. It runs out from Burnie about two miles, and then we have a lesser grade, and there is a bit of level in places. But the ruling grade up in the 5 miles is 1 in 33; beyond that there is nothing heavier than 1 in 40.

600. Have you the plan with you? No, Mr. Smith would have it.

601. What is the weight of the locomotives imported for the Emu Bay and Zeehan line? They were specified at 78 tons; but by the weights we have received, they would be 72. 8-wheels coupled.

602. Is there a bogie?—A 4-wheel bogie in front? Weight on the drivers, average about 9 tons. The heaviest is about 9 tons 7 or 8 cwt., then they come down to 8 tons 16 cwt. I think. Anyhow, they average about 9 tons.

603. These four axles would carry the bulk of the load, would they not? They would carry between 36 and 37 tons; average, 9 tons to the axle—4 axles.

604. Then how do you make it up to 72 tons in weight? Between 36 and 37 tons on the drivers, and a little over 10 tons on the bogie. And then there are 25 tons in the tender loaded. Of course, 71 or 72 tons is the loaded weight.

605. The engine itself does not weigh 72 tons? No, the engine and tender complete in working order, loaded with coal and water.

606. *By the Chairman.*—That weight is spread out over how many wheels? Well, the tender is on two 4-wheel bogie, that is four axles. And then there are 6 axles under the engine.

607. *By Mr. Patterson.*—Of course, what controls the thing is the weight on the drivers? Yes.

608. Now will these engines be allowed to work on the section from Guildford to Burnie? No, I do not intend to work them there.

609. As a matter of fact you could not on 41 lb. rails? Well, you could, but it is not advisable.

610. Had you or your company any intention, under this option of the purchase of the line, of continuing their 60 lb. permanent way, and relaying the line to Burnie? That was left over for future consideration by the Board, so far as I know. When I took charge there was no intention of relaying.

611. But does it not seem strange that you should have a heavy permanent way for 50 miles, and then that for 38 miles you should be suddenly handicapped by a light permanent way? You have to split up and divide your train, you see. It may seem strange in a way, but when we

were making the new line, we thought it desirable to make it thoroughly good. Everything had to be of standard quality, and it only meant getting the heavier rails to make it a thoroughly good line. If traffic had increased sufficient to warrant it, the other could have been done. But the traffic at the time did not warrant relaying the other line.

612. If you thought it advisable you would relay with 61-lb. rails—if you had the money? No; if the traffic warranted it.

613. *By Mr. Hall.*—Mr. Stirling, Mr. Fincham stated in evidence yesterday that the grade was continuous for 5 miles—a continuous grade of 1 in 33 from Burnie to 5 miles 10 chains—is that right? Not quite. You will see when you have the plans. It is generally considered to be 1 in 33; but, as I say, it varies. Sometimes it is 1 in 60, sometimes 1 in 40, 1 in 38, 1 in 36, and in one or two places there is a level.

614. *By the Chairman.*—Are there any down grades? One or two short bits only.

615. What altitude do you reach in the 5 miles? I cannot tell you from memory. I would not like to say, although I have seen the section.

616. *By Mr. Hall.*—What is the width of the formation right through? About 14 feet, with the exception of three cuttings, I think.

617. Now, in your opinion, as an engineer, supposing we decided to relay the line with 60 lb. rails, would it be necessary to add to that formation or strengthen it in any part? No.

618. What is the condition of the 41-lb. rails?—Are they in good order? In very good order.

619. Now, it has been stated, Mr. Stirling, in the House, and at every street corner about this Colony, that the whole of the culverts are wooden, and some of them not in good order—is that correct?—Will you tell the Committee how many wooden culverts there are, and what the others are? The general run of the culverts are pipe drains. There are two wooden culverts: one at the Main Creek and one over the Bischoff Company's race that runs into Waratah. There is a concrete culvert at one of the larger streams, which I built, replacing a wooden bridge; and there is a masonry culvert at the creek, somewhere near Guildford Junction. I think that, with this exception and the bridges, all the other culverts are drains, except, of course, cattle-pits, which are wooden.

620. As a matter of fact, there are only three wooden culverts? Two, I think.

621. And the bridges? There are four main bridges: one over the Wye, concrete abutments and steel girders; one over the Hellier, masonry abutments and pier with wooden superstructure; one at the Mt. Bischoff dam, a wooden bridge entirely, wooden piles and superstructure; and there is the Waratah bridge, of which the abutments are piles, the superstructure steel, and the pier in the centre concrete and steel—concrete foundation with a steel pier on top of it.

622. Have you had many years' experience in connection with railway construction? I have been 25 years, now, at railway work.

623. This line has been referred to as a surface line only.—Of course, I am not an expert. I do not pose as an expert.—I would like your opinion as a railway engineer on that question.—Would you call and consider that line a surface line? Yes, it is built on the surface; but that makes no difference to the line. It is a surface line, because there are hardly any deep cuttings or banks.

624. One witness points out that that depreciates the value of the line.—in your opinion does the fact that it was referred to as a surface line detract from the value of the line? Not as a line—No.

625. Now, what trains is this line capable of carrying? Well, with our present heavy engines of 25 tons you could run as many trains as you liked; the line is thoroughly fit to carry them.

626. I suppose you know, Mr. Stirling, that there is a proposal to purchase the Emu Bay Company's concessions from the Van Diemen's Land Company?—It has been pointed out that, if the negotiations fail, the Government can by some means—it has never been explained how—pass through your station at Burnie—claim a right to pass through your station, cross your line, and run along to the breakwater: that is, of course, by paying you compensation.—Can you give an instance of where a Government or private railway has passed through another company's station yard or station buildings? I could not give any instance just now. I see no reason why running powers over one line should not be given; but beyond that I do not think anything could be done without interference with our traffic.

627. Your contention is, that by running through your station they would impede your traffic? If they went off the main line. You could have running powers for one line, but you would not have any right to take our station sidings.

628. You have stated, Mr. Stirling, in reply to Mr. Patterson, that your charges on that line are £3 per ton—do you make that charge for silver ore, or for any ore, except tin ore, from Waratah to Burnie? No, we have special arrangements as to some other ores.

629. For low-grade ore? Yes.

630. And for all other goods that is the charge? For most other goods. There are a few special things, but, taking it as a general rule, I think £3 is what we charge.

631. *By the Chairman.*—From your observation, Mr. Stirling, how does that line compare with the general lines of the Colony? I should say it was quite equal to them, from the standpoint

of running or maintenance. We do not have any severe maintenance. Of course it is impossible to compare lines without comparing traffic.

632. Would it be possible for Government engines and rolling stock to travel over it? Yes.

633. Would it carry any rolling stock we use in Tasmania? I think so. I do not know your stock; but, as far as I know, it is possible.

634. Would it be possible for an engine to take as large a load as on the Government lines? No: the grades would come in there.

635. Would the difference be very great?—What lines would you compare?—Take lines of equal grade our line will carry the same as the Government line, according to the engine-power you put to it.

636. Is there anything in connection with your first section from Burnie to the 5-miles that makes it more advantageous than the Government lines with regard to curves?—Have you many curves on that section of line? A fair number, but not so bad as others we have.

637. What radius are they generally? 5 chains.

638. Many 5 chains? A fair number of 5-chains. You will get this exactly from the plan; I can't speak from memory. The line, of course, is controlled by its curves. One grade or curve will control a line. It is very difficult to speak on the matter without I have the plan before me.

639. You have entered into a contract to carry a large amount of coke and coal next year from Burnie to Zeehan? Yes, with the Lyell Company.

640. Or with the Union Company? Yes; we are with the Union Company, but it is for the Lyell Company.

641. How do you purpose dealing with that—I mean with regard to hauling it from Burnie to Zeehan? I intend to run the heavy engines from Guilford to Zeehan, and the light engines—our present heavy ones—from Burnie to Guildford. The new engines will take about two loads of our present engines.

642. Will not that be uneconomical? To a certain extent; but it will be less expensive than relaying the whole road for that quantity of traffic.

643. Have you been anticipating during your management having control of this line, either as owners or lessees, for a number of years? Yes; I have been looking forward to working it.

644. And have you been, with regard to the maintenance of the line, making preparations in that direction? We have been keeping it thoroughly up to its original condition. If anything, it is better than before; we have put the heavy sleepers in, for one thing.

645. Have you improved it? Yes, I have improved the Wye bridge, put in a concrete culvert and a bank for one of the wooden bridges.

646. Have you replaced any by steel bridges? No; a wooden bridge has been replaced in my time; and we have strengthened one steel bridge.

647. In the return of traffic you gave us awhile ago, you have included, I suppose, the Zeehan traffic? All traffic over the Waratah line. The way we keep our accounts will show all traffic on the Waratah line as belonging to the Waratah line.

648. Then your statement, that the ruling rate is £3 a ton, would be hardly correct? It would be hardly correct for the whole of the traffic.

649. In these returns all the Zeehan traffic, to and fro, would be at a lower rate than £3 per ton? Yes.

650. What has your experience been on the line since you have taken it over, with regard to traffic?—Has it increased or decreased? A very little increase—very slight.

651. That is in connection with Waratah? I spoke of the Waratah line alone. On the new line our own traffic has increased considerably.

652. Have you entered into a contract for carrying ore from the Magnet mine? I do not know whether the contract is signed; but, I believe, the preliminaries are signed. It was to carry 1000 tons a month after the first 12 months, and 500 tons a month for the 12 months. That is to give them time to open up their mine.

653. What is the extent of that contract? I do not know how many tons.

654. How many years? I could not say exactly, but I believe for several years. I have not seen any contract myself. I only know the rates.

655. But you are pretty sure the preliminary contract has been signed? As far as I know, the whole thing is complete. But, as it was done in Melbourne, I would not know until the final arrangements were made.

656. Have you seen the Blythe Iron Mine yourself? Yes; I made a report on it.

657. Do you know anything of the present proposals with regard to it? Well, I do know something about them.

658. Is there a probability of that ore being exported from Burnie? Yes, I think so; a very great probability.

659. Is there any other place to export it from? No, not that I know of.

660. Any other place so economical, or so good? No; that is the best place for it.

661. Will special port appliances be necessary in connection with handling that ore? Well, perhaps, and perhaps not. That will be a question entirely for the Blythe Company: They could provide rolling-stock which would do away with the necessity of anything, except cranes, on the wharf. It would be quite possible for them to have hopper trucks, which could be lifted by the cranes, and deposited in the ship.

662. If the mine is opened, will the ore have to be dealt with in large quantities? The present proposal is 6000 tons a week, and I believe they do not contemplate doing much less than that at the start.

663. I do not like asking you questions that ought not to be put to you, perhaps, because you are a representative of the Emu Bay Company, and personally interested; but I will ask you, if that ore is to be dealt with, how must it be brought to Burnie? Over the Government line, as far as I can see.

664. Then I will ask you: In the event of the Government having to deal with 6000 tons of ore per week from that mine in addition to the other traffic, will there be proper accommodation for dealing with that in the present Government station-yard? I really do not know what accommodation there is.

665. So far as the area is concerned, I mean? Barely enough, I should think.

666. Has that ore got to go to the breakwater to be shipped, or to the jetty, or both, Mr. Stirling? Oh, I should think, to the jetty.

667. In preference to the breakwater? In preference to the breakwater, yes.

668. In going up to the jetty, would it not be necessary to have shunting accommodation between your present station and the jetty? It would be necessary. But then our station practically goes to the jetty. I regard our station-yard as going right up to the jetty.

669. You do? Most decidedly; for, dealing with our coke and coal traffic, all the sidings we intend to put in we intend to put along that portion.

670. Is there any area suitable for a station-yard, except that? No.

671. I will ask you, as a railway engineer, Mr. Stirling, is it desirable that that section between your present station and the breakwater (in view of the probability of handling large traffic) should be dually controlled? Most decidedly not.

672. It should be controlled by one party? By one party. I know I should accept no responsibility if anyone else had the working of it.

673. Therefore, if your company retains the responsibility of working it all we could expect would be to get the single line through to Wynyard? Yes, that is what I think it should be.

674. And we would otherwise have to hand you our traffic and let you deal with it? Otherwise, you would have to let us deal with it. As a matter of fact you could not get in; we might have every siding occupied. Where would you go?

675. Your line is not open through to Zeehan yet? Not yet.

676. Have you reason to anticipate much increase of traffic when you open through to Zeehan? I hope for a good increase in passengers and cattle, at present.

677. Are you bringing ore from the Mount Farrell district now? Yes, a certain quantity.

678. Are you aware that a tramway is to be constructed in the Mount Farrell District? Yes.

679. Have you seen the mines there? I have not seen the mines; but we are making a station for them to start from, at the junction of our line.

680. Do you know, as a matter of fact, that there is a quantity of ore waiting at Mt. Farrell? I am told so by the buyer. I have seen him pretty often.

681. *By Mr. Patterson.*—Practically, in your opinion, Mr. Stirling, the only thing required to bring the Bischoff Railway up to the Government standard would be the lowering of this 1 in 33 grade to the Government ruling grade of one in 40, so that it then should take the same traffic as Government lines with similar curves and grades? As far as the standard is concerned, it is equal now.

682. I am only talking of the loads you can take up, as between 1 in 33 and 1 in 40? That is a new distinction; I do not know your grades.

683. The ruling grade on the Government lines is 1 in 40. If you brought that 1 in 33 grade down to that it would bring you exactly to the Government line? You could take the same loads if you had the same grades, of course.

684. I suppose the cost of lowering this grade to 1 in 40 would be extremely large, involving extremely heavy cuttings? I should say so.

685. Well, Mr. Stirling, you know the country and the contour—is it not a fact that if the grade was lowered to 1 in 40 you would have a cutting at the top of the five miles 140 feet in depth? Well, you could not keep the same track at a 1 in 40, and I do not think the Van Diemen's Land Company would allow us to go off the present route.

686. If it had to be done, it would be an exceedingly costly undertaking? There is no necessity to do the work; but if it had to be done, I suppose it would.

687. What will be the ultimate cost of the Emu Bay and Zeehan Railway? I can hardly say right off.

688. Can you say what it is without the rolling-stock? We have spent £300,000 odd—I could not say the exact amount.

689. Would it cost £400,000, including rolling-stock, when completed? About that, I should think.

690. *By the Chairman.*—Did you ever make an estimate of the cost of laying the line from Guildford to Burnie with 61-lb. rails? Yes.

691. What would it cost? £18,000 to £20,000.

692. Would that include taking up the old rails and everything? Yes, selling the present rails, supplying new sleepers—everything.

693. This first section of steep grades extends how far? Five miles.

694. Is it likely that any company will ever find it necessary to go to a great expense to alter that? No; because the intention was, that if we had to take up heavy loads we would bring a pusher engine up from Burnie to the 5-mile station. It means an extra engine, that is all.

695. That would be more economical than taking another load? If you were doing a large traffic, it would cost very little, because you would have to keep a shunting engine at Burnie, and it could easily do the work. At one time it was proposed to have a marshalling station up there, but it was represented that that would be more expensive.

696. *By Mr. Hall.*—Mr. McCormick estimates the cost of relaying with 61-lb. rails at £14,025; is that a fair estimate? I think it would cost £18,000 or £20,000.

697. Do you know whether the Magnet Company is about to construct a tramway to connect with your line at Waratah? Yes; they asked me to recommend an engineer to take charge of the work, and I recommended Mr. Anketell. He has since told me that it is practically agreed that he should do the work.

698. Is it correct that North Mount Farrell is also taking steps to construct a tramway to junction with your line? Yes; I was informed by Mr. Armstrong that they had ordered rails and rolling-stock, and were going to start very shortly.

699. *By Mr. Patterson.*—With regard to the question about lowering these grades, are you not aware that the Government of New South Wales is now spending enormous sums in lowering grades so that they can get extremely heavy engines to work? They have a different problem to solve altogether. Ours is simply a mile or two out of the station, and the difficulty can easily be solved by keeping an extra engine as a pusher. The heavy grades they are lowering in New South Wales are a long way from head quarters.

MR. WILLIAM JONES, *called and examined.*

Mr. William Jones made the statutory declaration.

670. *By the Chairman.*—Your name is William Jones? Yes.

671. You are a resident of Burnie, Mr. Jones? Yes, sir.

672. And acquainted with the proposal to purchase the Railway? Yes, I know a little about it.

673. The Railway from Burnie to Waratah? Yes.

674. How long have you been at Burnie? Nearly 40 years. It is 40 years since I first went to Burnie, but I was at sea for a good many years afterwards.

675. How long have you been a permanent resident? About 27 or 28 years.

676. Has the town advanced very much? Of late years it has.

677. Has trade increased in the port? Oh, yes.

678. You can speak as a nautical man, can you? A little that way.

679. You are a sea-captain? Oh, yes.

680. Is there any other port up there that will serve as an outlet for produce from that part of the Island? Where?

681. Within 25 or 30 miles? Nothing nearer than Devonport or Stanley. It is about 28 or 30 miles to Devonport, and about 40 miles to Circular Head.

682. Burnie has an artificial harbour, has it not? To a certain extent, yes.

683. Are you interested in the Blythe Iron Mine? I am.

684. Will you tell the Committee, without divulging anything confidential, the particulars as to the present position, with regard to the working and development of the mine? Well, perhaps it will be just as well if you gentlemen spoke to Mr. Norton-Smith, who is one of the directors. He might give you information with reference to the flotation, and so forth, better than I can. I know a little about it.

685. Will you tell us what you know? The proposal is to float the company with a capital of £1,000,000 sterling. £30,000 is already paid. Mr. Keats is now at home to meet Mr. Darby. The intention is to erect works in New South Wales to manufacture the iron. £10,000 has been paid to the New South Wales Government as a deposit, to show good faith—to show that they will carry out these works. The Government of New South Wales, on the other hand, has agreed, to a certain extent, to give the company an order for 100,000 tons of steel rails, running over four years.

686. Is that the extent of the order? And for any other iron that may be required by the New South Wales Government.

687. Has that been accepted by the New South Wales Government? I believe so.

688. Have you any idea of what amount of ore it will involve being dealt with at Burnie? The present scheme—Mr. Darby's scheme—is for handling 1000 tons a day, as far as I know about it.

689. And how must that reach Burnie? It must reach it, first, by the railway, $6\frac{1}{2}$ miles, and then about 5 miles over the Government line.

690. It has to go over the Government line? Yes, from the Blythe.
691. You think it is desirable that the Government should be in the position of taking the ore straight to the shipping place? I really cannot see how they could do otherwise. If they do, I am afraid the venture will be hampered very much. In fact, I doubt whether they will be able to carry it out, if there are two or three dragging the stuff about—the company and the Government. I do not see where it would end.
692. Have you any idea of the intrinsic value of the ore? As raw material, it is worth, as nearly as possible, 14s. or 15s. per ton.
693. Will it give economical handling? If not, the matter will be at a dead stop; there is no doubt about it. We are using every precaution, and saving expense.
694. You know this strip of land pretty well, between the Burnie Railway Station and the breakwater? I do.
695. Is there any other route which could be taken in order to get to Wynyard? Not so far as I know; certainly not.
696. Is there any other piece of land at Burnie that will form a proper station-yard for working this traffic for export? No, there is no room anywhere.
697. Is it likely, in the future of Burnie as a harbour, that wharves could be built much further in shore than the present jetty? One or two, perhaps; not more.
698. Will they have deep drift of water, or will it be shallow? One of them would not be deep enough drift for ordinary Australian traders.
699. How far inland from the new jetty you are now erecting would that be? Oh, say, a couple of hundred feet.
700. That would be about 400 feet off from the breakwater? That is right, roughly.
701. Can you construct wharves further in towards the head of the bay? That is, in-shore.
702. In-shore? Oh, yes.
703. I mean for your ordinary Intercolonial steamers? Oh, yes; but, of course, we cannot go too far out. We must keep within the protection of the breakwater, for easterly weather.
704. Then, each pier as you go in will have to be shorter? Yes.
705. And, therefore, the water will be shallower? Quite so.
706. You know the districts of Flowerdale and Wynyard? Yes.
707. Table Cape? Yes, fairly well.
708. Is that a good agricultural district? No better in Tasmania.
709. Have they a convenient port? No, they have no port. They constructed a new harbour there, but it is quite a failure.
710. Is it desirable, supposing a port could be made there at a comparatively small cost, that one should be made? Certainly not.
711. You regard the port of Burnie, then, as being the port of Flowerdale, Wynyard, and Table Cape districts? I am sure there is no other.
712. Then, will the export traffic, in your opinion, from Table Cape and Flowerdale Districts, have to be brought to Burnie for shipment? Certainly; the bulk of it is brought there now.
713. How is it brought? Why, by carts and lighters from the river.
714. In the event of a railway being constructed to Flowerdale, do you think it would all be brought? Oh, yes; certainly; no doubt at all about that.
715. If it is brought from there, where will it be shipped from? From Burnie.
716. From what part of it? From the present breakwater, or the new wharf.
717. That will be a question for the local Board—the Marine Board—to deal with. It all depends on what traffic there is to the wharf. In my mind, the local trade should be from the breakwater.
718. You know the breakwater very well, don't you? I do.
719. Do you think, from your knowledge of loading and unloading ships, that, with ships of large tonnage being loaded at the breakwater, the two lines of railway there could be used by two different authorities—two different owners? On two lines of rails, you could not work, as far as loading and discharging ships is concerned. You can only use one rail.
720. You can only load or unload vessels from one rail? That is so.
721. Therefore, there could not be a dual working of the breakwater or a railway pier? No. You might have two ships loading at a time: one, a large one, at one end, and one at the other end; but otherwise you could not.
722. Now, apart from the working of two different lines, could this breakwater, or railway pier, be worked, with a large traffic, by two authorities? Why, certainly not; there is no room.
723. Do you know all the facts in connection with this thing pretty well? I think so.
724. In your opinion, as a nautical man, who has control of the port of Burnie at the present time? That I cannot tell you.
725. Well, has the Government got control? No.
726. Should the Government have it? Certainly, without any question about it.
727. Is it necessary for that part of the Island of Tasmania that the control of that port should be absolutely in the hands of the Government? There is no question about it at all.

728. *By Mr. Patterson.*—Has not the Marine Board got control of the harbour? To a certain extent, they have.

729. *By the Chairman.*—What part of the harbour has the Marine Board got control of? At present, they have the whole control, except this line on the breakwater, which is handed by Mr. Norton Smith.

730. How did the Marine Board obtain control of that little piece of land on which the wharf is erected? After a public meeting held at Burnie, Mr. Hall and myself were deputed to interview you.

731. And what gained the Marine Board the control of this particular piece of land at the wharf? Why, they got it by taking the piece of land.

732. Compulsorily? Yes, it was compulsorily.

733. From whom did they get it? From Mr. Norton Smith.

734. Who is he? The manager of the Van Diemen's Land Company.

735. Who exercises the controlling influence over the harbour at the present time? Well, the Marine Board.

736. Has the Marine Board the right to stop the Van Diemen's Land Company from using that pier as a railway? No.

737. How do you say, then, that the Marine Board exercises the controlling influence? Simply because the trade of the port works through the Marine Board. Mr. Norton Smith is a Member of the Marine Board. The question of a dispute between Mr. Norton Smith and the Marine Board is a question that never cropped up as yet.

738. *By Mr. Patterson.*—You said just now, Mr. Jones, that 1000 tons of iron ore a day is supposed to be exported from Burnie from the Blythe Mine shortly—has a contract been entered into to supply 25,000 tons of steel rails a year, for four years, to the New South Wales Government: that is, at the rate of 1000 tons of rails a week? Yes.

739. Very well—you said it is proposed to export 1000 tons of ore a day? Of ore; yes.

740. In other words, 300,000 tons of ore, or so, a year, for an indefinite period of time? As far as I know.

741. Who is going to purchase this 300,000 tons of ore a year in Australia? I cannot tell you.

742. No, I should think not; nor anybody else, either? I am only telling you what Mr. Darby's scheme is, and I suppose that is a good authority.

743. The Chairman asked you a question, and, from your reply, I understood that if you cannot get an exit for your ore at Emu Bay, the company is practically blocked—Is that so? Quite so.

744. Do you know that the length of line from the present Government station at Emu Bay to Devonport, where there is a first-class harbour, is only 35 miles? That I could not tell you.

Mr. Patterson.—Well, I will tell you. Deducting the five miles that you will have to traverse, anyway, the distance to Devonport will be only 25 miles. Now, the General Manager of Railways charges 1d. a ton per mile for the carriage of ore on the West Coast, and coal at the rate of one half-penny per ton per mile.

The Chairman: Where is that?

Mr. Patterson: On the Fingal line.

The Chairman: The rate there for coal is three farthings per ton per mile.

745. *By Mr. Patterson.*—Well, then, we will make it three farthings. Now, it is only natural to suppose that, if a traffic so enormous as this supposed output of Blythe iron were taken to Devonport, valuable concessions would be given. You see, concessions must be given to a company producing infinitely more traffic to the Government lines than the present traffic from the West Coast and all the other railways put together. Do you not think so? No, I do not.

746. Well, if this 1000 tons a day were taken to Devonport at a charge of three farthings per mile per ton, it would come to less than two shillings a ton for the journey, would it not? Well!

747. Would such a charge as that block you? Certainly.

748. Then this ore cannot be worth 15s. a ton as raw material? It is for fluxing purposes only; the ore we have sold to the Broken Hill and the Newcastle people. The price we give is sixteen shillings.

749. What is the value of the ore at Emu Bay? It would be sixteen shillings, less six shillings for freight—say, ten shillings.

750. What is its value, not for a flux, but as iron ore? I could not tell you. That's beyond me.

751. *By Mr. Nicholls.*—It is for use as iron ore that it is exported, is it not? Yes.

752. *By Mr. Patterson.*—Now, as to this assumption of an export of 1000 tons a day—that would be, in five years, a total of a million and a half tons—of course that is simply chimerical; it could not be disposed of? I don't know about that.

753. Why, you would supply, not only the whole of Australia, but the whole of India, with rails? So we may, perhaps, by-and-bye; China, too, perhaps.

754. Myself and my friend here, Mr. Nicholls, have been led to believe, perhaps mistakingly, that 1000 tons a day will certainly be exported for an indefinite length of time; but, of course the thing is absurd. You could not get rid of such a quantity of ore anywhere in Australia. Taking all the imports of iron into Australasia and India, they won't approach these figures:

why, we have not ships to carry it. How many vessels would it take to take away 1000 tons a day from Emu Bay? Two ships—ships of the right class.

755. *By Mr. Guesdon.*—Two ships a day? No; to get it going, you want two ships that carry 4000 tons each going backwards and forwards. They could take it all.

756. *By Mr. Patterson.*—Then, you believe that two ships carrying 4000 tons could do it? They would not need ships even that large. Two ships carrying 3000 tons could do it.

757. *By Mr. Hall.*—Why don't you read that telegram you have, and settle that question? I wired to Mr. Jamieson, and he wires me back "Prospects early, Blythe Iron flotation very good, Darby's estimate quantity of ore to be shipped from Burnie 6000 tons a week, and possibly large quantity of limestone, also likely to be considerable inward traffic for Blythe iron steamers, as they will doubtless give low return freights for coal and coke—William Jamieson."

Mr. Patterson: It has been assumed as a fact all through this inquiry, that 1000 tons a day would be forthcoming.

The Chairman: The whole thing has been dealt with as a probability—as a very strong probability; but no one has ever said to this Committee, or in the House, that this was an absolute certainty.

Mr. Patterson: I heard it stated in the House two or three times.

The Chairman: It was stated in the House that the New South Wales Government had given them a contract for 100,000 tons of steel rails, at the rate of 25,000 tons per year.

758. *By Mr. Hall.*—Do you hold a master mariner's certificate, Mr. Jones? I do.

759. And have you had charge of vessels trading to nearly all the ports of Australasia? I have.

760. Do you know whether the freight from Burnie is higher than from Devonport? The same.

761. *By the Chairman.*—To where? Anywhere.

762. *By Mr. Hall.*—To any port in the Colonies? Yes.

763. Is the insurance higher? The same.

764. Can you speak of your own knowledge?—Are you agent for any company? Yes; I am agent for the Derwent and Tamar.

765. And the insurance is not higher from Burnie than from any other port? No.

766. Now, if Mr. Back makes the following statement, would it be correct, Mr. Jones?—Here is the statement made. [The Chairman objected to the form of the question.]

767. *By Mr. Hall.*—Well, I will put it this way—listen to this statement: "Your harbour up there is a miserable failure at present, because the breakwater is not sufficiently long to protect your shipping, and your wharf is so close to your breakwater that, in an easterly gale, a vessel casting off from the breakwater would collide with vessels at the wharf. Then there is no proper accommodation for vessels at the breakwater itself, and the vessels lying there are ground up against the concrete"—Is that statement correct? I do not exactly follow you, Mr. Hall: which statement do you mean?

768. Well, take the first statement—"Your harbour is a miserable failure at present—Is that correct? Certainly not.

769. Then, "There is no proper accommodation for vessels at the breakwater itself, and the vessels lying there are ground up against the concrete"? That is quite correct, because there are no fenders.

770. But fenders, I presume, would protect the vessels? Certainly.

771. Can you give the Committee any idea of what are the largest vessels brought to Burnie—the largest vessels, I mean, that have been into the harbour? The largest vessel, to my knowledge, is the "Willyama" s.s., of the Adelaide S.S. Co.; something over 4000 tons register.

772. She came in to the breakwater? Yes; she lay there for some couple of days.

773. And do you know the tonnage of the Intercolonial vessels trading there? Yes, from 2000 to 3000 tons.

774. And they get in and out without trouble? Well, I have never seen any trouble yet.

775. Have you ever known large vessels lying there to meet with an accident during an easterly or north-easterly gale? No.

776. You have had considerable experience, Mr. Jones, in connection with auctioneering and the valuing of land?—You are, I believe, a commission agent, at present? Yes.

777. Can you give the Committee any idea of the value of land now and compared with land in Burnie and the vicinity five years ago? It absolutely depends upon the state of the land.

778. Well, say land in the vicinity of Burnie five years ago? You do not mean town land?

779. No? The town land has, of course, increased tenfold, or more, and the farm land around has increased 20 or 25 per cent.—that is as to cleared farms.

780. Now, it has been stated, Mr. Jones, that there would be great difficulty in handling this quantity of ore in the present state of the harbour and wharf accommodation—do you anticipate any great trouble? Not the slightest. But it is intended to have a wharf specially constructed for the working of this iron ore.

781. If a statement has been made, Mr. Jones, that the harbour is silting up since the construction of the breakwater, is that correct? It is the first I have ever heard of it.

782. Have you noticed any indication of any silting up? None.

783. What is the depth of water now at the extreme end of the breakwater? 28ft. 6in. at low water.

784. A vessel of, say, 2000 tons—is there sufficient accommodation along that water to provide for, and for how many vessels of that size? One ship only—one large ship. There would be berths for two large ships at the jetty.

785. It has long been stated, Mr. Jones, that before this increased traffic can be provided for it will be necessary to extend the expenses from, say, a quarter to half a million sterling, in the construction of a breakwater—do you think such an outlay is necessary? No; not for the trade we are talking about now. With the facilities for loading iron ore, we have room for double the trade we are talking about.

786. Now, Mr. Jones, suppose it is necessary, in the near future, to construct a breakwater, or add to the present one: do you think, as a large property-holder of that district, and knowing the people—do you think the residents would be prepared to pay the interest for the money borrowed for that purpose? Yes, to a certain extent, I am certain they would, provided the work was needed.

787. If it was necessary to improve the port? I have not the slightest doubt about it. I know I would, for one.

788. You know the country between Burnie and Bischoff? Yes.

789. You know the quality of the land? I do.

790. Do you think if that land was thrown open for selection it would be taken up? Certainly.

791. You are certain? Yes.

792. Can you give any idea of the price realised for made farms, 10 or 12 miles out, on this line? £10 or £12 an acre; that is, land that was bought prior to the construction of the railway at 30s. per acre.

793. *By Mr. Guesdon.*—Was that land bought from the Crown or from the Van Diemen's Land Company? The Van Diemen's Land Company.

794. Do you know, Mr. Jones, on the line of the railway, any Government land—any agricultural land—within a reasonable distance of the line? Yes; away to the west, there is a lot of land—and a lot of which is already taken up—about four miles from the railway.

795. That would be 20 miles up the line? About 18 miles. Striking due west you get good land, about four miles from the railway.

796. And all the Government land there is being selected and occupied? No, not all of it.

797. All the good land? No, certainly not; there is plenty more good land there yet.

798. *By Mr. Guesdon.*—Has it been selected at the ordinary upset price, or at a premium? No premium.

799. *By Mr. Nicholls.*—Are you a director of the Blythe Iron Company, Mr. Jones? No, I am not.

800. Do you know who are the directors? Yes. Mr. Jamieson, Mr. Keats, Mr. Tollhurst, Mr. Norton Smith, and Mr. J. S. Read.

801. You are a shareholder, and apparently know something of its concern. Is that so? Yes, rather—I ought to—I have been 10 years at it.

802. Is the company floated with a large capital yet? No, not yet.

803. Well, what is the capital of the present company? Over one million of money.

804. And they are trying to float it again at the present moment? Yes.

805. In London, I presume? Yes.

806. *By the Chairman.*—Is it not underwritten to the extent of half a million? That is the way to put it. Mr. Keats did that when he was in London.

807. Well, now, is there any contract with the company by any one to buy this ore, Mr. Jones? No, sir. We have no intention of selling it.

808. I do not understand the position. You say that the New South Wales Government has a contract with some one to take a large number of tons of steel rails—with whom is that contract? With the Blythe Iron Company.

809. What is the precise nature of that contract? That I cannot tell you. Mr. Norton Smith will be able to give you that information to-morrow.

810. Do you happen to know who the Directors of the Emu Bay Railway Company are? Well, I know two or three of them, that is all—Mr. J. S. Read, Mr. Jamieson, and Mr. Grice.

811. *By Mr. Guesdon.*—I gather from what you say, Captain Jones, that the Blythe Iron Company is quite prepared to provide its own accommodation for shipping this ore when the occasion requires it? That I could not tell you, Mr. Guesdon, because I do not know exactly what Mr. Darby's scheme is.

812. I thought you stated they intended to build a jetty of their own at high level? Possibly, that was their intention; a narrow jetty, about twenty-five feet wide.

813. And I presume you would sooner have a jetty like that if you are going to have the large output you expected? That I could not say; that is for the directors to consider.

814. Well, If you had to deliver 1000 tons a day on the breakwater, do you think there would be much opportunity of taking other traffic? From the same jetty?

815. Yes? No, sir,

816. Then, if your operations are going to be as extensive as anticipated, there must be a special jetty? Quite right.

817. And if you do not build a jetty of your own you will, practically, require the exclusive use of the breakwater? Or another jetty.

818. *By Mr. Patterson.*—Is there room for two or three additional jetties? There is room for two only; and only one for a fair-sized ship.

819. *By Mr. Guesdon.*—From your experience of the harbour, does it strike you that the harbour is silting up at all? No. Why, on the last visit of Mr. Napier Bell we got a boat and took soundings right round the breakwater, and he was very pleased, because there was no silting whatever.

820. But there is no doubt that, to enable you to carry out your operations, there will require to be erected, either by your company or the Government, extensive accommodation to ship the ore away? Certainly; enough to berth a couple of ships, in any case.

821. *By the Chairman.*—How much foreshore is there in Emu Bay from the Emu River roughly speaking.

822. How much of that do you think would be suitable for the construction of wharves? In addition to what we have got?

823. No—supposing there was nothing but the breakwater there, how much of that two miles is suitable for the construction of wharves? Twelve or fifteen chains.

824. How much of the foreshore does the Government own at Burnie at the present time? Only a very little strip indeed.

825. How much in length?—Would it be possible to construct another wharf at Burnie from the land already owned by the Government? Oh, certainly not—oh dear, no.

826. Then if another wharf is constructed in-shore from the breakwater, on whose land would it be constructed? Well, there is very little land there at all.

827. And would there be proper means of access to it? (No answer.)

828. Would it be possible to get means of access to it? Oh, yes. Of course the ground is widening as you come down the bay.

829. Now, with regard to the jetty you think it will be necessary to build for the handling of that iron-ore if it comes along—from what land would that project? It would project from the company's land; either from the Emu Bay Company's or the Van Diemen's Land Company's, and, of course, to get the approach properly you would have to take the land between the street and the foreshore.

THE HON. CHARLES HENRY GRANT, *called and examined.*

Mr. Grant made the statutory declaration.

830. *By the Chairman.*—Your name, Mr. Grant? Charles Henry Grant.

831. You are a Member of the Legislative Council of this Colony? I am.

832. And a railway engineer? I am.

833. *By Mr. Hall.*—Do you know this railway, Mr. Grant, that it is proposed to purchase, now known as the Emu Bay Railway? Not in detail; but I have seen it, of course. Ever since it was first begun to be constructed, more or less.

834. You have travelled over it? I have travelled over it many times.

835. Do you know, Mr. Grant, that a difficulty exists at the present time between the Government Line—that is, the Western Line to Burnie—and the Emu Bay Company, with regard to the control of that portion of the foreshore and land over which the Emu Bay Company's Line runs, from the Emu Bay Company's station to the breakwater?—Now, in your opinion, Mr. Grant, as a railway man, do you think that portion of the line should be under dual control or under one control? It should be under one control, undoubtedly. You cannot have satisfactory dual control. But one party might have control subject to the user of the line by another party, under certain restrictions.

836. The Government line will junction with this Emu Bay Company's line some distance west of the station, and it has been suggested that the Government should, by paying compensation, pass through their station and go on to the breakwater; can you name any instance of where a similar procedure has obtained—one company has gone right through another company's station, or where any Government has ever taken such a step? It is an awkward question. The Government trains would not pass any station in going to the breakwater.

837. Yes, Mr. Grant.—You see, this junction will be made some distance beyond the company's station, along the line to Waratah? I do not understand why that is. [Witness examines plan.]

838. Now, having examined the plan, Mr. Grant, are you of opinion that it would be better for the Government to acquire the line, between the junction of the Emu Bay line and the breakwater? I think the Government might acquire it, or they could have an understanding with the present owners by which they should have all the facilities they could desire under reasonable control.

839. Well, Mr. Grant, with regard to the line from Burnie to Waratah; do you know it is proposed that the Government purchase the option at a price of £205,000, which includes the whole of that line, the station at Burnie now occupied by the Emu Bay Company, and the line to Waratah, on the understanding that the Government leases the line from that station to Waratah at a rental of £8000 a year.—Would you favour taking running powers and giving compensation, or purchasing the line, as proposed? I confess I have not sufficient information before me to justify the purchase; but there is no doubt the Government are entitled to get all the facilities they require, and it is only a question of terms, I think, with the company; and the terms should not be unreasonable.

840. *By Mr. Guesdon.*—You have read this agreement for leases that has been signed by Mr. Clark? Yes.

841. In which it says that the Government shall have the right of running trains over the said railway, &c.? Yes.

842. Now, would not you regard that, supposing you were representing a private company, such as the Van Diemen's Land Company—would not you regard that agreement for lease made in those terms as one that was binding on your company to assist the Government by carrying any traffic sent to you for dispatch to the breakwater? Undoubtedly. Of course, when that agreement was made, the possibilities of the traffic to Burnie could not be imagined, and, no doubt, it was a very reasonable agreement at that time. But now that the traffic promises to be so large, through this Blythe Iron Mine, coal and coke, and other things, further terms should be entered into by both parties; and the best possible should be made of the circumstances, acting on that agreement.

843. But in your knowledge of difficulties arising between companies do you not think that the matter should be submitted to arbitration, and that that arbitration would lead to a proper adjustment of the rights of the two parties? I do not know. Of course the parties would have to agree upon the terms of arbitration, and the result of arbitration might be less advantageous than the present offer of sale. I am not able, now, to give an opinion as to which would be the better course, but I have no doubt that either course would result in the Government getting all that they require.

844. And from your experience you see no reason why arbitration should not result in an equitable adjustment between the two parties? No, I do not.

845. *By Mr. Aikenhead.*—Further on, Mr. Grant, that agreement goes on to provide that the Government shall be allowed to run on to the breakwater at times convenient and suitable for the company, and so forth? I think the Minister of Lands is the arbitrator in case of any dispute as to that.

846. There is nothing about him being arbitrator, I think, except in cases of dispute where the Mersey Marine Board is brought in;—what compensation would the Government pay in the case I have quoted to you? In my opinion, a very large expenditure would have to be made to meet the circumstances. It might involve obtaining the foreshore. I see no absolute difficulty in carrying out this agreement as made. But I am not expressing my opinion as to which would be the better course.

847. *By Mr. Patterson.*—Now, Mr. Grant, it is a far cry from the tin-pot traffic on this Bischoff line—that has to convey one train a day, with an engine, two carriages, and four waggons—to a great English railway system, but you must of course know as a fact that the Midland Company has thousands of trains in a day, and that some of them are run over the lines of the Great Northern, the Midland, and Great Western Companies' lines, running through those stations.—In these cases there is no dual control? No, you cannot have dual control.

848. But there is such a thing as a joint control under a single management? Oh, yes; take the Chester station. There you have joint control by a committee.

849. Is there any possible objection to the joint control of the Burnie station yard under a single stationmaster? No, I think it might be arranged for; but it would be far better that one of the powers should have the absolute control, giving all the facilities the other requires, and being made to do so.

850. Do you know that these English companies have running powers through these stations and station yards? Yes, certainly.

851. In cases where thousands of trains run out of a great station yard? Yes, take the case of the Metropolitan.

852. And here is a line, with one train a day, serving all requirements? Well, in England, with numerous trains running out of great stations, there are running powers on nearly every line. What objection would there be, that this line, which is served by one train a day, should have running-powers over it, if proper compensation were given? If it were only a matter of one train a day it would be a simple matter; but then we know that an agreement has been made, which will entail the carriage of a great quantity of coke and iron-ore. Of course the existing traffic is only a mere flea-bite, but the probable traffic is very large.

853. But even with the anticipated traffic, could there be any objection to the Government having running powers, and having a station under joint control? I do not think so.

854. Well, as to this proposal to purchase this line for £205,000, as a means of getting over the difficulty: does it not seem to you to be straining at a gnat to swallow a camel.

[The Chairman objected to the question.]

Witness : It is a matter of terms only. I should have to know a great deal more before I could form an opinion as to that. A few thousands is a small matter in dealing with a company having a large prospective traffic. On the other hand, it might be better that the Government should use the powers they now have, and which, I am very much surprised, they have not used hitherto. If these powers were used, a very reasonable arrangement might be obtained.

855. *By Mr. Guesdon.*—I will ask to put the question suggested just now in a different form. Exception was taken to the question by the Hon. the Minister of Lands, on the ground that Mr. Grant might have to give an opinion in another chamber. Now, I would like to put the matter to Mr. Grant in this way : if instead of this line from Burnie to Ulverstone belonging to the Government, supposing it belonged to you as representative of a private company, and these difficulties arose, would you consider it more expedient to arrange under a lease of this sort between the two companies to get access to the breakwater, or would you consider it more expedient, in order to acquire those rights, to purchase the whole line of railway?—I am speaking now, leaving the policy entirely out of the question. I am putting it before you as a dry business transaction. If, instead of it being a Government matter, you were a representative of one company and the Echu Bay was another, and negotiations stand as they do now between the Government and the company, would you consider it a matter of business expediency—which alternative would you prefer as a business expedient—to buy the whole line to Waratah, with the possibility of a very large outlay, and a contingent outlay upon that, or would you consider it better to arrange with the other company under terms of your agreement for a lease, and obtain running powers, and get access to the breakwater? It is purely a question of terms. I have not considered the matter sufficiently to give an answer. If I could get the railway on my own terms I should consider it advisable to get the railway.

856. Do you know the price asked? I have not heard evidence as to what value you would get for your money. I do not really know what the consideration is.

857. *By the Chairman.*—Mr. Grant, I will ask you a few questions, merely as an engineer, and not on questions of policy in any way. This land, bounded by red lines here, is a Government station yard at the present time. This marked in pink is land which, recently, the Government desired to acquire and decided they would acquire.

858. I want to ask you, as an engineer, if we should, in any future time, near or distant, have to deal with the output of a large mass of produce which must go to this station : is it desirable that we should have better access to the shipping position here than will be afforded by mere running powers through that station?—Running powers, you know, might be taken of a very extensive and superior character? It is rather a difficult question to answer.

859. I will put it in a more concrete form. Supposing we had a thousand tons of ore a day to deal with, coming to this station? Yes.

860. You know the station is 1 mile 15 chains from this breakwater? Yes.

861. Would that be a proper place for shunting and marshalling to deal with our stuff for shipment? It would not be convenient, undoubtedly.

862. Would it be economical? It might be done, but it would not be convenient. You must have your own running line.

863. You know Burnie, do you not? I do.

864. You know the station? Yes.

865. You would regard this property, marked in pink, up to here, as a very valuable property? Undoubtedly. A very valuable one indeed, under the circumstances. As I first knew it, it was not valuable.

866. Will it be more valuable in the future than it is now, do you think? Undoubtedly. It could not be otherwise.

867. Is it the only route to the shipping place? Yes, as far as I know. By great expense coming through the town another route might be obtained, but it would be enormously costly.

868. This locality is practically the junction of two railway systems, is it not? That is so.

869. Then, do you know Burnie as a port? Yes.

870. Do you know the ports on the North West Coast? Generally.

871. Do you know of any other likely port for the outlet of produce, mineral or other, from this neighbourhood? Devonport, of course.

872. I mean from this district—Devonport is 30 miles away? That is not far. I look on Burnie as a most important port; but, with a better port at Devonport available, if you could not ship from Burnie, you could ship from Devonport.

873. *By Mr. Hall.*—What do you think, as a Manager of Railways, would follow if the Government did not acquire these rights?—Would we be likely to hand over our traffic to the controlling body here to deal with it for us, or not? No, the Government should exercise running powers, whatever they cost.

874. Would such running powers as you would need give you a single line? Yes; an extra through line.

875. Would you want shunting lines and sidings? Yes, some.

876. On the assumption that we will have a large amount of mineral traffic, would you require a large amount of shunting accommodation? Not so much. You would certainly require three lines of rails, at any rate.

877. You know this locality? Yes. [*Witness examines plan.*]

878. Is a wide strip of land? No, it is not particularly favourable for railway purposes, still it can be made available at a certain cost.

879. Do you think that this section of a line from here to this breakwater can very well be worked under dual control or under joint control? If the Government took running powers, such would be under the control of the party from whom they were obtained. But you would still get facilities for all you desire.

880. Running powers for a through line is one thing, is it not, and for shipment, another? No, I think you take them in the same way.

881. There is a difference between running powers to take you right through to Wynyard, and running powers to deal with a large quantity of export produce at this breakwater—Is there a difference? Undoubtedly, a very considerable difference. But this difference, of course, would only be with regard to sidings and the joint use of that breakwater.

882. Do you know the breakwater? I do.

883. Do you think it could be controlled dually? Not dually. But it might be used by two parties.

884. With a large shipment? With a large shipment; I think so. With a strong-minded station-master or traffic agent the traffic might be very well controlled. But it might, on the other hand, be cheaper and more desirable for the Government to have the whole thing in their hands.

885. *By Mr. Patterson.*—On this breakwater, on one side of it there is a parapet, and on the other there is simply room to load one ship. There are two lines of rails only, with a $1\frac{1}{2}$ chain curve? That would have to be altered, of course.

886. Now, if I tell you that here the Marine Board are erecting a jetty with 5 pairs of lines, and that this Blythe Iron Company intend to build another jetty for their own use, would that simplify the question at all? With more facilities for traffic, the more easily you would control it. But access to these piers would take up a lot of ground.

887. Well, here is this jetty with five pairs of lines?—Yes, I know it.

887A. And the Blythe people propose to build a third jetty? Yes.

888. Would not that simplify the question of dealing with the traffic which, as the Minister said just now, would go from this breakwater? Yes, it would make a much greater use of that foreshore. The running facilities would have to be quite different; it would require a large embankment on the foreshore to get access to the piers.

MR. FINCHAM called, and re-examined.

889. *By the Chairman.*—We have recalled you, Mr. Fincham, at your own request, to ask you if the valuation that you put on the Emu Bay and Mt. Bischoff Railway, when you formerly valued it, was at the instance of the Commissioner of Taxes, and for land taxation purposes? Yes, for that purpose.

890. Did it include or exclude rolling-stock? It excluded rolling-stock. My instruction from the Commissioner of Taxes was to exclude rolling-stock, because that could not properly be accessible for land tax.

891. *By Mr. Aikenhead.*—Can you give any statement as to the value of rolling-stock? No, I could not.

MR. J. C. DILLON called, and examined.

Mr. Dillon made statutory declaration.

892. *By the Chairman.*—Your name is Joseph Charles Dillon? Yes. And you are a clerk in the office of the Solicitor-General? Yes.

893. Did you hold that position in the year 1889? No, I was clerk to the Crown Solicitor at that time.

894. Practically, in the same office? Well, of course, the offices were amalgamated afterwards.

895. Are these your initials on that draft, Mr. Dillon? [Witness examines document.] Yes, these are my initials.

896. Do you recognize that as a draft or document you have ever seen before? I have a recollection of having engrossed it.

897. Is it in your writing? This is not my writing. I think it resembles the writing of some one in the employ of Messrs. Dobson, Mitchell, & Allport. These interlineations are Mr. John Mitchell's.

898. What was the object of your putting your initials on that document? That is the practice when you copy or engross any draft in a lawyer's office. You mark it "engrossed," and the date of it.

899. Have you any idea how that would come into the Crown Law Office? I have since found a letter which forwards the draft receipt. [Witness produces document.]

900. I will read this letter. (Appendix XIII.) Then, that draft would be submitted to Mr. Dobbie, would it not? Yes, I should think so.

901. Would the engrossed deed and copy of this be approved by him, or would this be approved? Well, that letter, evidently, does not send it for approval. It is not worded in that way. It simply sends it for signature.

902. Then, would it not be submitted to Mr. Dobbie? Yes, it should have been.

903. What would follow in your office the receipt of this draft? Would you engross it? I would engross it, if instructed to, either by the Attorney-General or the Crown Solicitor, or Mr. J. J. Henry, who was the conveyancing clerk at that time, and responsible for this.

904. Well, do these initials signify that you did engross it? Yes, there is no doubt about that.

905. And that deed, when signed, would be in your handwriting; or would it be returned again to Messrs. Dobson, Mitchell, & Allport, and rewritten? Oh no, it would be in my handwriting. That would be in the possession of the company.

906. Have you any recollection of having engrossed it? A very dim recollection. Of course, I have done so many.

907. You have got no specific recollection as to whether it was submitted to Mr. Dobbie or not? No, I have no recollection. Mr. J. J. Henry was conveyancing clerk in the Crown Solicitor's office at the time; and he was responsible for a good many of these conveyancing matters.

908. Were they not perused always by the superior officer? Not always by Mr. Dobbie. Mr. Henry used to take charge of a good many of these matters; and, it is possible, that he may have approved of this draft, without Mr. Dobbie having seen it.

909. That letter you have produced would be given to Mr. Dobbie, would it not? Yes, I should think it would, as it is addressed to him.

910. Well, after that agreement was engrossed, what would become of it? Would it be sent to Dobson, Mitchell, and Allport again in that form? The next letter we have after that is a letter from Mr. Dobbie forwarding a cheque for £1000 received from Messrs. Dobson, Mitchell, and Allport, through the Director of Public Works. There is no further record of this document being forwarded anywhere.

911. But, as a general rule, in case of a draft like this being sent to the office, would the draft be returned to the lawyer sending it in unsigned, or would it be returned signed? The usual practice is to approve of a draft, and return it for engrossment.

912. But this was engrossed in your office? Oh, yes, it was engrossed by me.

913. Then is it probable that it would have been returned to Messrs. Dobson, Mitchell, & Allport, or sent straight on to the Minister for signature? [No answer.]

914. It is known that the agreement itself is a copy of this? Yes; I have a dim recollection of Mr. Hannaford having something to do in connection with it. It is possible that the document may have been handed to him. He used constantly to come over to the Crown Solicitor's office about matters; in fact, he used to be over almost every day.

915. *By Mr. Nicholls.*—Of course, he had some legal experience, had he not? Yes.

916. You notice that the endorsement of the draft is in your handwriting? Yes.

917. Can you remember how that came about? No. The only way I can account for it is that the draft came from Dobson, Mitchell, and Allport without endorsement, and we put an endorsement on it to show what the document was.

918. The difficulty I have about it is this; I cannot believe that Messrs. Dobson, Mitchell, and Allport wrote a letter, and sent it across with a draft without any endorsement on it. I suppose that you have no letter written to Messrs. Dobson, Mitchell, and Allport about this day? No. I have looked carefully. There is no record of any reply to that.

919. I suppose you will agree with me that it is almost impossible that they sent over a document without endorsement? [No answer.]

920. The draft was sent over for perusal. Of course the first thing would be to peruse it Yes.

921. Then would you mark it "approved," or, after making any necessary alterations, mark it "approved, as altered"? Yes, that is the practice, but apparently the letter doesn't send it for approval.

922. It looks as if the negotiations had been done verbally? Yes.

923. *By the Chairman.*—Have you ever seen that draft lease before? [Witness examines draft.] Yes, I have a dim recollection of having seen it.

924. Is that your writing? No.

925. Do you know the writing? No, I cannot say that I know that writing.

926. Look at the writing in pink—can you recognise that? No, I cannot; it looks to me something like Mr. Fincham's.

927. Do you know this writing, Mr. Dillon? [Witness examines document.] This was written by a junior clerk in the Crown Solicitor's office, named Doolan. He is now in the Transvaal.

928. *By Mr. Nicholls.*—You said something about Mr. Hannaford just now—I was not clear whether you said you remembered him as having been concerned in the preparation of this document, or whether you said that you remembered it—do you distinctly remember Mr. Hannaford being concerned in its preparation? I have a recollection of Mr. Hannaford having something to do with the matter.

929. Do you remember what it was he had to do? No, I do not. I could not say.

930. *By Mr. Guesdon.*—Then, on what lines would Mr. Henry deal with it as a conveyancing clerk?—The instructions are to prepare the agreement in terms of an Act of Parliament, and in terms of the recommendation of the Engineer-in-Chief.—How do you deal in that office with questions like that?—Mr. Henry, as conveyancing clerk, I suppose, would simply see that, from a conveyancer's point of view, the document was correct? Yes, he might have thought it was a simple form of receipt. He might not have attached any value to it.

931. And it involved a legal contract between the Government and a private individual, or company? Yes.

932. That is outside the province of a conveyancer, is it not? Yes.

933. Such matters would not be dealt with by a conveyancing clerk? Very important matters have been dealt with in that way.

934. Where legal points like this have been involved? Oh, yes. Of course it was Mr. Henry's practice, when any difficulty occurred, to consult the Crown Solicitor.

935. Has Mr. Dobbie seen this letter you have produced? Yes; I showed it to him this morning.

936. *By the Chairman.*—Have you been able to ascertain whether Mr. Dobbie was in town at the time when this agreement was signed? Yes, he was; because there are letters in the book showing that he wrote them on that day.

937. Then you can say that Mr. Dobbie was in town when this letter was received? Yes.

THURSDAY, DECEMBER 13, 1900.

WALTER O. WISE, *called and examined.*

Mr. Wise made the statutory declaration.

938. *By the Chairman.*—Your name, Mr. Wise? Walter Ormsby Wise.

939. And your position? Secretary of the Law Department and Parliamentary Draftsman.

940. What position did you hold in the years 1890, 1891, and 1892? I held the position then of Parliamentary Draftsman.

941. Were you, as draftsman, instructed to prepare a Bill to authorise a lease being issued, of certain lands at Burnie, to the Van Diemen's Land Company? I have found a Bill, which was prepared in 1892; but I have no recollection of having been instructed to prepare it, nor can I find any instructions. I may say that it is not an unusual thing for me to prepare a Bill without any written instructions whatever. I very often get verbal instructions from a Minister, and prepare a Bill. This Bill appears to have been prepared very early in the Session of 1892. It is No. 3 on the list. It was never issued to Members.

942. Which Bill are you now referring to? I am referring to a Bill to authorise the grant of a lease of certain pieces of Crown land, and the grant of an easement to the Van Diemen's Land Company. The Bill recites that the company had contributed £6000 to the cost of the breakwater, and had made certain surrender of material and other valuable concessions for the construction of the breakwater; and that it was desirable that a lease of a piece of land 10 feet wide referred to in the schedule should be granted to the company, and also the right to run over the breakwater a line of rails. The following sections give effect to these recitals, and there is also another section reserving the right of the Government to run their trains or any trains over the rails of the company.

943. *By Mr. Aikenhead.*—What is the term? 1000 years.

944. Practically, to give effect to an agreement, which, I presume, you have perused? I have not seen the agreement since I have seen the Bill—knowing from memory the terms of the agreement, I have no doubt that that agreement was before me when I prepared this Bill, because I believe I have used here exactly the words of the agreement. For instance, that the company were to have the right to run their trains upon the breakwater "or any future extension or addition to the said breakwater, or any piers constructed in connection therewith." Well, I think you will remember that these words are used specifically in the agreement, and I have no doubt that the agreement was before me when I prepared that Bill. I think it would be either in the recess or early in the Session that that Bill was prepared, originally.

945. *By the Chairman.*—The words in the Bill are not exactly the same as in the agreement; but they are the same as they are in the draft lease? They are not the same as in the agreement; the meaning is exactly the same, but the wording is not. The wording was altered in the draft lease.

946. From whom would you receive instructions to prepare that Bill, verbally or otherwise? I receive instructions direct from any of the Ministers. I should receive them in this case, I should think, either from the Minister in charge of the Public Works Department, or from one of his responsible officers.

947. You cannot remember having received any instructions? No, I cannot; and it was not until you showed me a letter on Tuesday last, which disclosed the existence of the Bill, that I made a search for these papers, and found them. I had no recollection of it at all.

948. *By Mr. Aikenhead.*—You mean that you had forgotten that a Bill had been prepared? I had quite forgotten it, Mr. Aikenhead.

949. *By the Chairman.*—And you cannot say whether Mr. Clark gave you instructions to prepare that Bill or not? No, sir.

950. He was Attorney-General at the time? Yes; I should say he was Attorney-General because, as I said, the Bill was prepared very early in the Session, or in the recess. Mr. Clark was Attorney-General at that time, and until the 17th of August of that year. There appears to have been 24 Bills in type before he left office. The 25th was the first that was issued after the change of Ministry.

951. There is a letter there to Mr. Lewis? This one—on the 3rd October, 1892.

952. Yes. Will you read that letter? It is a letter from Messrs. Dobson, Mitchell, and Allport, dated 3rd October, 1892. “The Honourable N. Elliot Lewis, Esq., Attorney-General. Dear Sir. Referring to the Bill empowering the Government to grant a lease to the Van Diemen’s Land Company, we suggest that the same be passed in its present shape, leaving any details to be settled when granting the lease. Should this not meet with your approval, please ask the Engineer-in-Chief to formulate his objections at once, and send same to us, to be submitted to the Manager of the company for consideration. Yours very truly, Dobson, Mitchell, and Allport.”

953. Do you remember Mr. Lewis, as Attorney-General, giving any instructions following on that letter? None whatever.

954. Have you a letter of a later date? There is another letter here of later date. It is 27th October, from the same firm, and addressed to the Attorney-General. That merely says, “We have not yet received the draft leases herein. Please expedite the matter.” That letter would seem to indicate that they thought the Bill had become Law.

955. But have not you a Bill somewhat modified from that, of a later date? That Bill was revised on the 31st October, 1892; here is the copy I sent to the Printer. The revision excised all reference to the recital by which the company is said to have contributed £6000; the second recital starts, “whereas it is deemed expedient that a lease should be granted.”

956. When would the revised Bill be prepared? The revised Bill is dated October, 1892; that would be after Mr. Lewis came into office.

957. And your memory does not aid you as to that? No, there is not a reference here in any way in Mr. Lewis’ writing which would recall it; there is a memo. in Mr. Stops’ handwriting. He was Secretary to the Law Department at the time, and there is another memo. in Mr. Dobbie’s handwriting.

958. You have no idea at all, why this Bill was not introduced to Parliament, Mr. Wise? No; I have none whatever: whether it was that the Ministry of the day declined to do it, or that there were any terms that did not suit the company, I cannot tell you. I do not know the reason why it was dropped.

959. *By Mr. Aikenhead.*—What becomes of the manuscript of Bills sent on to the Government Printer? The manuscript is always returned to me; and it is my practice to enclose manuscript in a sheet, with endorsement on the back, and all the papers in connection therewith; but I cannot find any manuscript in connection with this Bill. Whether the Bill was prepared by some one else and handed to me I am not prepared to say, or whether it was my own manuscript.

960. *By the Chairman.*—Would it be at all probable that a Bill of that kind, dealing with a matter in connection with a private company, would be drafted by a firm of solicitors outside the Crown Law offices? I hardly think so, sir.

961. You think it was drafted by yourself? I think it was, sir; that is my opinion. The language seems to indicate that it was drafted in the office rather than outside.

962. *By Mr. Nicholls.*—Have you got the manuscript Bills immediately before and after that Bill?—Did you notice? What Bill do you mean, Mr. Nicholls?

963. Well, the Bills in the same Session, immediately before and after that? I did not look for them. But the Bill immediately before it, I know I drafted myself; that was the Private Streets, Launceston, Bill. The Bill after that I did not draft myself; it was the Church of England Bill, prepared by Mr. McIntyre, on behalf of the Church.

964. Do you attach any significance to the fact that the manuscripts cannot be found? No, none whatever. I am satisfied that these papers have never been tampered with. They are put away in the strong-room, and I think no one but myself knows of the existence of them. I have kept these records myself, and put these papers away; and it was not until Tuesday morning, upon seeing the letter, that I became aware of the Bill being in existence. I may say that many of the Bills prepared are not distributed, but one does not attach the same importance to such Bills, and they are not impressed on one’s memory with the same force as in the case of Bills that are distributed, and go through the House.

965. *By Mr. Aikenhead.*—But can you account for the manuscripts being missing, or not to be found? No, I cannot.

J. W. NORTON SMITH, *called and examined.*

Mr. Norton Smith made the statutory declaration.

966. *By the Chairman.*—Your name is James William Norton Smith? Yes.

967. And you are managing agent for the Van Diemen's Land Company? Yes.

968. Do you also represent the Emu Bay Company and Mount Bischoff Company? Yes.

969. Have you an agreement, Mr. Smith, with you, signed by Mr. Andrew Inglis Clark on behalf of the Minister of Lands? I have sir, yes.

970. Have you it here? Yes.

971. Will you, Mr. Smith, kindly tell the committee what led up to this agreement being prepared and signed? Well, I think about 1888 or 1889—[This was later on pointed out by the Chairman as an error, and Mr. Smith corrected the mistake to 1878 or 1879]. The first commencement was a letter from the Master Warden of the Table Cape Marine Board, who asked the company if it would subscribe towards the erection of a breakwater at Emu Bay. I think it was called a wharf at that time; yes, it was. The company agreed to subscribe, provided it was allowed to run its tramway, as it was then, on to the wharf. At first it was spoken of for all time.

972. Pardon me, Mr. Smith, was it spoken of "for all time" in any correspondence? Well, there was no time limit, sir, at all. I think it was Mr. Nicholas Brown who first put me on the time limit; in fact, I am certain it was. When we were discussing the matter—it was once when Mr. Brown and Mr. Fincham were through on the Coast, and I remember this discussion very well, because it was at Mr. Ford's house—Mr. Brown asked to see me, and the drawing-room and the dining-room being full of people we had to go into the hall, and there was a small table there. It was then Mr. Brown made the stipulation that we must give the Government power to have co-occupancy in the case of a railway coming along. There has been a very considerable amount of correspondence over it. The subscriptions went on, and altogether we contributed £6000, and when the last £1000 was being paid in through the company's solicitors in Hobart, I instructed them to take a receipt in accordance with the correspondence that had been going on. They advised me that they could not well take it for the £6000, and that is the reason why the £1000 gets to be mentioned; that is the reason for it. At the time this thing was going on there was very little thought about it, and there was never anything thought about this being a big concession given to us, until Mr. Brown came down to report on the extension of Government Railways to Table Cape. Then, I believe, it was—at all events immediately after his then coming down there—I first heard any complaint of a concession having been given, or any notice drawn to it. I have brought originals of all correspondence with me. I think you have full copies.

973. Have you any correspondence between the year 1880 and 1888 on this question with you? No, sir. I do not think there is. Of course, a great deal of this was done verbally. The first letter is the 26th June, 1880, from the Master Warden of the Table Cape Marine Board.

974. I think you made a mistake in your dates in the beginning—I think you stated it began in 1888? It began in verbal conversation in 1878; 1878 was the beginning of it. It should be 1878 or 1879, not 1888 or 1889. I think it was about 1886 or 1887 that Mr. Brown was down, when we made that arrangement about giving the Government power to run over the breakwater. Of course, up to that time there was no thought of the Government extending its railways along there.

975. Do you know who drafted that receipt. Well, sir, somebody from Dobson, Mitchell, and Allport's office.

976. Drafted it? Yes, sir, the whole transaction was done through them.

977. On what authority were they instructed to make the term 1000 years, Mr. Smith? I believe, sir, that was done in the conversation that I had with Mr. Nicholas Brown. Mr. Nicholas Brown pointed out that he could not give a fee-simple, and there would have to be a time limit.

978. But Mr. Nicholas Brown had been out of office for several years before, you know? Yes, sir, but I am almost certain that it was he who put that time limit in. Of course, although there is no correspondence between the years 1880 and 1888, there was a good deal of verbal correspondence. I was down in Hobart occasionally, and this thing was referred to; but that was the principal meeting I remember, the one I referred to just now, in 1886 or 1887. I think it was when Mr. Brown was Minister of Lands.

979. *By Mr. Aikenhead.*—Do we understand, Mr. Smith, that you say it was Mr. Nicholas Brown who first suggested 1000 years as the term? Yes. Well, I really asked for the fee-simple, but Mr. Nicholas Brown said we must have some time-limit, and he fixed 1000 years.

980. *By Mr. Guesdon.*—Did he give you to understand that he had the power, as a Minister of Lands, to grant you a 1000 years' lease? Oh, yes. He said he had not the power to grant a fee-simple, but had the power to give a lease.

981. That he had the power to give a lease? Yes.

982. *By the Chairman.*—Were you under the impression, personally, Mr. Smith, that without special enactment a lease of 1000 years could be given on any land? I was. Naturally, the question was raised when I paid that money. I was quite under the impression, when the receipt was given, that the Minister had unlimited power to grant leases.

983. Will you tell us what followed after that agreement was signed and given to you, and you paid your £1000: did you ask to have that agreement ratified by the issue of a lease? I think I only asked you, sir, if you would introduce a Bill.

984. No, you did not ask me? Yes; when you were down at Burnie, last year.

985. Oh, I beg your pardon, yes.—Are you aware whether a Bill was prepared, or not, at any time? No, sir; I am not aware of any Bill being prepared.

986. Did you ask any Minister to ratify the agreement by the issue of a lease, personally, or through your solicitors? Well, if I did, it was just in conversation; I have no distinct recollection of it. I remember speaking to you about it last year, when we were discussing other matters. I asked you if you would introduce a Bill, and you refused to do so.

987. I was referring more particularly, now, Mr. Smith, to the two or three years subsequent to the signing of that agreement? Well, no, sir; I do not think there was. Because, after that, and apparently in connection with that, the 3-acre trouble sprang up, and things got mixed all up.

988. Do you remember an interview with Mr. Hartnoll, in this office, in connection with this matter? Yes, a very short one.

989. Do you remember who were present? Mr. Mitchell.

990. Anyone else? I do not think so.

991. Do you remember Mr. Dobbie being present on that occasion? He might have been, I do not remember. Mr. Mitchell and I went round together and saw Mr. Hartnoll on the matter, and Mr. Hartnoll refused to give us the lease. I forget exactly what was done.

992. Do you know on what grounds he refused? Well, I think he refused to acknowledge the receipt. He refused to acknowledge the legality.

993. As being a valid document? Something of that sort. Yes. I know Mr. Hartnoll was rather warm over it, and the meeting was not a very pleasant one.

994. Did you instruct your solicitors to take action about it? What do you mean, sir.

995. Take action to compel the Government to ratify the agreement, by issuing a lease? I do not think any instructions of that sort were issued.

996. Are you aware that they threatened action? No; I do not remember. It is possible; because at this meeting I was very annoyed by the tone I was received in, and Mr. Hartnoll lost his temper, and it is quite possible I may have given instructions at the time.

997. *By Mr. Guesdon.*—Have you had many dealings with the Government under the Waste Lands Act and the Crown Lands Act? No, none whatever, till a couple of years ago.

998. Then, of course, you would not be familiar with the provisions of the Act? No.

999. Are we to understand from you that Mr. Nicholas Brown led you to believe that he had the power, as Minister of Lands, to grant you a lease for a 1000 years without Act of Parliament? At this time there was some little talk of railways going along the coast, and he asked me if I would accept the power to run over there with the Government also having power in the event of its railway being extended along, and I consented to this. Then he told me that he could not give us a fee simple, but he would give us a lease—the Minister would give us a lease, do you see—and the term was then fixed at 1000 years.

1000. Then he evidently led you to infer that he had the power, as Minister of the Crown, to grant you a lease for 1000 years? Yes.

1001. That was what he led you to infer? Yes, and not only that, but the agreement itself—and the whole thing.

1002. *By the Chairman.*—Which agreement? This receipt, you see, was not from one Minister only. This thing ran along for some years.

1003. *By Mr. Guesdon.*—Did you have any interview with Mr. Pillinger on the subject? Oh yes, various ones.

1004. And did he ever discuss with you whether he had the power, as Minister of Lands, under the Waste Lands Act, to grant this lease, or did he make reference to the Act? Yes; that came in. I cannot tell you at what time, but I understood it would be necessary to get an Act.

1005. At this time, when you were pressing for a lease? No, sir, I never pressed for a lease.

1006. Your solicitors pressed for it? No, that was this agreement.

1007. Did you have any conversation with Mr. Pillinger before this was signed by Mr. Clark? You mean immediately prior?

1008. Immediately prior? No. I did not come to Hobart at that time. I sent the money to my solicitors, and told them to hand it to the Minister of Lands, on getting the receipt in the terms of the correspondence.

1009. You had no correspondence? None whatever.

1010. *By Mr. Nicholls.*—In what year did your company first run any line on the jetty at Emu Bay? In 1878; that is, what there was of it, because that breakwater has been built from a little bit of a jetty, known first of all as the "Bird Cage," and we ran on there at that time, and from that time the breakwater has been extended.

1011. You began in 1878? Yes.

1012. That was the first time rails were put on the jetty from Emu Bay? Yes—No; I think they were really laid in 1876, but the tramway was completed in 1878, although we were really carrying stuff in 1877.

1013. *By the Chairman.*—That is, horse-tramways? Yes; on the horse-tramway.

1014. *By Mr. Nicholls.*—That was a Government jetty then? No, I do not think it was; it was a Marine Board jetty.

1015. Do you remember how your right was given to you, by writing or otherwise? Yes. Well, it was an understood thing at first, and then there is this letter of the Master Warden of the Table Cape Marine Board, 26th June, 1880. [Appendix I.]

1016. Was that in 1870? My letter of 19 October, 1880. "In reference to your application for assistance from the Van Diemen's Land Company." [Appendix III.]

1017. Well, that is the first writing on the subject? That is the first writing—yes.

1018. Then you had been for four years running without any writing? 1877 was the first year—about that.

1019. I only want it approximately? Yes, that's it.

1020. In that year was the pier extended from the Bird Cage, so that it became a breakwater?—It was filled in, I believe? No; the first thing that was done was a concrete mass sunk at the end, and the filling in was done afterwards. I remember the circumstances, but I cannot give the date. These dates can easily be got from the Lands Office. Mr. Cresswell was in charge, and it was some years before the breakwater was extended.

1021. Would it be before or after the year 1880? It would be after 1880 and, I think, prior to 1886; at all events, prior to 1887: I should think about 1883 or 1884, but I am never very good at dates. I remember the succession of circumstances, but I cannot fix the date from it.

1022. And when the breakwater was extended you simply extended your line with it? That was it—yes.

1023. Under no holding at all?

1024. You say you saw Mr. Nicholas Brown—did you apply to him for an absolute grant? Yes.

1025. He told you that it could not be given? Yes.

1026. I suppose you were quite sure it was Mr. Nicholas Brown? Quite certain. I remember the place where it occurred particularly.

1027. He told you that a grant could not be given? Yes.

1028. And, accordingly, it would have to be for a term? Yes.

1029. I suppose you consulted your solicitors then? No, sir, I did not.

1030. Where did you first hear the phrase "One thousand years" mentioned as being the term? I believe that was the time; the first time any term was being fixed.

1031. And who do you think suggested it? The 1000 years?

1032. Yes? Well it is very probable that I did. I could not be certain of this; only, you see, when Mr. Brown said it must be confined to a period, I should suggest as long a period as I could get.

1033. Yes, naturally. When the correspondence took place, in 1888-1889, you were in communication with Dobson, Mitchell, and Ailport, of course. That is, immediately prior to the receipt being given? Immediately prior to the receipt I was not in communication with them about this correspondence, but as to the receipt being taken; as regards that, I gave them my instructions.

1034. You gave your instructions, yes? And there was a little trouble about the terms. That had to be arranged. There was some correspondence about that.

1035. I suppose they advised you that a lease for 1000 years was an advantageous thing? I do not think it was necessary for them to advise me to that effect.

1036. I do not mean merely as to the term, but as to the nature of your title to this right to such. I presume they advised you as to that? Well, of course, I knew it. At all events, it is quite probable that they did.

1037. Did you ever mention to them, as a fact, that you had originally asked for a grant, but that 1000 years had been suggested instead, as the Government had no power to give an absolute grant? I should not think so. I should merely give them the instructions.

1038. *By the Chairman.*—Were you, throughout, under the impression, Mr. Smith, that the right you were asking to run your tramways in the first instance, and the railway subsequently, was a right in perpetuity? Yes, sir, that was the first understanding to myself. You saw all this correspondence prior to the date of the receipt. There is no term mentioned at all; and it was at this particular meeting that Mr. Brown suggested that there should be some term.

1039. Should you regard the term of 1000 years as practically giving you this right in perpetuity? Practically.

1040. *By Mr. Aikenhead.*—Can you not say in what year that interview took place with Mr. Brown? No, sir. I could not do so.

1041. During his term of office?—while he was Minister of Lands? Yes, he was down on the coast on an official visit.

1042. He vacated office on the 9th March, 1887—Now could you fix it?—Would it be long before he vacated office? Really, sir, I would not say. But there is no doubt if the date is required it could be got from the Lands Office, because he was on an official visit down the coast, and this arrangement was made at Mr. Ford's house at Circular Head. It would be easy to find when he was at Circular Head.

1043. *By the Chairman.*—Can you give us any idea of the date of your interview with Mr. Hartnoll? It was very shortly after he took office.

1044. Of course you will have no objection to my examining Mr. Mitchell on that point? No, sir—oh dear, no.

1045. Have you seen this plan before, Mr. Smith? [Witness examines plan.] Yes, I have seen a similar plan.

1046. Does that correspond with what you consider was granted to you in the agreement signed by Mr. Clark? Yes; it is very similar. If you take this plan here, it is almost identical. [Witness produces plan.]

1047. Are you aware that after you had seen Mr. Hartnoll—that is, after you saw him immediately after his taking office—this Bill was prepared? [Witness examines document] No, sir; I do not think I would know that any Bill was prepared to provide for the lease. Indeed, Mr. Hartnoll's reception of me was such that I did not think it was worth while doing any more in the matter with the Government. Of course, this might possibly have been done at Dobson, Mitchell, and Allport's suggestion.

1048. Was this Bill read before the House? No; anyhow, I never heard of it.

1049. I wanted to get the reason from you why, after it had been prepared, it was not brought before the House?

1050. Did your company lay down the present rails on the breakwater? No, sir, the Marine Board did that.

1051. Have you been using them? Oh yes.

1052. Under what arrangement? No arrangement other than this.

1053. But was it not provided that you were to lay down these rails? We had power to do so.

1054. Not the obligation? Not the obligation, I think.

1055. Have you been paying the Marine Board for the use of the rails? No sir; oh, no.

1056. Have you been charging any wharfages? What, the company?

1057. Yes? Oh, no.

1058. Then, as a matter of fact, you have not been put to any expense in connection with this agreement? Not lately, at any rate.

1059. At any time? Oh, yes. Originally, we laid the whole of the rails, and then, when the breakwater was being made our road was torn up for the sake of the big crane going down, and when the thing was done the Marine Board relaid the rails.

1060. Did you have any permission from the Marine Board—or anyone, originally, when you first laid the rails on to the wharf? No, sir, beyond what I have shown you from the Master Warden.

1061. I mean when you started first, when there was only a jetty there? No.

1062. You simply laid the rails on it for your own convenience? Yes.

1063. I have asked you something about the three acres, Mr. Norton Smith. Do you remember in 1889, a Bill being passed by Parliament voting the sum of £6000, on condition that the Van Diemen's Land Company gave a certain area of land? I remember a Bill being passed. I cannot say about the year. I have no doubt it was in 1889.

1064. You will remember this Bill of 5th December, 1889, providing for £6000 being voted conditionally upon the grant from the Van Diemen's Land Company of three acres of land at Blackman's Point for public purposes? Yes, sir; oh, yes.

1065. Were there any negotiations with your company prior to that Bill for the acquirement of that land? No, I do not think so. My recollection of it is that that Bill was introduced to the Parliament, and while it was in the Committee, Mr. Fenton got that clause introduced. That is my recollection of it. The clause, I mean, that the Van Diemen's Land Company should be made to give three acres of land.

1066. Did you afterwards agree to give the three acres? Yes, sir.

1067. Why did you not give it? We were prepared to, but we did not give it because the Law Officers of the Crown would not accept it.

1068. The whole of it or part of it? The whole of it. They would not take our conveyance.

1069. For what reason? For the reason that the Law Officers of the Crown disputed our title to part of the land. I have the chart here which was sent me at that time. [Chart produced.] That was the chart sent to me from the Lands Office at the time. This survey was made by the Engineer of the department while he was in charge of the breakwater, and it was submitted to me, and I was asked if the company would grant A, B, and either BB or part of C, and if the company refused to grant BB, then it was to give an equivalent area out of C; and also Government asked for the right to quarry on C; that is a statement from memory; but I will read you the letter. [Appendix XV.]

1070. Is Block B above or below high-water mark? Well, it contains a part of the land above high-water.

1071. And part of it is the land we have since resumed, which we claim under the original grant to the Crown? That is so.

1072. And part of it is between the land granted to us and the Emu Bay Company's land? Yes. [Witness refers to plans.]

1073. Is a part of block A also below high-water mark too? It just runs out to low-water mark.

1074. And you say this is the land you were originally asked to grant? Yes; here is the letter dealing with that. [Appendix XV.].

1075. The letter is from whom? From the Minister of Lands and Works, the Hon. Alfred Pillinger, dated 3rd July, 1889.

1076. This letter precedes the passing of this Act? Here is the amended letter, dated 21st January, 1890.

1077. Wait a minute—I want the letters to come in chronological order? Well, first of all, there is this letter of Mr. Pillinger's, dated 3rd July, 1889.

1078. That is followed by what? That is followed by another letter.

1079. Well, to come to the point—did you consent to grant that land? Well, in my acknowledgment of Mr. Pillinger's letter I say, "I do not anticipate any hesitation on the part of my directors in granting any portion of their land for public purposes, provided it can be clearly pointed out to them that such grant or grants are necessary for public convenience, but I must admit that I do not realise how so large an area as three acres can possibly be required adjoining the wharf, at present." Then there is another letter from the Minister of Lands, on the 5th August: I will read it. [Appendix XV A.].

1080. *By Mr. Guesdon.*—What vote would that refer to, Mr. Smith? Well, the date is the 5th August, 1889. It seems to be just before—

The Minister of Lands: Before the bill was discussed in the House? Yes.

1081. *By Mr. Aikenhead.*—That is in reference to the Parliamentary Vote of £6000? Yes.

1082. *By the Chairman.*—Then, did you get a reply to that letter, Mr. Smith? I got a reply from the London office. I know there was some little trouble about this. My first official reply was dated the 1st March, 1890. On that date I wired to the Minister of Lands:—"Have communication from London. Kindly wire consent to width of road from North Terrace, as indicated in my letter of the 17th ultimo." That was the road through the land here, coming away round to the wharf. They wanted a road through here 20 feet wide, and I pointed out there always had been a road a chain wide, and we wanted the same thing. I telegraphed accordingly, and I got a reply from Mr. Pillinger:—"Do you mean the company consents to give the three acres required if the north terrace is made the width you want?" To that I wired, in reply:—"Practically, yes. Wished your consent to this before writing to save further correspondence." Then I got a further telegram from him:—"Your wishes re north terrace road being one chain in width acceded to." Then follows the letter of the 8th. Some trouble arose about that, and eventually I said I should cut off the land altogether. Members of the Committee will understand by looking at the plan. [Witness refers to plan.] We said that if the Government did not do what we wanted we would be compelled to cut off the corner. Of course I think that Mr. Pillinger could not really have understood the proposal. You see, we already had a promise of the lease of the ground, and if we had not insisted on this point we would have been cut off from access to our ground, and blocked altogether. I think Mr. Pillinger could not have understood the position when he wrote these letters.

1083. Were the particular matters in dispute finally arranged between yourself and Mr. Pillinger? No, sir; that is the last letter I had from him; that is the last letter I can find—the letter of 18th March, 1890. I think everything else was done by conversation. The matter, of course, is still standing in abeyance.

1084. Do you remember, Mr. Norton Smith, receiving this letter of the 24th March, 1897 [Appendix XLVIII A.]?—Does not that indicate, Mr. Smith, that all other differences had been arranged between you? Mr. Pillinger agreed that he understood this, and that there was no objection to our going across there; but there was this difficulty of the objection of the Law Officers of the Crown.

1085. I want to ascertain first whether all other difficulties but that as to the land between the street and low-water had been arranged? Yes, sir, as to the land itself, without reference to the breakwater.

1086. Do you still object, Mr. Norton Smith, to grant the land down to high-water mark?—Do you still refuse to grant it? I submit, of course, that the grounds on which the Government refused to accept that piece of land are really grounds that would make the company say:—"We will give you the piece of land first applied for, but we will not give you anything else." I have not submitted it at present, because if our company now consents to give you the piece of land above high-water mark it would simply be acknowledging that you are in the right as to this case that is going on.

1087. I want to know is that the only objection at the present time to the handing over of these three acres? Well, we shall certainly ask you to give us the lease of the breakwater at the same time.

1088. But what connection is there between the lease of the breakwater and the granting of these three acres? Well, the two things have been running together; they have been treated as one thing, practically. The whole of the company's contributions were to be paid in consequence of, and on the presumption of, their having this right to the breakwater.

1089. Was there any real association between these two things at all? Oh, yes. Our contributions, right away through, were given under consideration of our having powers over the breakwater.

1090. Was not the Act of Parliament requiring you to assist with the £1000 prior to the question of these three acres coming up at all? I think the three acres had to do with the last contribution.

1091. But that Act as to your contributing £1000, and the Table Cape Marine Board £800 have nothing to do with this 3 acres at all? No.

1092. Was there a subsequent Act then, under which the Government were to spend £6000 on condition that you gave these 3 acres? Yes.

1093. Did the Government spend this £6000? I believe so—yes.

1094. And you still refuse to give up the 3 acres? We simply say that we are willing to carry out our part of the agreement, when the Government will carry out theirs.

1095. Will you tell me, Mr. Smith, what connection there is, or can be, between these 3 acres and the agreement for the lease, except that you have yourself joined them together? Well, the land was given in connection with the breakwater, and in consequence of our having the right to run over it.

1096. What? Do you mean to say that would affect this question of the 3 acres of land? Oh, the 3 acres—yes.

1097. Can you tell us of any correspondence or documents showing that? As a matter of fact, were not the two Acts of Parliament passed on different lines altogether—for two specific purposes? The Acts of Parliament did not interfere with the reasons for the company conceding this land.

1098. What I want from you, Mr. Smith, is this—can you show me any letter or correspondence of any sort or kind which associates these two questions together? I think I have a letter here. There is a letter here, addressed to Messrs. Dobson & Mitchell, from the Public Works Office, dated September 5th, 1890. [Appendix XLIA.]. I think that letter shows there was a connection between them.

1099. *By Mr. Hall.*—I understand that is a letter to your solicitors? Yes.

1100. With instructions to them to convey certain propositions to the Government? Yes; this is practically a recapitulation from the Minister of Lands of the case as it then stood.

1101. *By the Chairman.*—Was not the association of the two matters brought about by your refusing to give this land until the lease had been given you for the breakwater? It is possibly so. We certainly consider that the whole thing should be done together—these transactions of the breakwater and the matter concerning the land. We, on our side, promise to give three acres; the Government, on their side, promise to give the lease of the breakwater; and we think the whole thing should be embodied in one agreement.

1102. Do you quite think that there is a moral obligation on your company, the £6000 having been duly expended by the Government, to give that land under that arrangement? Yes; but I also consider that there is a moral obligation on the part of the Government to give us that breakwater. The obligation is as much on one side as the other.

1103. *By Mr. Patterson.*—I asked a question of a witness yesterday, but he did not seem to be able to answer it; so I ask you, Mr. Smith. Who controls the harbour at Emu Bay? The Marine Board.

1104. When you asked the present Minister if he would ratify the lease by bringing a Bill into Parliament, what did he reply? He refused to do so.

1105. Absolutely? Yes, sir.

1106. What was the approximate date of that interview? I should think it was in January. It was when he was down at Burnie—about that time.

1107. *By the Chairman.*—In the option of purchase held by the present Emu Bay Railway Company there is some land included which is the property of your company, is there not? Yes; that is in the event of the Emu Bay Company buying the railway. Then they had the option to buy some of the land also.

1108. What is the position of that land about Burnie? Well, there is a piece of it at the back of the present passenger platform. It is fenced in at present with a fence consisting of a top rail and wire underneath at the back of the station; and also any land belonging to the company between the street running up there past Mr. Wiseman's and the railway; and there is, also, I think, 10 chains of foreshore land.

1109. Have you included in the option to purchase, the right to make lines to this piece of ground here? Yes; we hand them over the rights we have from the Government.

1110. What rights? Such rights as we have to run over the breakwater.

1111. Such rights as you consider were given by this agreement? Yes, we have sold the Emu Bay Railway Company our right to run over the breakwater under that agreement.

1112. And this is really part of the option to purchase? Yes.

1113. Included in that? Yes.

1114. Will the acquirement of the option or the lease—it practically amounts to the same thing by the Government—release the Government from any responsibility that you think it has with regard to your company? Oh, that is a question I would like time to consider. That is rather a legal question.

1115. I want to know from you what you, as agent of the Van Diemen's Land Company, are transferring to the Emu Bay and Bischoff Railway Company? Well, if we sell to the Emu Bay Railway Company, we sell them that agreement. They would be entitled to that as our title.

1116. Whatever that confers? Yes.

1117. Have you guaranteed them a right to go through this land? Well, no sir; you would hardly expect us to do that. We have sold them such right as we possess.

1118. At any rate, whoever acquires this railway from Burnie to Waratah, acquires whatever right you consider you possess under this document? Yes, sir—anything that the Emu Bay Railway Company possesses.

1119. Now, I want to have that brought clearly out; that, so far as that particular thing is concerned, this breakwater matter is settled by the purchase of that line.—You transfer whatever rights you have up to these red lines here? [Witness refers to plan.] Yes.

1120. What property does the Government own at Burnie in connection with the port? Well, I do not know that the Government own anything at all there, sir.

1121. Well, say the Marine Board? The Marine Board owns this piece here. [Witness refers to plan.]

1122. That is, the Government owns it? Well, I don't think it has ever been formally vested in the Marine Board, but the Marine Board has control. I think the actual conveyance was to the Minister of Lands for wharf purposes, or something of that sort.

1123. Then there is a piece they have acquired recently here? [Witness refers to plan.] Yes.

1124. That is all the property the governing bodies possess at Burnie? Yes.

1125. Is that adequate for the necessities of a port such as Burnie at the present time? Our directors consider it is.

1126. Does Mr. Norton Smith consider it is, as a member of the Table Cape Marine Board? Well—no, sir, I do not.

1127. That is for present requirements? I do not consider it sufficient.

1128. Do you think that the wharfage accommodation being provided by the new pier and the breakwater combined will be more than sufficient for the necessities of that port, next year? I think it will be quite insufficient.

1129. You think it will be insufficient for next year? Yes, I do.

1130. Is there any possibility of acquiring land there for purposes of wharf extension? The only possible way is to buy from the Van Diemen's Land Company.

1131. Well, can they buy from the Van Diemen's Land Company?—Has the Van Diemen's Land Company got it to sell? There is a piece there, subject to the Emu Bay Company's option. [Witness refers to plans.] They have the option below high-water mark: and further along they have a short piece on the seaside.

1132. How is this described—have you really sold down to low-water mark? We have sold down to low-water mark.

1133. Have you expressed it so? No, we have not expressed it so. While this thing is before the Supreme Court we would be very foolish to do so.

1134. But the thing was not before the Supreme Court when this was on? Well, practically, it was. Our title was disputed, and it was only natural to suppose that we should protect ourselves.

1135. Well, I was asking you about the accommodation at the port?—From whom must the Government purchase if land is required for future wharf extension or construction? Anything under the lee of the breakwater must come from the Bischoff Railway Company.

1136. That is, from land concerned in this option? Yes, sir, just so.

1137. Is it the only land at Burnie suitable for wharf construction? It is the only land at present with the slightest protection. It is the only land that touches the railway. It is the only land that has any adequate protection from the breakwater.

HON. N. J. BROWN *called and examined.*

Mr. Brown made the statutory declaration.

By the Chairman.—Mr. Norton Smith, this morning, in giving us some account of this lease, stated that he interviewed you in connection with a right to run over a wharf or breakwater somewhere about 1886 or 1887, at a time when you were visiting the North West Coast; and that at that interview the first suggestion of the terms of that lease being for a thousand years was made. I thought it better to explain to you what has been said first in order that you might tax your memory in relation to it.

1138. Your name is Nicholas John Brown? Yes.

1139. And you are Speaker of the House of Assembly? Yes.

1140. And formerly Minister of Lands of the Colony of Tasmania? Yes.

1141. Do you remember during your term of office paying a visit to the North West Coast—to Burnie, Stanley, and Circular Head? I paid several visits to the North West Coast—I think I paid two visits to Stanley.

1142. Well, do you remember having a conversation with Mr. Norton Smith, at Circular Head, at Mr. Ford's house, in connection with a grant of a right to run a tramway on to the breakwater? I have a recollection of spending an evening at Mr. Ford's house in Mr. Smith's company; and I think it is very likely the question which was then being discussed between the Government and Mr. Norton Smith may have been referred to in the course of conversation.

1143. Do you remember that there was a proposition of some kind at the time before the Government as to that? I have a very clear recollection of certain general matters. I think it was about the first time I had met Mr. Norton Smith, and I remember being particularly struck by his zeal and pertinacity in advocating the interests of his employers. I have also a recollection that he very

persistently asked me to consent to giving his company a freehold right to some portion of Government land adjacent to the breakwater; but what the precise area or the precise situation of the land was I could not tell you without refreshing my memory by referring to documents and plans. I know that I very distinctly refused to consent to recommend what Mr. Smith was trying to persuade me to recommend.

1144. Have you any recollection of their asking for certain rights to take a line of railway or tramway through Crown property abutting on the breakwater? No, I have no recollection of that. All that is in my mind is the pertinacity with which Mr. Norton Smith endeavoured to get me to say that I would recommend that his company should have the freehold of certain land adjacent to the breakwater. And I may say that there was no formal conversation at all on that occasion. Whatever took place was in the freedom of social intercourse, and certainly nothing of a business character, as far as I remember, took place at all. In fact, it is utterly contrary to my usual habit to discuss seriously any business matter under those circumstances.

1145. Mr. Smith states that you left the drawing room, there being no room either in that room or the dining room, to converse, and went into the hall to talk this matter over: and that you pointed out to him the impossibility of getting a freehold, which was what he wanted to get, and suggested or proposed to him that the rights conferred should be for a term of years instead?—Is that so? Very likely, as I refused to discuss the matter of granting any freehold.

1146. Have you any recollection of suggesting 1000 years for the rights? Not the slightest. It is extremely improbable.

1147. *By Mr. Guesdon.*—What I asked Mr. Smith was, whether in the conversation between him and yourself, you conveyed to him—having refused him a freehold—that you had the power to grant him a lease for 1000 years; and Mr. Smith replied that you did—What do you say to that? Such a statement is absolutely ridiculous, and I am surprised at any one in the position of Mr. Norton Smith making such a statement. I may point out to the Committee, that, having absolutely refused the freehold, it is perfectly ridiculous to suppose that I would be a party to granting the freehold in another form, or recommending it in another form. I can give a probable explanation if the Committee will permit me to do so. I think members of the Committee will understand that in informal conversation like that, it is very probable that I pointed out the impossibility of the freehold being granted, and that, on that refusal, suggestions for a lease for a term of years were discussed. On that, it is quite possible I may have said—“The rapacity of the Van Diemen's Land Company is such, that even 1000 years would not satisfy them”—That is the only way in which I can account for my name being dragged into the matter in the way in which it has been dragged in. I am very sure, that if I had proposed to limit the term, it would be to limit it in a very distinct and definite way—probably 20 years, or something like that.

1148. Then, I presume that you would never have suggested anything outside your power without the sanction of Parliament? I have not the slightest doubt that all I said to Mr. Norton Smith, in any way, was that I would recommend the matter to the consideration of the Cabinet. I would not dream of taking upon myself the responsibility of making a definite bargain with anyone on such a subject, without consulting my colleagues. It would be highly improper for any Minister of the Crown to do it.

1149. *By Mr. Nicholls.*—Do you remember, Mr. Brown, whether at the interview with Mr. Norton Smith the powers of the Government were discussed? I can not say that they were. Of course it is 16 or 17 years ago, and one's memory is not precise as to details after that time; I may say that I think the date given must be incorrect. I think it must have been earlier than 1886. I think it must have been about 1884. My recollection is, that probably it was about 1883 or 1884. I left office in 1886.

MR. JOHN MITCHELL, *called and examined.*

Mr. John Mitchell made the statutory declaration.

1150. *By the Chairman.*—Your name is John Mitchell? Yes.

1151. You are a member of the firm of Dobson, Mitchell, & Allport, Solicitors? Yes.

1152. Formerly solicitors to the Van Diemen's Land Company? Yes.

1153. I may mention, Mr. Mitchell, that Mr. Smith has been asked if he had any objection to your coming here, and he replied that he had not—do you understand that? Mr. Smith has himself informed me that he has no objection.

1154. Do you remember an interview taking place between Mr. Hartnoll, the Minister of Lands at the time, and yourself, and I believe Mr. Dobbie was present? I cannot call it to my mind.

1155. Have you any record in your books? Well, I was only asked to come here at a quarter past two, just a few minutes since, and I have had scarcely time to look up my books. I do know, that on the 10th November I had an interview with Mr. Hartnoll.

1156. Do you remember what took place? Subsequent to what took place, I wrote to Messrs. Blake and Riggall. I imagine the matter turned somewhat on the position of the rails on the breakwater. We contended that we had a right to choose where they should be placed, and the Minister of Lands said no—that was his privilege. Some negotiations were going on with the Crown Solicitor's Department. It was only when the refusal to carry out the agreement came about, I think, that reference was made to the Minister.

1157. Do you remember a Bill being prepared to enable the Government to give effect to a certain agreement? Yes, I do.

1158. Was that Bill drafted in your office? I think not; but it was drafted, I believe, on behalf of the company.—I have the draft Bill here.

1159. In type? No, it is in manuscript; I got that from Melbourne, I believe, from the solicitors over there, and so I cannot say anything about that. Of course, if Mr. Smith authorised me to speak, or to say anything about this matter, I would act on his instructions. I might suggest that it would be more satisfactory to me if Mr. Smith should state formally that I might answer any questions put to me.

1160. Well, we did not ask him whether we could examine you on general questions.—What we said was with regard to the interview with Mr. Hartnoll—you understood that? As to anything else, I should claim my privilege, and I do not think anything I have said should be taken down without Mr. Smith's consent. It is Mr. Smith's privilege—it is not my privilege.

[Mr. Smith was called, and formally asked by the Chairman whether he consented to Mr. John Mitchell answering any questions put to him. Mr. Smith expressed his consent, and remained present throughout Mr. Mitchell's examination.]

1161. Do you produce a draft of that Bill, then, Mr. Mitchell? Yes, I produce it. I believe this is the original manuscript of it. As I say, I have not had any time to compare anything. But this is the draft of a Bill to authorise the grant of a lease of certain pieces of Crown land to the Van Diemen's Land Company. I have also a copy of the draft Bill in print. [Manuscript draft and printed Bill read and compared.]

1162. That is much fuller than this, Mr. Mitchell? There were alterations made in Melbourne, I believe; those in red ink, probably. It is the same through the Bill. Section 2 is very much longer. That is a different Bill to this. This is a much fuller Bill? That, of course, is three years after the original Lease was prepared, approved, and engrossed.

1163. This is in 1892? Yes, three years after the draft lease was prepared. I have that draft in the handwriting of Mr. J. Henry, but some of the words here—some of the alterations—are Mr. Dobbie's handwriting, I think. I myself made a suggestion on this—a note suggesting that it should be accompanied by complete plans. The lease went so far that it was actually signed by the company.

1164. Do you know why it was not executed? Yes, I know why; because the Government would not sign it.

1165. Was a reason given? Oh, yes. We had rather stormy interviews with Mr. Douglas, I think.

1166. *By Mr. Patterson.*—It was not Mr. Hartnoll? The stormiest interview—well, I will not say the stormiest—but the firmest interviews were with Mr. Douglas in 1892. When Mr. Douglas was shown the agreement he made some very pertinent remarks about it. Then the lease was again re-drafted.

1167. The agreement, Mr. Mitchell, was drafted in your office, was it not? I think it must have been.

1168. *By Mr. Nicholls.*—Whose is the endorsement on the agreement, Mr. Mitchell? That is our clerk's handwriting.

1169. *By the Chairman.*—That is the draft? [Witness examines document.] Yes, that was drafted in the office of Dobson, Mitchell, and Allport. Here is my handwriting in it.

1170. Did your firm have anything to do with getting it signed? Only in the ordinary way. They would communicate either in writing or verbally with the Crown Solicitor of the day. Mr. J. J. Henry was the person we nearly always saw in connection with it.

1171. You did not see Mr. Dobbie in connection with it? I could not state from memory whether I did, but I have some letters from Mr. Dobbie—one letter certainly. [Appendix XLIV.]

1172. What is the date of that? 2nd November, 1892.

1173. Was that subsequent to your stormy interviews with Mr. Douglas? No.

1174. That letter was received before your interviews? I think so. The later interview was on 10th November.

1175. Was Mr. Hartnoll's objections to sign the lease based simply upon the question of the position of the rails? Apparently, judging by the letter I wrote to Messrs. Blake and Riggall it was; I have not verified that in any way. Of course I can get that letter immediately.

1176. I shall be glad if you will get it? [Letter produced.] The date is the 17th November.

"The Honourable William Hartnoll.

"We are instructed to ask if you will carry out the agreement of the former Minister in this matter, and if not, kindly state your reasons fully."

1177. Did you get a reply to that? I cannot tell you without looking it up. That was the letter I referred to. Another letter written on the 22nd November to Mr. Hartnoll, was of an entirely different matter.

1178. *By Mr. Guesdon.*—Would the subsequent letter show whether he replied? The books at the office would show. I have not got them here.

1179. *By Mr. Nicholls.*—You know, do you not, Mr. Mitchell, that no one had power to make a lease of Crown lands for 1000 years? I got what I was instructed to get.

1180. What am I to take that to mean? Oh, I was not aware at the time. Oh, no.

1181. But, acting as solicitors for the lessor, was not the power of the Crown that to make lease examined? I did not examine it, so far as I can recollect.

1182. Would it not be a natural thing to refer to the Act in dealing with the Crown, to see what the powers were? Apparently, it was not. I presumed that the landlord's solicitor would know much more about it than I would.

1183. Of course.—They are specialists in that, and you are not supposed to be.—But in this case, the promise contained in it was for a lease for a thousand years; and is not that a political promise and not a legal promise? I draw no distinction. If the Crown in black and white had signed the agreement, I think they should carry it out. Don't you think so too?

1184. Well, if the Crown did.—Do you contend that the Minister had power to bind the Crown in a matter of that sort? Well, everybody acted in a perfectly *bonâ fide* manner at that time, thinking the Crown had the power. The money was paid and the agreement made in that belief.

1185. Did you not think there is a difference between a political promise and a binding legal promise? I do not think there ought to be.

1186. Why, you would not have the Minister bound by anything that a previous Minister might have done? Don't you see the distinction; I think that if a man in office makes a promise that it is binding upon him.

1187. Is it binding on his successor, though? I think so, or else they ought to get a proper compensation. I do not think there is one man in a hundred that does not think the same.

1188. And was it in that light that you took the documents? What light?

1189. In the light that it was a promise and that morally it should be performed? I hold that legally and honourably the Government of Tasmania are bound to carry out that agreement. They took the company's money, and they have had it for eight years.

1190. *By Mr. Guesdon.*—Is it the professional practice, Mr. Mitchell, in dealing with a client's money and handing it over as a security for a lease to ascertain whether the lessor has a title? Oh, yes. That is the law.

1191. Is that the professional practice? Yes. Oh, it is the practice.

1192. Then, was there any particular reason why you departed from that practice in this instance? No. Everybody assumed that the Government had power to do it.

1193. Then, you did not examine the title? Oh, no.

1194. Then, you departed from usual professional practice? Oh, I don't know. When we got the documents from the Crown Solicitor's office we assumed that they knew more than we did.

1195. But the document from the Crown Solicitor's office does not set forth the title? No lease ever does.

1196. But, do not you satisfy yourself? That is the rule.

1197. But, in this case you departed from it? I do not say I departed from it. It was not carried out.

1198. But, do you consider that a lease granted as this was, *ultra vires*, would be binding upon a succeeding Government to carry out? I think it ought to be. Of course Governments always look back at the last ones, and assume that they know very much more than their predecessors.

1199. *By Mr. Hall.*—I take it, Mr. Mitchell, the view you would take of this matter was that, as the Crown's right was never questioned, you did not examine as to the question as to whether the ministers were in a position to grant the lease or not? If the Crown assumes the Act, the thing is not inquired into only in one case in a thousand.

1200. *By Mr. Hall.*—Mr. Guesdon led the Committee to understand that you departed from the usual practice. I take it that, knowing the Crown's right is never disputed, you did not think of questioning it? It never occurred to me, it never occurred to anybody. The same remarks that Mr. Guesdon asked of me would be asked of the Crown Solicitor.

1201. *By Mr. Guesdon.*—Does Mr. Mitchell endorse the opinion advanced by Mr. Hall, that the Crown's right is never questioned? I think, if the Government takes a man's money under an agreement, the agreement should be carried out. In that opinion I am not alone. We have letters from Mr. Clark, which the Chairman will read. [Appendices XLV. and XLVI.]

1202. *By Mr. Nicholls.*—Do you know why the Bill was never introduced? I cannot say. Possibly it was attributable to the change of Ministry.

Mr. Norton Smith: You will remember, sir, that this morning I was not very clear as to what had been done in this matter. Will you be good enough to ask Mr. Mitchell whether it was on the general or special instructions that he carried this thing through?

1203. *By Mr. Patterson.*—I will put that question to you, Mr. Mitchell? I got very long letters Mr. Smith, and I acted on those instructions.

1204. Were they general or special? They were all in connection with the lease.

1205. *By Mr. Hall.*—We were not quite clear, I think, about proceedings being threatened? I could not say whether proceedings had been threatened, not until I looked it up. Of course, if I looked for proceedings, I would be acting in the interests of the company, but do know that I would go to that extent without special instructions.

1206. *By Mr. Nicholls.*—Here is a letter, Mr. Mitchell, which I will read. It is addressed by your firm to Mr. Pillinger. I want to call your attention specially to what it says: "We sent a copy of your last letter herein to Mr. Smith, and he instructs us that the new position taken up by your cannot for one moment be entertained. He is willing to come to an arrangement, allowing the Government to run their trains over the lines at the breakwater on a proportionate cost of maintenance being paid. Our instructions are that if no settlement is come to within a week then action must be taken to have the agreement specifically enforced. We trust that in the time allowed you will see your way clear to meet Mr. Smith in what he offers. Of course this letter is without prejudice."—Do you remember that letter? Well, I cannot say whether there were special instructions or not. The ordinary instructions would carry it.

1207. *By Mr. Nicholls.*—Do you not think that the letter I have quoted indicates pretty clearly that special instructions have been received? Yes.

1208. *Mr. Norton Smith.*—Would you be good enough, sir, to ask Mr. Mitchell, before he goes, whether the lease was actually prepared giving us the right to run over the railway, and whether such lease was approved by the Law Officers of the Crown?

1209. *By the Chairman.*—I did ask him that question. However, from your knowledge, Mr. Mitchell, was such a lease actually prepared? There is a draft lease from the Commissioner of Crown Lands sent to the company. That was prepared by the Crown Solicitor.

1210. In whose handwriting was it? That is Mr. J. J. Henry's handwriting, and the notes are in Mr. Dobbie's handwriting, I think.

1211. That is the original draft? That is the original draft. Here is the engrossment of it. I am speaking without my book, but I believe both parties had their lease engrossed; and here is mine, ready, signed, and waiting to be handed over in return for one signed by the Minister.

1212. And this was sent to you for perusal about the 23rd July, 1889? Yes, it would be about that time. I believe that that was the date. Here is the receipt. [Documents produced.]

1213. Was that the first draft of the documents known as the agreement? I suppose it is.

1214. Whose handwriting is that? Mr. J. J. Henry's.

1215. Do you know whose handwriting, Mr. Mitchell, that is on the draft of the lease? Yes. It is written by a clerk in my office.

1216. Do you know the handwriting in pink? Yes, that was written by Mr. Fellowes, who was our conveyancing clerk at the time.

1217. Will you read the side-note that Mr. Fellowes makes there, Mr. Mitchell? I did not know about that.

1218. Well, attention is directed to it by an indexed finger. It says, "Note for Mr. Mitchell privately only, and not to be copied in Crown Solicitor's draft. There is nothing compelling the lessees to construct, &c., in the agreement. But perhaps it had better remain as drawn, as we have taken a little more than the agreement gives us in one or two matters. Mr. M. knows best."—Who would Mr. M. be? Well, now, probably that would be myself. But I don't know whether the alterations we thought it better to include were admitted by the Crown Solicitor.

1219. Yes, they eventually were. The lease, as we have it here, seems to have been engrossed finally in that form. It seems to have been engrossed two or three times.

MR. NORTON SMITH, *examination continued.*

1220. *Witness.*—There is one thing, Mr. Chairman, I would like to make an explanation about—as to that last question you asked me just before lunch, about there being no other place where wharves could be made except where you indicated. My reply was perfectly correct at the present time, although by building a breakwater outside of the present breakwater, you could extend the shipping accommodation there.

1221. Who owns the land outside the breakwater? The company.

1222. The Van Diemen's Land Company? Yes.

1223. Is the company likely to give it for the purpose? For a consideration, I expect.

1224. What I wanted to elicit, however, is—what land the Government got to make wharves, and to whom they have to go to acquire it? It must be either one company or the other.

1225. *By Mr. Patterson.*—Before we go into railway matters, Mr. Smith, I want to ask you one question—I don't think the Committee are quite clear on this point.—You say as to blocks A, B, BB, that whoever buys the option of the Emu Bay Company can have the option of these three pieces of land? No. The Company have always held, although they have never done anything with the land since the arrangement was made with the Crown years ago, that this land was theirs.

1226. Well now, Mr. Smith,—of course you are aware of the object of the Government in trying to induce Parliament to purchase this thing from the Emu Bay Railway Company, you understand that? To a certain extent I do; but I have been away for some time, and have seen very few papers.

1227. Well, I will take it in another way?—When the Government called for tenders for the construction of the railway from Ulverstone to Burnie, it was the intention of the General Manager of Railways, as proved in evidence before this Committee, to have joined your line somewhere about the point where it joins it now, and to have made an arrangement with you to take over and deal with at that point all of the traffic coming from Ulverstone to Burnie? Yes.

1228. That was a perfectly feasible thing, I suppose? I should imagine so. It is a thing that is done elsewhere. Of course, at that time I had not control of this railway.

1229. As a question of principle, would you have any objection to an arrangement of that sort? No, I was never approached on that matter at all.

1230. The traffic that may reasonably be expected to exist between Waratah and Burnie will be very small in amount? No, I do not think it will.

1231. I leave out the Blythe iron for a moment? Even if you leave out the Blythe iron, the traffic will be considerable during the produce season, when all the grain and potatoes were coming in. Of course, I am not in a position to state exactly how much there would be.

1232. Now, I would ask you about two alternatives relative to this proposition to purchase this Emu Bay option outright,—I suggest two alternatives:—The first to make arrangements, when the traffic arrives at Burnie, that the Emu Bay people being paid a certain toll, should take it the remaining distance from the junction to the breakwater,—is that feasible? Oh, I think that is feasible—yes.

1233. Then, the other alternative is to do what is customary in England with the great railways, and take running powers through the stations.—You know in England they have a clearing house, and they run their whole traffic over other companies' lines, as necessity arises, and then adjust the whole business

monthly. Now, would an arrangement like that be feasible here? Yes, it could be done. Either thing could be done.

1234. Another question is this: I have been informed by a member of the Blythe Iron Company—By the way, are you a Director of the Blythe Iron Company? Yes.

1235. I am informed that when that mine is so far developed that they can put out a thousand tons of ore a day, it is the intention of the company to erect a high-level jetty of its own at Burnie, so that the ore can be tipped into the steamers without the necessity of handling it at all.—Is that so? It has not been definitely arranged. It has been spoken of privately; but it has not been discussed at any Board meeting, so far as I am aware. It was, when Mr. Darby was over, that the thing was discussed. I pointed out, in conversation, that I thought we might get a high-level jetty there; but, although it has been mooted, there has been no arrangement about it.

1236. But that is probably what will be carried out? I should think so. To handle the large quantity of iron which we hope to handle there, it would be necessary to get an overhead wharf from somewhere, so that the ore could be shot into hoppers, and put into the vessels. Of course, at the present time, we do not know what will be done.

1237. *By the Chairman.*—As a director of the Blythe Iron Company, would you mind telling us what tentative arrangements have been made with the New South Wales Government? I am not certain about this, but I believe that the New South Wales Government are to take 100,000 tons of rails in two years.

1238. Two or four years?—I thought that it was in two years. However, the agreement with the New South Wales people is not definitely fixed yet; that is the proposal. Then, after that period, if there is any other competing company, they give us an order for half of their requirements, and they also take other material in addition to the rails; and if there is no other colonial company competing, they will take the whole of their requirements from us for a further period. That is, provided we take up works for the treatment of the stuff over in Sydney.

1239. What percentage of Tasmanian ore are you allowed to deal with under that contract? Seventy-five per cent., I think it is.

1240. You have brought an expert from England to report on that mine: did you do that? Yes, sir.

1241. Has he outlined a scheme for working it? No, excepting just conversationally. He has proposed nothing which is definitely fixed; but his general proposal, as I understand it, is to get special steamboats made which will carry the ore to some place in New South Wales, and load back with coal or coke, so as to reduce freights as much as possible. We undertook to smelt in New South Wales in consideration of the people there taking this large quantity of ore from us, and also because we will have a very good market for our surplus energy developed by the furnaces.

1242. Have you any prospects of a market for the ore as a flux? Well, we could sell it as a flux at the present time, but we do not think it desirable to enter into these little contracts pending the arrangement for the big rolling mills, and so forth. We thought it best to arrange that first, and then to let the other thing be run as a subsidiary business.

1243. What quantity were you negotiating to sell as a flux some little time back? I think it was 1000 tons a week, to the Broken Hill Company.

1244. Has any particular quantity of ore to be dealt with and handled every day been suggested? Mr. Darby considers that we shall want to handle 6000 tons of ore a week under this scheme.

1245. Do you know on what data he based that estimate? His calculations of the necessities of the various colonies, and also of a very considerable trade with China and Japan.

1246. Do you yourself think there is a prospect of that scheme being brought to fruition? I am guided principally by Mr. Darby's opinion in this matter. He was recommended to us after a careful inquiry, as the ablest man in England to advise us in these matters, and generally to lay out the works and all that sort of thing: a very eminent man in England.

1247. Was his report satisfactory as to quality and quantity of the ore? We have not got his written report yet. He left for home almost immediately after looking through the sections. He first of all had a look over the sections, and then asked for a little more work to be done. He came down to Hobart for a time and then he went to have another look at the mines. He expressed himself very well satisfied with the deposits and the quality of the ore, and he also wanted further work done, which is being done at the present time. He had not written out his report when he left. He went home, *via* America, where he was going to look at some of the latest methods of handling large quantities of ore. I do not think he would write his report until he was crossing the Atlantic on his way home.

1248. Have the developments that have taken place since he went been satisfactory? Very satisfactory. One thing he wanted us to do was to drive in the basalt at the top of the hill. I think you have been up there, sir?

1249. Yes? You remember the place where the ore was taken for flux?

1250. Yes? Well a little bit to the south of that you get into basalt, and all the ore is lost sight of. At Mr. Darby's request we have put a tunnel into the basalt, and we have struck 17 feet of solid ore there.

1251. Now with regard to the port of Burnie.—You said, in answer to Mr. Patterson, that the Marine Board had control of the port.—What have they control of? They have control of the breakwater subject to the agreement with the company and of the wharves.

1252. How much land is under their control? Oh, under an acre.

1253. Is it not under half an acre? No, it would be rather over half-an-acre. There is quarter acre and some roods in the first piece, and there is block D which has recently been taken.

1254. And that was under quarter of an acre. Yes.

1255. At any rate it is about half an acre altogether? Yes, a little over half an acre.

1256. Is not the greater portion of one of these blocks a road? Yes.

1257. A road on to the breakwater? Yes.

1258. On which it is impossible to put any large buildings? Oh, there is no room for buildings there.

1259. So that, practically, all the port accommodation they have amounts to the wharves? Practically. There is a little corner that the Customs sheds stand on.

1260. You claim, practically, the control of the breakwater under this agreement? We claim the right to run our trucks at any time.

1261. Whenever you want to? Yes.

1262. Now, given that your Blythe Iron Mine is opened up, and that this export traffic in ore follows—is it desirable that ore should be handled by one or by two bodies? By one body, no doubt.

1263. Will there be any necessity, as soon as possible, for considerable siding accommodation close to the breakwater for dealing with that ore? Yes, in dealing with any traffic whatever.

1264. That will be a large traffic? Yes, and a traffic that will want to be handled as close to the wharves as possible.

1265. *By Mr. Patterson.*—The Chairman said as close as possible to the breakwater? Well, I said wharf, because the two are so close together, and I was thinking of the breakwater which is used so much for shipping purposes.

1266. *By the Chairman.*—I will repeat the question that I put to you this morning—Is the wharf now being constructed, and the accommodation of one side of the breakwater, more than adequate for the present necessities of the port of Burnie? You mean up to the present time.

1267. Yes? I think it is a little in excess of absolute present requirements; but not nearly sufficient for what will be wanted within the next 12 months.

1268. Within 12 months it will be inadequate? Yes.

1269. There is no other place on which the Government can construct a wharf? Well, it must be done along that shore.

1270. And whether it was inside or outside the breakwater we should have to purchase from your company? Yes. Well, of course, as a matter of fact we have practically no more land; only the strip of land included in the option.

1271. We would have to buy some portion of the land included in that option? I suppose so.

1272. If we went outside and constructed another breakwater we should still have to purchase from you? Yes.

1273. Is there any possible alternative? I do not think there is any alternative. And even if you built a breakwater outside you would want room for wharves inside.

1274. Would the mere obtaining of running powers from the Emu Bay Company over portion of line from where we junction to the wharf or breakwater enable the Government to adequately deal with such a quantity of traffic as you expect from the Blythe Iron Mine? No, sir, not unless you paid the railway company to handle it for you, and to make extra sidings to carry the traffic, and so on. In other words they would have to lay special sidings for your traffic.

1275. Do you remember, Mr. Smith, the first syndicate which obtained an Act to construct a line to connect Guildford Junction with Zeehan? Yes, sir.

1276. Did they approach your company, or the Emu Bay and Bischoff Railway Company rather, to get an option of purchase? Yes, the terms were very similar.

1277. How long ago is that? It would be either nine or ten years ago. I think it is nearly ten years.

1278. Did you put a price upon the railway then? Yes, there was a price put upon it, I think it was for absolute sale then, and the terms differed to that extent. There was no talk of a lease at that time; it was entirely a question of purchase.

1279. Do you remember the price? Speaking from memory, I think it was £200,000 for the railway and rolling-stock then. That is £200 more than now.

1280. Is that railway as valuable now as then? Oh certainly, more so, in my opinion. At that time even Bischoff was very bad.

1281. Can you remember what it cost the company to construct that line, Mr. Smith? Yes sir, I brought particulars down with me. The total cost of the railway was £189,452, that is, of course, with the rolling-stock.

1282. *By Mr. Aikenhead.*—The actual cost of construction? The actual cost of construction.

1283. That does not include any land purchased? Oh no, there was no land at all. There was, at any rate, only one little bit of land bought.

1284. *By the Chairman.*—Did you not have to acquire some land in Waratah for a station? No, that was got under our lease. From Rouse's camp into Waratah we hold under lease.

1285. About two miles? Over two miles. About $2\frac{3}{4}$ miles—nearly 3 miles.

1286. Did the company that constructed that line make a profit out of it? The Van Diemen's Land?

1287. No, the Emu Bay and Mount Bischoff? Oh yes.

1288. Did it pay a dividend? Oh yes; not in 1890 and 1891, the time when traffic was so very small. One year they did not pay a dividend at all; the other year they only paid a very small dividend.

1289. But then they had to pay the interest on the debentures the whole of the time? Yes, they were paying 6 per cent. on debentures.

1290. What amount of debentures? I think £140,000.

1291. 6 per cent? 6 per cent.

1292. And was the line always sufficiently profitable to pay that? Oh, yes, it always paid that. I think, although I did not bring down particulars about that, that there was only one year on which we did not pay a dividend on the ordinary shares.

1293. *By Mr. Hall.*—In addition to paying interest on debentures? Oh, yes, we paid interest right away through.

1294. *By the Chairman.*—So that while the company itself was working the line it earned £8400 a year interest, and in every year, excepting one, it paid dividends on ordinary shares also? I do not think it was as much as that—I have got wrong on the debentures, or something of the sort. I can give you the actual profit on working. [Statement produced.] 1890 was our worst year. We had to draw on a reserve fund then to pay the interest.

1295. *By Mr. Patterson.*—This statement does not include interest on debentures? No, these are simply our colonial figures as to actual working.

1296. Now, Mr. Smith, I take it that the Bischoff Railway Company and the Van Diemen's Land Company are very closely related, are they not? Yes, sir.

1297. So that it is largely a matter of arranging accounts in London as to how the profits of the two companies are distributed? What is that?

1298. Is it not a matter of fact that the apportionment of the profits of the Van Diemen's Land Company and the Bischoff Company are made in London? No, sir, not so far as the return is concerned. Although the two companies are managed by the same office, the revenue of the two companies is kept entirely separate. They have separate banking accounts.

1299. I did not know that. Now, this cost of construction you have given us included everything spent on the line from the start?

1300. The cost of the original horse tramway? Yes.

1301. And the subsequent widening of formations and cuttings and banks? No, not the whole of that. I did a lot of that out of maintenance.

1302. It includes the cost of taking up the old tram roads and putting down the new ones? Yes.

1303. Probably, if you did that now, you would be able to do that cheaper? Yes, although the tramway was of great assistance to us in getting forward our materials.

1304. Have you got the plan and section of the Bischoff line with you? Yes, but the plan, I am afraid, is not very complete.

1305. It is the section I want more particularly, although I want the plan too? [Witness produces plans.]

1306. You see this 1 in 33 grade just out of Burnie: if you remember, I went up some five or six years ago, and you gave me an engine, and allowed me the run of the line, so that I might inspect it in detail. I observed then, you will remember, that you followed strictly the contour of the country? Yes.

1307. I asked the question, the other day, of a witness as to whether he could estimate the cost of reducing this 1 in 33 out of the 5th mile to the grade of 1 in 40, which governs the Government railways: do you follow me? Yes.

1308. If that was done, it would mean a cutting of 140 to 150 feet in depth at the fifth mile, and would be an extremely arduous and costly piece of work, would it not? Oh, you would have to pick a different route altogether.

1309. And in that case you would have to have a lot of heavy cuttings and a greater length of line? Of course.

1310. But I want to bring you to this point—to lower this grade out from Burnie, from 1 in 33 to 1 in 40, would be an extremely costly undertaking? Yes; it would be an extremely costly undertaking. I would not be prepared to say where it would have to go.

1311. The reason I ask this is, that in the House I stated that to bring this line up to the Government standard, relaying it with 60-lb. rails, and lowering this heavy grade to the ruling grade of the Government Railways, would involve a cost of at least £100,000 in addition to the first cost of £205,000 for the purpose. Do you agree with that? I have not the least idea. I would not know which way to start to cut that line.

1312. I am talking about the present location. To lay down a 1 in 40 grade on that line, along that route, would be very costly? Oh, you could not do it—you could not think of it.

1313. It would be prohibitive? Well, practically.

1314. *By the Chairman.*—Will you just tell the Committee what are the grades actually on that 5-miles out from Burnie? [Witness examines plan.] Well, at the 1 mile 12 chains there is a grade of 1 in 32.72—a pretty long grade; there is 78 chains of that. The 1 in 33 ends at 3-miles 45 chains. From 4-5 to 4-65 it is 1 in 32. Then there are 3 chains of 1 in 36.

1315. Now, there is no more 1 in 33, is there, beyond the 5 miles? There is a bit of 1 in 35 just about the 5-miles. There is a big spur that you have to get over. There is not a reverse curve on the line.

1316. Is there another gradient as steep as 1 in 33 after you pass the 5-miles? I do not think there is anything steeper than 1 in 40 beyond the 5-miles. If there is it is only a very short piece.

1317. Was that railway constructed under your supervision? Yes, sir.

1318. Do you think it is necessary, in connection with that line, to alter the grade? No, sir.

1319. Could it be worked with that steep gradient of 1 in 33 economically? There will be the extra cost of a pilot engine or a marshalling yard at the top of the hill. Of course it is self evident that an engine will not pull as big a load up a 1 in 33 as up a 1 in 40. My idea was either to put a marshalling yard on the top of the hill, which I consider the best idea, or to run a pilot engine.

1320. *By the Chairman.*—Is there provision in this option for a marshalling yard? Yes.

1321. *By Mr. Patterson.*—What load can you take up this 5-miles, with the present engines? That I cannot answer, because I have not got control of the big engines—never had. The Emu Bay Company bought two heavier engines than any we had on the road.

1322. What would be the weight of four trucks and two carriages?—What is the weight of your trucks? Six tons, and they carry a load of six tons.

1323. They do not weigh six tons, surely?—They cannot weigh more than three tons, or three tons five hundred weight? I am not certain about that.

1324. At any rate, they carry 6 tons? Yes.

1325. So that four of them will carry 24 tons? Yes.

1326. And two carriages, you do not know their weight, I presume? No, I would not like to make a statement about the weight of those carriages.

1327. *By the Chairman.*—Can you, with the assistance of another engine, send up on that first 5 miles as large a load as you could deal with if passing up an ordinary grade with one engine? Yes; with another engine up to the 5-miles you can take a load such as any ordinary engine will pull up a 1 in 40 grade.

1328. Do you think it at all necessary to try and overcome that steep grade, even if it could be overcome at a cost of £50,000? No, I do not think it would be worth £50,000 to do it: it is so much cheaper to

put on an extra engine. If you had a marshalling yard at the top of the hill you would still want another engine to run your stuff up there; then you would make up your trains in the marshalling yard at the top.

1329. You know the Flowerdale and Table Cape district do you not? Yes I do.

1330. Will you describe that district, with regard to its prospects?

1331. You know it well do you not? I know part of it very well. I know that it is a very valuable agricultural district.

1332. Is it a large district? It is a very large district. It is both a potato-growing district, and a dairying district; more of a dairying district than a potato producer, at the present time, on account of the cost of cartage of potatoes, and so on.

1333. What would be the outlet for export from that district? Either Emu Bay or Devonport, at the present time. Of course, the natural port is Burnie.

1334. In the event of the Government continuing its railway system westward, would the Flowerdale and Table Cape produce be brought for shipment to Burnie? Oh, yes, there is no doubt about that. It would all be shipped from Burnie.

1335. It would be easier for the Government to deal with that produce from that end if they had access to the wharves for their railway? I think the Government could deal much better with all the traffic, if they had control of the breakwater.

1336. *By Mr. Guesdon.*—I have been looking at these accounts, Mr. Smith, and perhaps you might be able to explain what has been the rate of freight you have been charging to get these earnings? £3 a ton. It was originally £4, but we dropped it to £3.

1337. £4 up to when?—When did you drop it to £3? I did not come prepared for anything of that sort. I do not remember.

1338. Nothing less than £3? Oh, no.

1339. And I suppose the bulk of the earnings is for the carriage of freight? Yes, freight and passengers.

1340. The bulk is freight? Yes, freight.

1341. At £3 per ton? Yes.

1342. In making up these figures I suppose that careful supervision has been exercised in order to see that the expenditure had been debited with the fair proportion of wear and tear and maintenance. I suppose that none of it has been capitalised. For instance, I see, with the cost of construction of £140,000; and by 1885 this has increased to £153,000, and in 1888 it is £176,000—does that increase repay extra construction, or is it capitalising for construction which ought to be debited to wear and tear and maintenance? No, sir. Of course in the expenditure is included the erection of iron bridges, replacing old wooden ones, and that I consider to be a legitimate charge against construction when you put a permanent bridge in place of a temporary one.

1343. There are two large bridges, one over the Wey and one over the Waratah, with concrete abutments and iron girders? These were charged to construction, but no others.

1344. Then there are other figures I do not understand? In the first three years your earnings are £16,000 to £17,000, and your expenditure £6000 to £7000. Then in 1888 your earnings are still £17,000, but your expenditure jumps to £10,913. Then, after that, your earnings go down and lessen, and the expenditure goes up—can you explain that? Well, in the first place, the culverts, the wooden ones, put into the tramway, were quite good when the line was first made, then they began to need renewing, so the wooden culverts were all taken away and others put in with more permanent material; in some cases pipe, in one case brick, and so on. Then we had to renew sleepers throughout. These and other things ran up the cost, and they account for the increase of working expenses.

1345. I was asking, Mr. Smith, if you can tell us how these rates of freight, £3 per ton, compare, on an average, with the rates of freight for the same mileage on the Government lines? It would take some time to work that out, because on the Government lines there are various tariffs and classes.

1346. With reference to the Blythe Iron Company, Mr. Smith, if the output is what it is expected to be, namely, 1000 tons a day, do you think that the present breakwater and the wharf extension now in course of construction would be able to cope with the traffic if there were no other traffic at all on these two wharves? I think not. It would strain the accommodation to the utmost.

1347. It would be impossible for any other traffic to be dealt with at all? I think so. Until there is more accommodation, I do not see how this Blythe traffic is going to be conducted at all.

1348. Then, if this 1000 tons a day is put out there, the Government or the company will have to construct a wharf expressly to deal with it? Further shipping accommodation will have to be supplied.

1349. To meet the traffic? I think so, undoubtedly.

1350. Do you think it would be possible to cope with a traffic of 1000 tons a day, and to leave room for any other traffic at all on any one jetty? Oh, yes, I think so. A little, with proper appliances. But I do not consider that the present jetty accommodation will suffice.

1351. *By Mr. Patterson.*—We were informed by a witness from Burnie, yesterday, that two additional jetties can be put up there, one, a first class one, and the other not so deep and serviceable. Is that so? Well, you can put out more, but they would only be of service in westerly weather. You would have to get the breakwater extended to protect them. Of course there is lots of room; there is half a mile of frontage from the present breakwater to the railway gates. But you must have something to protect a jetty to be serviceable in all weathers.

1352. One other jetty could be put up and get fair protection now, could it not? You would get a little protection; but every one hundred feet you get away you get less protection from the present breakwater.

1353. Until you reach a point where you get no protection at all? Exactly.

1354. *By Mr. Guesdon.*—You are pretty thoroughly protected, I suppose, in westerly weather? Oh yes; we are thoroughly protected from any weather, except between east and north.

1355. Does south-east weather affect you? No; Emu Bay lies right in the bight of that coast, and south-easterly weather does not hurt us. When we get it from the north-east it hurts us most.

1356. *By the Chairman.*—You leased the line to the present company in 1897, did you not? Yes.
1357. Is it a fair question to ask whether the rent has been paid upon it? Yes, punctually.
1358. Have you been over the line lately? Well, within three months; I don't know exactly the date; I have been away for five weeks or so.
1359. Is one of the conditions that the present company has to maintain the line and rolling stock? Yes.
1360. Have they done so? Yes.
1361. Is the line in as good order now as when you gave it over to them? I think so. I have not walked the line to examine every sleeper, but from my general inspection I think it is in quite as good order as it was. It is in first-class order.
1362. *By Mr. Hall.*—At the time the tenders were accepted for the construction of the Ulverstone and Burnie line, was your company in possession of this Emu Bay and Waratah line, or had it been handed over? It had been handed over; we handed it over in 1897, and that contract was let in November, 1898.
1363. Can you say, Mr. Smith, whether the Marine Board up there have made application for a further loan for the construction of a wharf? I think they did—yes.
1364. Now, it was stated here, Mr. Smith, in examination, that the effect of the proposed Blythe Iron Company putting on the market 1000 tons of ore a day, or 300,000 tons a year, would more than meet the consumption of the whole of the Australian Colonies and India included—do you think that is correct? No, I do not think it is correct; and, apart from that, I think there is a large market in China and Japan.
1365. You know Mr. Montgomery, the late Government Geologist of Tasmania? Yes.
1366. Would you accept his authority as reliable? Yes.
1367. Well, here is Mr. Montgomery's report on the Blythe iron deposit in 1894. Will you kindly read the figures he quotes as to the consumption of iron in the Colonies? He takes the grand total for five years at £27,000,000, and he estimates that if we include Queensland and West Australia we might safely assume a grand total for all the Colonies of £30,000,000 per annum, or £6,000,000 worth.
1368. Well, you do not expect to put out £6,000,000 worth per annum, do you? No.
1369. What is the value of your ore? As nearly as we can ascertain it runs to 66 or 67 per cent. of pure iron.
1370. Well, you do not expect to get £30 a ton for it? No, sir.
1371. Then, if that statement as to the 1000 tons a day was questioned, you would say that sufficient consideration had not been given to it, I presume? No, I should think the information was drawn from a wrong basis.
- Mr. Nicholls.*—These figures you have quoted are for iron goods, including agricultural machinery and everything.
1372. *By Mr. Hall.*—If that Blythe iron is manufactured it will be just the same—well, Mr. Smith, have you looked over the Statistics of N.S.W. for 1898? I have a memorandum in my pocket which may be of service to you. I have the imports of iron from England to Australia for 1899.
1373. Yes, that would be very valuable information; well? It consisted of 28,000 tons of pig iron, 57,000 tons of railway iron, 12,000 tons of tin plates, and 60,000 tons of galvanized sheets; a total of 157,358 tons. These imports were for the one year of 1899.
1374. Have you any idea, Mr. Smith, of the value of the iron imported, leaving out locomotives and that sort of thing—the value of such matters as steel rails, angle and rod iron, hoop iron, and so forth, imported into New South Wales? No, sir; I got these figures for the whole of the Colonies, just because they happened to interest me.
1375. Then, according to these statistics, it would amount to half a million tons imported into New South Wales alone? I should say that New South Wales would consume pretty well one-third of the whole.
1376. So that you are quite satisfied that Mr. Darby, before he recommended English capitalists to erect smelting works in Sydney, satisfied himself as to being able to get a market for all the iron produced in the Australian Colonies? Yes, and he takes in China as well.
1377. *By Mr. Patterson.*—And Japan? Yes.
1378. *By Mr. Hall.*—But, according to these figures, you can only produce about one-fifth of the whole quantity of consumption? Yes; but you asked me, practically, what Mr. Darby had taken into his consideration, and Mr. Darby, as I said just now, has made no report as yet; but I know that he considered the foreign trade as well as the internal trade of Australia, and that he contemplated a very much larger output later on than he is expecting at the present time.
1379. He contemplates a much larger output than 1000 tons a day? Yes.
1380. Satisfying himself that a market can be found for the product? Yes.
1381. Do you know, Mr. Smith, that vessels of large tonnage trade to Burnie throughout the year? Yes.
1382. Do you know of any accident that has occurred to any of the large steamers at any time? Oh, no, there has never been any accident to any large vessel. One small vessel did get up against the end of the breakwater some time ago, through careless navigation. That was all I ever heard of.
1383. And have you noticed, Mr. Smith, any indications of the harbour silting up since the breakwater was finished? The last time I had soundings taken the foundation taken out for the breakwater was quite intact. There was even a little trench between the bottom and the breakwater.
1384. *By Mr. Aikenhead.*—When does the option expire? Early next year, I think. I have not referred to it, and I have not the information with me.

MR. W. B. ARNOLD, *called and examined.*

Mr. Arnold made the statutory declaration.

1385. *By the Chairman.*—Your name, Mr. Arnold? William Bowman Arnold.

1386. You are secretary of the Emu Bay Railway Company? Yes.

1387. Your Company holds the option of purchase of the railway you are now running from Waratah to Burnie? Yes.

1388. And some adjoining land (the foreshore)? Yes.

1389. Are the options contained in these two agreements, Mr. Arnold? [Witness examines documents.] Yes, these are the two agreements.

1390. Did you bring with you a plan? I have a plan of the foreshore and the Burnie station-yard here. [Plan produced.]

1391. Has your Company got the plans of the railway throughout, from the station at Burnie to Waratah? Not that I know of.

1392. That railway is described in this agreement, is it not? Yes, that is the only description that I know of.

1393. In what way did the proposal of the Government to purchase this line come before you? I understood it to have originated from the Government to Mr. Jamieson, one of the directors, who was on a visit to Hobart.

1394. And Mr. Jamieson—? Then brought it before the Board.

1395. With the result—? That a letter was sent, stating that if the Government wished it, the company was prepared to open negotiations in accordance with the verbal conversation with Mr. Jamieson and yourself.

1396. Your Board communicated the position to the trustees for the debenture-holders, did they not? Yes.

1397. And got their consent? Yes.

1398. As parties to the transfer of the option? Yes.

1399. At the time the correspondence was taken, when was it considered the option would expire? On the 28th of February, next year—1901.

1400. You have since learnt that an opinion has been expressed that the option extends beyond that? Yes.

1401. And, as a fact, you have informed me to day that your solicitor has arranged for an extension of it? Yes.

1402. Until what time? Mr. Riggall has had the date fixed for the 28th February, 1902.

1403. There is no doubt about that? When the negotiations were opened Messrs. Blake & Riggall advised us that there was some doubt as to whether the time for option could be extended, and as to the date on which the options would expire, and we were led to understand that the date would be the 28th February, 1901. Mr. Riggall was in England, and has only returned recently, and since his return his firm has advised us that the date has now been fixed for the 28th February, 1902.

1404. By mutual consent? Well, he has not entered into details, but I understand it so.

1405. If it is a fair question to put, was there a probability, Mr. Arnold, of your company being in a position to take up the option?

1406. Was there? The company had not funds then to take up the option.

1407. And was it in consequence of that they entertained the proposal of transfer? Partly.

1408. Have you accounts of the receipts and expenditure of the railway after you took it over? Yes.

1409. Have you them on you? Yes.

1410. Will you kindly explain expenses? I have got the traffic receipts and expenditure from October, 1897. From October to December, 1897, the receipts were £3691 18s. 7d. Did you want that exclusive of construction traffic?

1411. Yes, ordinary traffic? The receipts in 1898 were £14,634 12s. 3d.; in 1899, £16,996 10s. 1d.; and in 1900, up to the 31st of October, £14,908 18s. 7d.

1412. *By Mr. Patterson.*—Have you the working expenses corresponding to these periods? Only for 1899 and up to the 31st October of this year. It is very difficult to apportion expenses. You can do it with receipts, but it is very difficult with expenses. These figures have been taken from our Burnie office. The traffic expenses in 1899 on this line were £7116.

1413. *By Mr. Guesdon.*—That is the actual working expenses, exclusive of rent? Yes, but including rates. Then for the 10 months of this year the expenses were £5137.

1414. *By Mr. Patterson.*—Then you have to pay £10,000 a year for rent—that must count as expenditure? Yes, but it is not part of traffic expenses.

1415. *By Mr. Guesdon.*—Mr. Stirling's figures for the 10 months were in excess of yours—why is that? That is due to the fact that he quoted figures, which include certain revenue received from other sources. The figures I have given are purely traffic revenue. It is only right that I should point out, Mr. Chairman, that you are taking the receipts exclusive of construction, and the expenditure includes the cost of running, construction, traffic, which is not fair.

1416. Then these figures do not represent the actual profits on that line? They do not.

1417. *By Mr. Patterson.*—Of course, that construction traffic is a merely temporary matter? Yes; temporary as regards both revenue and expenditure. I have the construction figures.

1418. *By the Chairman.*—Has your company entered into any contracts with the Magnet Company for the carriage of ore, Mr. Arnold? We have entered into an agreement for the carriage of certain quantities of ore.

1419. Have you a copy of the agreement, or can you give us the quantities? Not less than 500 tons a month for the first 12 months, and not less than 1000 tons a month afterwards.

1420. Then you have reasonable prospects, from that source alone, of an increase in your business? Yes.

1421. Your line will be open to Zeehan next year? We have junctioned with the Mount Dundas and Zeehan line, and the first passenger train goes through on the 21st.

1422. Have you any hopes of considerable business from Zeehan? We anticipate large increase of traffic as soon as the line is open, not only from passengers, but also from goods.

1423. You think that, probably, goods will be sent from Burnie—shipped there from Melbourne or elsewhere? We anticipate so.

1424. Do you think that is likely, seeing that goods can be sent *via* Macquarie Harbour? There are several reasons for anticipating that the traffic, or a certain amount of it, must come by Burnie. The time for transit will be about half a day from Burnie, and the fact of coal being brought into Burnie will make more shipping there, and freights should be better than on to Strahan.

1425. You have a contract, have you not, with the Union Co.? Yes.

1426. To bring a certain quantity of coke and coal from Burnie? Yes.

1427. Can you tell us the extent of that contract? The Company is to take half of the tonnage of coke and coal required by the Mt. Lyell Company.

1428. Carry it from Burnie on to Regatta Point? Yes.

1429. *By Mr. Patterson.*—That contract has been varied during the last 2 or 3 days, has it not? I was not aware of it.

1430. *By Mr. Guesdon.*—25,000 tons a year, is it not? That is the estimated quantity.

1431. You simply act as carriers for the coal and coke. You have nothing to do with it until it comes into your hands at Burnie? No.

1432. *By Mr. Patterson.*—Do you know the reason why this coal does not go round to Macquarie Harbour, but half is landed, half at Burnie and the other half taken round? I understand it is on account of the difficulty of getting into Macquarie Harbour.

1433. *By Mr. Guesdon.*—That is, practically, that they have to lighten their draft by so much before they can cross the bar? Yes.

1434. *By Mr. Patterson.*—The General Manager of Railways, in a report to the Minister dated 8th October, 1900, recommending the purchase of this option of your company says, "Provisions should also be made in the usual way for the Government to take running powers over the line from Burnie to Waratah." Are you aware whether your company have acceded to that request? They have not.

1435. And I presume that they have no intention of agreeing to it? They cannot, under any circumstances, agree to that.

1436. *By Mr. Hall.*—Mr. Jamieson is your Chairman of Directors, is he not? No, Mr. John Grice is Chairman.

1437. Well, when Mr. Jamieson was communicated with by the Government of the Colony, was he in Victoria or Tasmania?

1438. Did he receive a wire, when in Victoria, to come over. Can you say from your own knowledge? No, I cannot.

1439. In reply to a question put to you by Mr. Guesdon, in reference to this coal traffic, as to why the Mount Lyell Company were arranging to get it by Burnie, you say that you presumed it was owing to the difficulty of entering the Macquarie Heads? I did not give that as the sole reason.

1440. Do do anticipate any similar difficulty at Burnie? No.

1441. Will there be any trouble there in discharging coal and coke into your trucks? I never heard of any.

The Committee adjourned at 6.5 P.M.

FRIDAY, DECEMBER 12, 1900.

CHARLES MITCHELL, *called and examined.*

Mr. Mitchell made the statutory declaration.

1442. *By the Chairman.*—Your name is Charles Mitchell? Yes.

1443. And you are Commissioner of Taxes for Tasmania? Yes.

1444. Have you the Valuation Rolls for the district of Emu Bay? I have, sir.

1445. Can you furnish the Committee with the valuation placed upon the Burnie-Waratah Railway line, or the Emu Bay and Mount Bischoff Railway line? The last roll was prepared in 1899. The valuation then was £62,500 Capital Value, and £4750 Annual Value.

1446. Is that over the whole line? That is over the whole line, but would not include, of course, rolling-stock, &c.; it would only include the lands, buildings, &c.

1447. By whom was that valuation made? By the "Local Authority," consisting of local justices.

1448. Have you any records of valuation being made by Mr. Fincham, formerly Engineer-in-Chief? I have not, sir.

1449. *By Mr. Nicholls.*—Have you the 1889 valuation, Mr. Mitchell? Yes sir. It was valued for years, at £72,000. It was erased in 1898 from £72,000, and re-inserted at £100,000, and £5000 annual value.

Mr. Guesdon.—That was when the new company took it over.

1450. *By Mr. Hall.*—And reduced? Reduced when the justices made the roll to £62,500.

1451. *By Mr. Nicholls.*—Have you any record as to the company's contentions as to the value? No sir, I have not had time to find any. I did not get my subpoena until past six o'clock last night.

1452. If you find any before the Committee rises, you might let it have them. I will. I have telegraphed for the company's own return.

1453. Do you think you will have them by to-morrow morning? I should have. Of course it has to go to Emu Bay, and it is a question whether it would catch the post.

1454. *By Mr. Hall.*—Have you the assessment of the Van Diemen's Land Company's Emu Bay blocks? Which road division?

1455. Emu Bay Road Trust? [Witness handed document to Chairman, which showed—"Forest land, Emu Bay, vacant, 27,500 acres, capital value, £10,000; Surrey Hills, 150,000 acres, £15,000; and Hampshire Hills, 10,000 acres, £1000."]

1456. *By the Chairman.*—The Surrey Hills block was valued at £20,000, and reduced to £15,000 on appeal? It must have been on appeal; it is the only way it could be altered.

1457. *By Mr. Hall.*—Do you recollect the assessment of the Mount Lyell Railway Company's railway? No, sir, I could not tell you from memory.

1458. *By the Chairman.*—It is land tax payable on that railway? Most of it is on Crown property, therefore land tax is not payable. It is assessed by the local Justices.

MR. JOHN MITCHELL, *recalled.*

1459. *By the Chairman.*—Have you found any further correspondence, Mr. Mitchell, dealing with the matter before the Committee? I have a letter from Mr. Hartnoll. [Appendix XLVIII.]

1460. Have you got the letter to which this is a reply? I wrote the letter, and I got that in reply.

1461. Have you got that letter you wrote? It was put in yesterday. I referred to it in my evidence. [Witness reads extract, Appendix XLVIIA.] As far as I know that is the reply to this letter, although the dates do not seem to tally. I cannot find any other letter, anyhow.

1462. What do you take this letter of Mr. Hartnoll's to mean, Mr. Mitchell? Merely that Mr. Hartnoll referred to what took place.

1463. *By Mr. Guesdon.*—Who was the Attorney-General? I believe, Mr. Clark. Mr. Clark, at all events, settled the Bill. Whether he was Attorney-General or a private Member I do not know, I have not looked up the date.

1464. *By the Chairman.*—The Bill was prepared early in the 1892 Session, and it is No. 2 Bill; so that it would be prepared prior to the Session by the Attorney-General?—It would be prepared prior to the House sitting, and, consequently, must have been prepared in Mr. Clark's time? Very likely; possibly we sent the proposed draft over to Melbourne.

1465. *By Mr. Guesdon.*—Then, as the Bill was not presented, it is presumable that the incoming Government refused? That is the reason why; of course, I have no knowledge of that point; but the lease was prepared in 1889, and altered, and both leases were approved.

1466. But with regard to his refusal or otherwise to ratify the agreement, does this mean that he had refused to ratify the agreement, or that he had not? I only know that he did not. Evidently, what took place at the interview was not satisfactory to the company.

1467. *By the Chairman.*—Was there any further evidence that you wished to give us, Mr. Mitchell? Only this: the lease was engrossed in 1889, and it was engrossed, subsequently, with a number of alterations, and I gather from my books that the second lease was approved of by the present Minister. The first lease was approved of, I understand, and not acquiesced in, and then certain alterations were made and acquiesced in; then the change of Ministry took place, in 1892, if I mistake not, and then the matters were gone into, and Mr. Douglas and Mr. Hartnoll took up the position that the leases could not be signed. There is one other matter, too, I think ought to be mentioned—that draft Bill. I do not know whether it was drafted in Melbourne or not, but the Bill was settled by Mr. Clark, I believe.

1468. *By the Chairman.*—In all the alterations the term of 1000 years remained? So far as I know—but, this will be found in company's leases. I was to draft some new clauses, and, I think Mr. Smith was to discuss the alterations with Mr. Fincham.

1469. Was the condition retained that the Government use of the line was to be subject to the convenience of the company at suitable time? I could not say as to that. I have filed the leases. I had both of them here yesterday. They speak for themselves.

THE HON. WILLIAM HARTNOLL, *called and examined.*

Mr. Hartnoll made the Statutory Declaration.

1470. *By the Chairman.*—Your name is William Hartnoll? Yes.

1471. You are a Member of the House of Assembly? Yes.

1472. And you were Minister of Lands and Works during a portion of 1892 and 1893? Yes.

1473. Mr. Dobbie has given evidence of an interview between yourself and Mr. Norton Smith, and, as we have learnt since, with Mr. Mitchell, at which Mr. Dobbie was present. I think I had better read that to you. This is the evidence. [Chairman reads extract from Mr. Dobbie's evidence.] I want to ask you, Mr. Hartnoll, have you any recollection of that interview? I have none whatever.

1474. No recollection of it? No.

1475. Would this letter recall it to your mind? [Witness examines document, 22 November, 1892 [Appendix XLVIII.]] It does not fortify my memory in the least. What is ever present in my mind is this: that I wrote a letter to Mr. Norton Smith, or his solicitors, traversing the whole of this position; and that I distinctly declined to be a party, in any way, in carrying out the

complications that had arisen through the previous administration ; that I took up the position that even at the worst, with regard to this agreement, he only had a right to run a set of rails on to this breakwater ; and I demanded, on behalf of the Colony, that the right of the Colony should be exercised in the direction of maintaining over it a line of rails on the southern side of the breakwater, and, if the Van Diemen's Land Company wanted a line of rails on the breakwater, that they would have to put up with them on the northern side.

1476. That is on the sea side ? On the sea side. I should imagine, now, that this interview must have been the result of a letter at that time ; the usual process, of course, is that a kind of deputation to endeavour to squeeze a Minister out of some position he has taken up ; and although I have no recollection of the existence of that interview I am quite sure that I must have taken up precisely the same position in that interview that I did in this letter.

1477. I understand, Mr. Hartnoll, that you would not have objected to that agreement if the company had been satisfied to take the outer line of rails ? I was in no way agreeable to the agreement in any shape or form ; but I took up this position—that if, at the worst, it was a legal agreement, then the Colony should have all the advantage it was entitled to from their expenditure. I am quite sure that that matter was either discussed or was in the letter ; that on account of the very large sums subscribed by the Colony, as against the very small sum advanced by the Van Diemen's Land Company, that the Colony was entitled to every advantage it could possibly have. And this I regarded, at that time, as a very great advantage—that the rails on the south side should be preserved to the Colony. I had had very many interviews with Mr. Fincham, and that was the line of policy we laid down. I might mention, that there must be, somewhere, some public reference to the position I took up, because Mr. Moore—the Hon. Wm. Moore—called upon me, and thanked me very earnestly indeed for the position I had taken up with regard to this breakwater ; and Mr. William Jones, of Burnie, also saw me, and thanked me for preserving the breakwater to the people of Burnie. There must be, somewhere—it may possibly be in the newspapers of the time—some reference to that particular deputation, or interview, that Mr. Dobbie mentions there. It must have been made public in some way.

1478. This letter which I just handed you, Mr. Hartnoll, was in reply to a letter of the 21st of November of that year, as follows : [Appendix XLVIIA.] That letter is signed by Dobson, Mitchell, and Allport—I suppose it is a reply to your letter ? Yes. Then my reasons must have been given very clearly in a former letter, as I believe it was at that interview Mr. Dobbie speaks of.

1479. Well, reading these two letters together now, Mr. Hartnoll, do you think that your intention at that time was to absolutely refuse to ratify that agreement, or to ratify it with the condition that the Government was allowed the right to run over the inner rails of the breakwater ? I am quite sure that my intention was absolutely to refuse to ratify that agreement.

1480. *By Mr. Patterson.*—That is the agreement to give a lease for 1000 years ? Yes. My idea was that, if the Courts ratified it, I was determined, as far as I was able, only to allow them to have the line of rails on the sea side of the breakwater.

1481. Well, this letter refers to something you had stated the Government were prepared to do—Will you read that last sentence ? “I fail to see that it can be construed that what I then stated the Government were prepared to do fails to carry out the agreement to which you refer”—I do not know at all, at this time, what that means.

1482. Do you not think it indicates, Mr. Hartnoll, that you had made some proposal, which you thought would carry out the agreement ? Oh, I do not know—No ; I may have set forth what I thought ought to be a compromise in this matter, and so set forth what the Government was prepared to do. I am quite sure—I know perfectly well—that I would have nothing whatever to do with ratifying that agreement for 1000 years.

1483. *By Mr. Urquhart.*—Your proposition was that they should have the outside of the breakwater ? That was one of them ; that one is very clearly impressed on my mind ; you may remember that I referred to that in the House.

1484. *By the Chairman.*—Are you aware, Mr. Hartnoll, that a Bill was prepared to legalise the issue of a certain lease ? I do not remember it. Was it by the Dobson-Henry Administration ? I will show you this correspondence.

[Witness examines documents] : I believe that it was upon that that this letter I have been alluding to, that set forth my own and the Engineer's objections, was sent to Mr. Norton Smith, or his solicitors.

1485. You have looked yourself through the file of correspondence in the Public Works Office ? Yes ; but I have only looked at the index of the various ledgers given to me for letters to Mr. Norton Smith. Now, I am inclined to believe that this letter to which I refer must have been sent to Mr. Norton Smith's solicitors, Messrs. Dobson, Mitchell, & Allport.

1486. I may tell you that I have had the utmost and regular search made for this letter to the solicitors. It seemed to me that there ought to have been some correspondence with you on the matter, and I have had more than one clerk searching ? There was such a letter, certainly. Do the solicitors say they never received one ?

1487. They cannot trace any, Mr. Mitchell tells us ? Well, I have a very clear recollection of writing a letter after consultation with the Engineer-in-Chief.

1488. Do you recollect seeing that plan ? [Witness examines plan.] No, I do not.

1489. This is the Bill and the “revise,” Mr. Hartnoll. Have you seen them before ? [Witness examines printed documents.] I have no recollection of seeing the Bill, but if I did I am quite certain that, knowing the attitude I had previously taken up, that I would have nothing whatever to do with it. Of course if I had consented it would have been introduced to Parliament.

1490. Well, yes : but there is a refusal—not on record, but there evidently was a refusal—to introduce the Bill. But here we have the Bill itself, which was revised during your term of office, although drafted during Mr. Clark's ? Yes.

1491. Have you any recollection of seeing any of these documents before, Mr. Hartnoll—the draft leases? [Witness examines documents.] No; they do not refresh my memory in the least.

1492. You do not remember specifically refusing to sign any lease? Oh, I do remember distinctly taking up the position, either to Mr. Norton Smith or his solicitors, that I would have nothing whatever to do with this lease for 1000 years.

1493. But you do not know upon what occasion that was? No, I do not remember; my own belief is that it was clearly set forth in a letter, either to Mr. Norton Smith or his solicitors. I wanted to drive them into Court; and even then, if it was proved that they had a legal position, I contended that they would be only entitled to the line of rails on the northern side of the breakwater.

1494. *By Mr. Nicholls.*—On the northern side did you say? On the northern side, yes. That would be the side farthest from the shipping.

1495. *By Mr. Patterson.*—I have just one question to put to you, Mr. Hartnoll. Although you are unable to recollect the interview narrated to the Committee by the late Crown Solicitor, Mr. Dobbie, are you of opinion that this statement, which I will read to you, clearly expresses the views you held on this subject: "There was a long discussion, and the whole thing was gone into, and it finally ended by Mr. Hartnoll emphatically declaring that he would not carry the arrangement out; that, in his view, it was a bad arrangement, and not in the interests of the Colony, and as long as he was Minister of Lands he would not be a partner to it; and, if that was carried out, there would have to be another Minister of Lands"? Is that correct? I am quite sure that that position would be substantially correct. I thought, and think still, that the same position is taken up in the letter as well as in that. I should imagine that Mr. Fincham would also be present at that interview. It was upon various consultations with Mr. Fincham that I got the grip of the position, and determined to protect the breakwater for the people of the Colony, and the people of Burnie.

1496. *By Mr. Urquhart.*—What interpretation do you put upon these words, Mr. Hartnoll,—“I fail to see that it can be considered that what I then stated the Government were prepared to do fails to carry out the agreement to which you refer”—That would only refer to the one agreement? Yes, I should think so; but my own belief is that I must have made some suggestion of a compromise to the Van Diemen's Land Company.

1497. But if you put it in the terms of a compromise, would that be carrying out an agreement? No, not in its entirety; of course not.

1498. Well, then, how do you explain this letter? Of course, I know that it is a good many years ago, but what was written at the time would be more reliable than one's memory of what took place after a lapse of years.

1499. You have told us that you wanted the Van Diemen's Land Company only to have the right to the rails on the north side of the breakwater? Yes.

1500. Well? If you adopted the position that you were going to wash your hands clear of it altogether, why should you take the trouble to suggest that the right of the company should be to the use of the rails on the north side? Oh, I thought that it was probable that I might not be able to wash my hands clear of the thing. I thought the Court might decide, possibly, that it was a valid agreement, and had to be carried out, and then—

1501. Would not the Court in that case determine in connection with it? Would not the Court suggest whether the right of the company was to the north side or south side? I do not know that it would. I should think it would not.

1502. Then you would suggest that the Van Diemen's Land Company should have the north side? Yes.

1503. Would it be consistent with this letter to believe that by taking the north side you would be still carrying out the agreement? I think it far more probable that there were a great many other things discussed outside that.

1504. You see we have to decide this case judging from the facts and figures before us. Would it be reasonable if we came to the conclusion that you, at the time you wrote this letter, were agreeable to carry out the agreement on behalf of the Government in the light you presented it then? I would not say that. I would want to know all the matters that were discussed at that interview.

1505. Well, assuming that you took up the position that you would have nothing to do with it, as Minister, until you were forced—would you not have written to the effect that you declined further correspondence?—Seeing that you had taken up that position—that you had washed your hands of the matter, in the interests of the Colony—would you not, in writing, as a business man, decline to enter into any further correspondence with the company? No; as a business man I do not think I would. I might have seen the advisability of carrying out some such arrangement as this to get over these difficulties that might, in my judgment, have been advantageous to the country.

1506. Well, here is a letter. Would not what you proposed, in your opinion, be equal to carrying out the agreement? Evidently, what I proposed was not good enough for the solicitors of the company.

1507. Exactly; but still there is in this letter no repudiation of the agreement on the part of the Minister of the day? Probably, under certain conditions I made some proposal which might be taken as an agreement. I expect that that agreement, in all probability, was for very much less than a thousand years.

1508. But that would not be carrying out the agreement? I quite understand that questions might arise as to whether the company could go on the whole of the breakwater or any part of it: questions connected with matters in dispute.

1509. But you say whether the company had rights to the north or the south breakwater the agreement might still be carried out; but if you reduce the term from a thousand years to, say, twenty years, that would not be carrying out the agreement. Do you see what I mean? I see

what you mean, very clearly. Is there not some letter there pointing out that the lease ought to be for a less period than a thousand years?

1510. *By Mr. Patterson.*—Yes. Mr. Justice Clark suggested 14 years. That is the utmost period the Crown can give a lease for.

Witness.—Well, evidently, that is what must have taken place. I must have suggested certain modifications in place of this lease for a thousand years.

1511. *By Mr. Urquhart.*—We are not estimating probabilities, Mr. Hartnoll, we are dealing with facts. Can you say, of your own knowledge, that such things were done? Oh, I cannot. But it is very clear that what I proposed did not suit the Van Diemen's Land Company.

1512. Yes, but what you proposed, in your opinion, was carrying out the agreement? Carrying out an agreement.

1513. Not carrying out the agreement? (No answer.)

1514. *By the Chairman.*—You say that it was an incorrect construction to say that your proposal was failing to carry out the agreement—Is not that the interpretation of that letter? I think that what I proposed must have been something that the company did not approve—they did not consider it carrying out the agreement, and what I proposed was the agreement I wanted carried out.

1515. But would not the compelling them to take the back line of rails, and not the front line of rails, bring about a state of things of much less advantage to them than what they wanted? Oh, of course it would. But I also think that I or Mr. Fincham wrote, giving them proper facilities for the use of those lines to the southern side, but I understood that the Government requirements were to take precedence of anything connected with the company's use of the breakwater.

1516. Well, you really state, Mr. Hartnoll, that you did not make the proposal to the company that they should have the north side of the breakwater, and that the agreement should be ratified? For a thousand years?

1517. Yes? I do not think I offered to do that.

1518. You would not say so positively? I feel perfectly confident that I never would be a party to the carrying out of the agreement.

1519. *By Mr. Guesdon.*—Of course, there is the evidence of the late Crown Solicitor, and then the evidence of Mr. Mitchell goes to show that this interview resulted as Mr. Hartnoll says. This evidently confirms Mr. Hartnoll? Yes, I am quite certain about that.

1520. You understood, when you were discussing this matter, Mr. Hartnoll, that the lease was for a thousand years. I must have understood that.

1521. I suppose you equally understood that, as Minister of Lands, you had no right to grant the lease for such a period? I always understood that I had no power in the matter, and my whole idea was to drive the company to the courts, in order that they might make good their rights there.

1522. Or go to Parliament and get their rights that way? That is really what I intended.

THE HON. A. DOUGLAS *called and examined.*

Mr. Douglas made the statutory declaration.

1523. *By the Chairman.*—Your name is Adye Douglas? Yes.

1524. And you are the President of the Legislative Council? Yes.

1525. You were a Member of the Dobson-Henry Government? Yes.

1526. During a portion of the year 1892 and the whole of the year 1893? Yes.

1527. Do you remember, as a member of that Government, Mr. Douglas, the question of ratifying a certain agreement brought before you? I have been trying to recollect this matter, and I have a very imperfect recollection of what took place, and I should like to have my memory refreshed by hearing the evidence of Mr. Hartnoll read.

1528. *By Mr. Guesdon.*—The only evidence I have as to that, Mr. Douglas, is Mr. John Mitchell's, the lawyer. [Extract read from evidence of Mr. John Mitchell.] Do you remember that? I presume he was concerned for the Van Diemen's Land Company.

1529. Yes. I remember seeing that document, and I thought it was the most extraordinary document I ever saw, and my opinion then was, and is now, that it was the duty of the Government to insist upon its rights and set the Van Diemen's Land Company at defiance altogether. That was my opinion then, and it is my opinion now: that the thing was altogether wrong and ought not be recognised by the Government in any shape or form. It seems to me to be a most abominable thing.

1530. *By Mr. Guesdon.*—Mr. Douglas, you regard it as an improper thing for the Government to carry out an agreement of that sort? I would not recognise it in any shape or form. I cannot understand why the Government did not at once resist anything in that shape. I cannot understand why the Government of the day did not insist upon its rights. What is the difference in a matter of this sort between a private individual and this Company.

MR. BACK *recalled.*

1531. *By Mr. Hall.*—In your evidence, Mr. Back, the following words occur, in reply to a question:—“You think, then, that it will involve extension of the breakwater at some future time? I think so, or the construction of another breakwater. I would like very much that the Government should ascertain what has been the effect of that breakwater since it has been constructed—whether the portion sheltered by that breakwater is being reclaimed, or whether it is shallower? I think I saw decided indications of that when I was up there. I think the Government might consider this when dealing with this matter.”—Is that correct, Mr. Back? That is quite correct.

1532. What visit, did you refer to, Mr. Back,—the last? Yes, and on every occasion that I have been there.

1533. What indications did you see—you say you saw decided indications of shallowing? I think the foreshore is being reclaimed in front of Mr. Norton Smith's house.

1534. Oh, in front of Mr. Smith's house? I think so.

1535. Did you see anything there that would lead you to believe that the portion of the harbour in the vicinity of the breakwater is shallowing? Certainly not. I could not.

1536. You say, "I think I saw decided indications of that when I was up there."—You say, "I would like very much that the Government should ascertain what has been the effect of that breakwater."—Well, now, if you say you saw indications of shallowing in front of Mr. Norton Smith's house, that is at least 500 feet from the line on the end of the breakwater? That is so.

1537. That is not sheltered by the breakwater at all.—I wish to know, now, how you arrive at this opinion that the harbour is shallowing? Well, I do not know that I have anything more to say than that I noticed, then, that there is a considerable deposit of sand at the angle of the road opposite Mr. Chapman's, to Mr. Norton Smith's house, and I have been taking notice of that land every time I have been down there, because, if the Government make a station there, probably some reclamation may have to be done on that point. And I noticed that, apparently, there has been some deposit of sand there. I recollect that those rocks were fairly bare in places.

1538. Well, I may say that I have resided there nine years, and I have seen no change in the character of the place from what it was nine years ago? Well, I may be mistaken.

1539. Now, the next thing you say is this: "When you look at the breakwater at Burnie, what do you see? You see a very small piece of water protected by a breakwater. Originally it was an open roadstead; but the Government have built a breakwater and made a harbour—a poor harbour, it is true, but a harbour of sorts, and they have so gone to work that the harbour belongs to the Van Diemen's Land Company." Now, would you consider Mr. Napier Bell an authority on harbours? Yes.

1540. Well, I hardly think he says it is an open roadstead? (No answer).

The Chairman: Mr. Back said it *was* an open roadstead; not that it *is* an open roadstead. Certainly it was an open roadstead before the breakwater has made.

1541. *By Mr. Hall.*—Well? Mr. Napier Bell, in his report of 1882, says: "The bay is an open roadstead, well sheltered from all winds to the west of north, but completely exposed to all winds from north to east."—That is the way he explains it.—Is that so? In my evidence I said that before the breakwater was built it was an open roadstead.

1542. And you described it as "a poor shelter indeed," Mr. Back? Yes.

1543. Has that knowledge been gained from an extended visit to Burnie, or merely from what you have seen as a casual visitor? From the use I have made of my eyes.

1544. Well, is it usual for vessels of 2000 to 4000 tonnage to enter and leave a poor harbour without any accident?—Can you name a single accident at Burnie? Oh, I used the expression "a poor harbour" to imply that the harbour is too small. The accommodation, protection, and everything else is too small, and you will have to do something for shipping in the way of providing further protection, by-and-by, if this business we hear of now comes on. You will have to build the breakwater right away out from Blackman's Point, and this present breakwater can then be used as a wharf, in which case the heavy expenditure put into that breakwater by the Government will be lost, to some extent.

1545. In your opinion the extension of the breakwater another 500 feet would not meet the requirements? I doubt it very much, because I cannot see where there is room to put additional wharves in that case.

1546. Not inside the breakwater? You have not any room for any more, as far as I can see. Your present wharves are too close to the breakwater now.

1547. Then, Mr. Back, there is this remark of yours, in reply to Mr. Guesdon: "Well your harbour up there is a miserable failure at present, because the breakwater is not sufficiently long to protect your shipping, and your wharf is so close to your breakwater that in an easterly gale a vessel casting off from the breakwater would collide with the vessel at the wharf"? Quite so.

1548. And you go on: "Then there is no proper accommodation for vessels at the breakwater, and the vessels lying there are ground up against the concrete"? Quite right.

1549. You do not give any proof of such an extraordinary statement as that? Which part of it do you mean?

1550. Well, where you say "Your harbour is a miserable failure at present"; do you still maintain that that is so? Yes.

1551. Can you name any vessel, Mr. Back, trading to Devonport that does not trade to Burnie? Oh, you can get a vessel in there; but, if you are going to get this large trade that we hear about, the harbour is quite inadequate; I can only say that that is my opinion. It is a failure in so far as that breakwater will not be sufficient to shelter your shipping as the trade increases. Therefore, you will have to build another breakwater, and this one, in that case, can only be used as a wharf.

1552. You go on to say that vessels in an easterly gale would collide with vessels at the wharf? That might be very likely, I think.

1553. Are you aware that an easterly gale very seldom affects the harbour at all? Well, we will say a north-easterly.

1554. Here you are credited with saying an easterly gale? I said north-easterly, I am sure. There must have been a mistake in taking it down.

1555. Well, if we come to the north-easterly gale, the wharf, as you know, is 190 feet shorter than the breakwater? Yes.

1556. The breakwater is 690 feet long, and the wharf, on completion, will be 500 feet long? Yes.

1557. My reason for recalling you, Mr. Back, is this: That you hold a very high and responsible position in this Colony, and it is only natural that any statements made by you and sent broadcast would have very great weight.—Or, that in giving your evidence—

The Chairman—I think, Mr. Hall, you ought to give evidence rather than make statements.

By Mr. Hall.—I think I am within my rights. Mr. Back said here, in one portion of his evidence, that he saw indications of the silting up of the harbour at Burnie, and I do not think such statements should go unchallenged.

1558. Well, Mr. Back, I will just examine you on this question—on those words where you say there is no proper accommodation for vessels on the breakwater, and that they grind up against the concrete.—What do you say to that? Quite true.

1559. But is it not known to you that, as a rule, iron fenders are kept all over the breakwater to protect vessels? That would not be sufficient, I think, for vessels coming alongside.

1560. Can you name any captain of a vessel who has objected to lying alongside that breakwater? No. As I said before, I only used my eyes, basing my observations on what I have learnt when I have had charge of the traffic in harbours with breakwaters.

1561. Do you consider that, in your casual visits to Burnie, your eyes will convey to you very much fuller knowledge of the harbour than those have gained who have lived in the place 35 or 40 years? Yes, if those people have not seen other breakwaters and other harbours; I suppose that my eyes might be better for the purposes of observation, because I would know where to look and what to look for.

1562. One witness (Captain Jones) who knows a great deal about harbours, and has traded to harbours in all parts of the Australian Colonies, differs from you, anyhow.—Then you said that a new breakwater would have to be built, amounting to an approximate cost of half a million of money? I did not say that any breakwater alone would cost so much as that. What I said, I said because I thought, and still think that it is right that the Committee should know that the mere acceptance of this option from the Emu Bay Company will not prevent any expenditure in the future on harbour works—expenditure, possibly, of half a million of money; in fact, I might almost say more. I think I am well within the mark when I say half a million.

1563. Well, Mr. Napier Bell certainly stated that the breakwater could be run out to Blackman's Point for not more than £100,000. You know that? Well, I do not suppose Mr. Napier Bell has precise figures to guide him in arriving at these figures, any more than I have. I wish to be clearly understood. You now have a breakwater that will still serve your purpose in a small way; but, if you begin to get a large trade, and have to accommodate a large amount of shipping constantly in that port—say, the number of vessels that we are given to understand will come from connection with this Blythe iron trade, then it is my duty to point out to this Committee, that I can clearly see the necessity for this extra expenditure in the future.

1564. Now, you are credited with saying—"Take it from me, there is not room in the harbour for any more wharves at present. It would be advisable to have soundings taken, and see what the operation of the breakwater has been. I think the water is shallowing." Now, that refers, I presume, to water in the vicinity of the breakwater? No, it would shallow from the shore first, you see.

1565. I think your remarks would be taken to apply to the water in the vicinity of the breakwater, because you have it here:—"There is a small port, swept by east and north-east winds, and they have made a small breakwater there; and the breakwater is so far inland that there is very little space left for building wharves. They have only one wharf, which occupies all the water that is deep enough under existing conditions to berth a vessel in,"—what do you say to that? That is quite right.

1566. Could you put another wharf on the inside of that that would take this 3000-ton ship?

1567. We have put in evidence from both Mr. Norton Smith, who is a member of the Marine Board, and Mr. Wm. Jones, who was harbourmaster for many years, and also a member of the Marine Board; both these gentlemen assert positively that a second wharf can be put out to give the same accommodation as the present new wharf—what do you say to that? Well, if there is a difference of opinion, I think my suggestion that soundings should be taken is a very good one.

1568. I may explain that soundings were taken only lately—only about two months ago—did you know that soundings had been taken? I thought it would be a reasonable precaution to take soundings there.

Mr. Hall: Well, soundings have been taken.

The Chairman: If you desire that fact to be brought in, Mr. Hall, Mr. Back is not aware of it. If you want it placed on record in the evidence, it is quite a usual thing for a member of a Select Committee to give evidence himself.

Mr. Urquhart: Instead of the evidence being confined to facts, they are going to probabilities and potentialities, and all sorts of things.

1569. *By Mr. Hall*.—Mr. Back has to admit that he has made errors in his evidence. For instance, he says that the harbour is exposed to easterly and north-easterly winds, and it is well known that easterly winds do not interfere with the port at all. He has also made the statements that I have quoted with reference to the inadequacy of the port. Well, I think it has been set out over and over again that they will be able to berth three large vessels at a time when the new wharf is finished—is that so, Mr. Back? I believe so; one at each side of the wharf, and one at the breakwater.

1570. *By Mr. Urquhart*.—Mr. Back, you used these words, "The breakwater is a miserable failure at present."

1571. *By Mr. Guesdon*: No, he said the harbour was a failure; not the breakwater.

1572. *By Mr. Urquhart*.—As far as the breakwater is concerned, I think it has answered all reasonable expectations of it? Yes, I suppose it has up to the present.

1573. As far as the expenditure of public money is concerned on that breakwater it has proved a great advantage to the public? Up to the present. What is in my mind is this: that we are told that we must acquire this land in order to enable us to carry on this large business—thousands of tons of ore, and so forth. Then I say that to cope with that your harbour is a failure at present, inasmuch as it will not permit of the carrying out of that business. You will have to go to the expense of constructing another breakwater, and this one will become a pier. And I

think it is due from one in my position in the service to point out that this expenditure must be looked for and anticipated. I should not like in a few years time for people, looking back on this Committee, to say, "Why did you not point this out to us? You knew that there was not adequate accommodation for shipping,—had you said so, we might not have done as we did."

1574. I will put the question this way—this expenditure you speak of will have to come if the trade increases as is anticipated? Yes.

1575. Will the expenditure have to come if the Government purchases this option? Very likely.

Mr. Hall.—It is well known that that Harbour—

Mr. Urquhart.—Has been a splendid success.

Mr. Hall.—Mr. Back knows that as well as anybody.

1576. *Witness.*—All the same, you will probably find yourselves placed in the necessity of making a big expenditure for another breakwater, and it is my duty to tell the Committee so.

1577. *By the Chairman.*—Was your idea, Mr. Back, that the necessities of the port of Burnie would require larger accommodation in the future? Yes.

1578. And that they could not be acquired except by going farther out to sea with a breakwater? That is my opinion; quite so.

1579. And you think that this expenditure will inevitably be required, apart from this option altogether? Yes; if the business grows as we have heard it is going to grow, that will be necessary.

1580. That is if the Blythe Iron Mine is developed? Yes; and if other works and interests in that district go on as we are given to understand they will—shipments of produce and shipments of ore from the various mines, and so on.

1581. I would like to ask one more question—In the event of another breakwater being constructed seaward of the present breakwater, what greater length of wharfage accommodation would we have without constructing more wharves? You could remove the coping from the breakwater and put a timber wharf alongside of it.

1582. On both sides? On both sides.

1583. That would give us about 600 feet extra wharfage? Something about that.

1584. How many additional piers could be constructed inside the present Marine Board jetty? You mean on the side of Mr. Norton Smith's house?

1585. Yes? I gather that there is not sufficient water there for taking ships of any considerable tonnage; we were told so only the other day.

1586. *By Mr. Patterson.*—One witness here has told us you could build two additional wharves there now—what do you think? I do not think so.

1587. One of the same depth of water as the present one, and the other shallower? Well, if you are moving about these very big vessels you require room to swing them and room for them to move. You want space for manœuvring the ship in bringing her to and from the wharf.

1588. *By Mr. Guesdon.*—Mr. Back, we have here the returns of the earnings of the Emu Bay Railway for the 14 years, from 1884 to 1897 inclusive, and they show an average roughly of £16,000 a year for earnings, and an average of about £9300 a year for expenditure; I suppose that would include maintenance and anything like that.—Now, these earnings have been received on a tariff of £3 per ton for freight—£4 first, and afterwards reduced to £3.—On a Government line of that length, say 48 miles, what would be your average tariff for taking produce down; of course I know that you have different classifications and so forth, but what would be the average tariff under the Government system? Do you mean for agricultural produce?

1589. All classes on mileage? It would run from 6s. up to 20s. a ton, or thereabout, I could not tell you more precisely without a tariff book.

1590. Supposing we put it this way: that 20s. a ton is the maximum you charge, and the minimum they charge is £3 a ton.—That would reduce these receipts, supposing that your rates were charged, from £16,000 to about £5000 a year. (No answer.)

1591. Well, do you think you could work that line more economically than the company have worked it? No, I do not think so.

1592. Well, their accounts show that it costs £9300 a year to work this line. So that if you were to charge your maximum tariff of 20s. a ton, supposing that the Government purchase this line the receipts would apparently be reduced from an average of £16,000 a year to £5300 a year, and you do not think your expenditure would be less.—There would consequently be a loss on the working of the line, I suppose? You overlook the fact that part of that revenue comes from passengers.

1593. I drew attention to that fact when Mr. Norton Smith was giving evidence yesterday, and he told me that the bulk of their earnings came from freight.—So that the bulk of these receipts have come from freight at £3 a ton.—Now, do you think it is a fair deduction from these figures, that the average rate of earnings of this line from 1884 to 1897 would have been reduced as I have said, if freight had been taken on the Government tariff? (No answer.)

1594. The evidence that was given by Mr. Norton Smith was that the general freight charge was £4 a ton, and that afterwards it was reduced to £3.—Now, will you tell me if it is a fair deduction to draw from these figures the deduction I have put to you? Yes; taking out whatever your passenger earnings were, your receipts would certainly be reduced by two-thirds.

1595. These figures show that, on the rates of the Van Diemen's Land Company, say £3 per ton, this line has yielded a revenue of, broadly, £16,000 a year. The expenditure for the 14 years has amounted to £9300 a year, roughly.—Now, if we took your maximum, Mr. Back, of £1 a ton, those receipts would have been reduced from £16,000 a year to £5300, assuming that all the receipts come from freight? Yes, I suppose so.

The Chairman: I do not know that there has been any proposal before the Committee that the Government rates should be charged on that line.

1596. *By Mr. Guesdon.*—This expenditure, I suppose, provides for fair wear and tear and maintenance; and I suppose that Mr. Back also has to provide for that in making up his accounts, have you not? That is so.

1597. All I say is, that if we have to come down to the Government scale—and all I ask Mr. Back to say is that there must obviously be a substantial decrease in this line if the Colony has to run this line itself, is it likely to be able to run it any cheaper than it has been run by the company? I do not quite know what is included in the expenditure you have named—whether there are directors' fees charged for and so forth. But, as far as I have seen the management and working of the line, I do not think we could manage it cheaper.

1598. *By Mr. Urquhart.*—What does it cost to run the Scottsdale line?

1599. *By Mr. Guesdon.*—What is the average cost for maintenance on the average mileage of your system, Mr. Back? I think it is right to point out to you that these figures will mislead you to some extent, because the circumstances under which expenses grow vary in different instances. The Fingal line will take much less to maintain than the Scottsdale line, for instance.

1600. *By Mr. Patterson.*—I may tell you that this expenditure on the Burnie line does not include directors' fees, or anything at all of the sort. It is simply the cost of working the line in Tasmania. You understand that? That line is economically worked. I do not think I could do it cheaper.

1601. *By the Chairman.*—Is the Scottsdale line about the same length as the line to Waratah? Yes, about the same length.

1602. What is the length of the Scottsdale line? 47 miles and a few chains.

1603. What were your receipts there last year? £11,701.

1604. And working expenses? £8833.

1605. About the same number of trains per day? Well, I dare say, very nearly the same. But they are different trains.

1606. Your trains are heavier? Yes, we had heavier trains.

1607. *By Mr. Guesdon.*—They run one train per day. Do you? Last year we did. We run two now. But we have some special trains, and I think they have some too. To give you an idea of how these railway expenses vary, I may say that to work a train-mile on the Main Line costs 3s. 6d.; on the Western, 3s. 4d.; on the Fingal, 3s. 8d.; on the Parattah-Oatlands, 3s. 6d.; on the Derwent Valley, 3s. 0½d.; on the Scottsdale, 4s. 6d.; on the Chudleigh, 3s. 8d.; on the Apsley, 4s. 2d.; on West Coast Lines, 6s. 1d.; and on the Sorell, 2s. 11d.; being an average of 3s. 9·49d. throughout the Colony per mile run. Now, I want to show you how the train mileage would mislead you. Here are other figures. The cost per mile working the full length is: on the Main Line, £460 a year; on the Western, £416; on the Fingal, £172; on the Parattah-Oatlands, £119; on the Derwent Valley, £249; on the Scottsdale, £187; on the Chudleigh, £119; on the Apsley, £136; on the West Coast Lines, £488; and on the Sorell, £189; or an average of £343.

1608. *By the Chairman.*—What I want to know is this. I have asked Mr. Back if the Scottsdale line is about equal in length to the line we are dealing with—He says, "Yes." Is it a line of similar construction, Mr. Back? No, the Scottsdale line is heavier.

1609. Would the working of the Scottsdale line, train service against train service, be a fair thing to put down as equal with the working of this other line; or should the Scottsdale line cost more to work, or less? Maintenance would be a little heavier, otherwise it would be about the same.

1610. I want to get from you, Mr. Back, whether one line could be taken as the counterpart of the other? Well, no; on the Scottsdale line we use much heavier stock.

1611. And which of the two lines would be most expensive to work with the same train service? Well, you see, on the Scottsdale line we have got heavier engines, and carry heavier loads on heavier rails. We could take a bigger load on the Scottsdale line than on this Burnie line.

1612. Would the effect of that be to cheapen the working of the Scottsdale line? Oh, yes.

1613. Consequently, it would be a cheaper line to work than this Burnie line? Well, that depends on the traffic.

1614. Supposing we took it on the basis of one train each day? In that case the difference would only be in maintenance. The maintenance on the Scottsdale line would be a little heavier than the maintenance on this Burnie line, from its nature and character.

1615. *By Mr. Urquhart.*—In your opinion, Mr. Back, has the construction of the Guildford to Zeehan line increased the value of this Burnie to Waratah line? Of course it would increase it.

1616. And, as regards the future traffic of the Waratah-Burnie line, will it be largely increased or diminished? Well, the only factor that is likely to affect it would be this Magnet ore. If all goes well that would increase the traffic. I do not know enough of Bischoff to say anything as to that, but I have been told that the Bischoff mine will be worked for years and years to come.

1617. Will not all the stuff that is carried up to Guildford Junction come down the Burnie line? Yes.

1618. A traffic that line has never had in the past? Yes.

1619. Will traffic from the North Mt. Farrell district come down Burnie way? Probably.

1620. It must come? Yes, I think so.

1621. And that is all new freight to come for this line? All the traffic for Burnie and from Burnie which passes over the Guildford to Zeehan line must go over the Burnie line.

MR. C. NAIRN, called and examined.

Mr. Nairn made the statutory declaration.

1622. *By the Chairman.*—Your name is Charles Cameron Nairn?

1623. And you are an engineer in the Railway Department of the Colony? Yes.

1624. *By Mr. Patterson.*—The information I am going to ask you to give to this Committee I could have given myself equally well; but I think it is better for the Committee to get it from an independent man, not mixed up with this question in any way.—Now, Mr. Nairn, have you examined the plan of the first 5 miles of the Burnie to Waratah Railway? Yes, I have examined that.

1625. Can you tell the Committee how many 5-chain curves there are? In the four and a half miles, commencing outside Burnie, and ending at the fifth mile, I find there are 42 5-chain curves, 11 of which are reverse.

1626. Have you examined the plans and sections of the Sorell Railway? Yes, I have.

1627. Can you give me the total number of 5-chain curves in the 15 miles that form the whole length of that line? Seven.

1628. How many reverse? One.

1629. What are the steepest gradients on that Sorell line, and what is the greatest continuous length of that gradient? The steepest gradient is 1 in 40, and the greatest continuous length of it is 65 chains.

1630. Now, can you tell the Committee the nature of the alterations made by you on the Main Line at the Horseshoe recently? In what way?

1631. In the matter of reducing the grade? As to the reduction of the grade on the far side, do you mean?

1632. Yes? Well, the grade in use up to the bridge was a short pinch of 1 in 37, which, of course, had no right to be there, but which had been there all through. It was terribly heavy.

1633. What length of it was there? Oh, a very short pinch, about four or five chains. It just caught the engines at the very worst point, at the finish of a heavy grade up from Brighton Junction.

1634. After you made that alteration could you take up a greater load than before? From two to three trucks more on every train.

1635. That would be about 15 tons, I suppose? Yes, about 15 tons, at least.

1636. What is the greatest length of continuous 1 in 40 grade on the Main Line? Between Colebrook and Rhyndaston there is about $1\frac{3}{4}$ miles of 1 in 40, and in another piece, of about $1\frac{1}{4}$ miles of 1 in 40.

1637. Are there many 5-chain curves in that length? Four in that portion.

1638. No reverse? No, no reverse.

1639. And in the $1\frac{1}{4}$ -mile length in the same distance that you spoke of? There are 10 5-chain curves.

1640. *By Mr. Guesdon.*—No reverse? No, no reverse in either.

1641. *By Mr. Patterson.*—You have told us, Mr. Nairn, that the existence of a very small length of 1 in 37 on the Main Line was a most serious handicap to the working of the traffic? Quite so.

1642. And even the reduction of that small length of heavy grade enabled you to take 15 tons more freight up in each train? Quite so.

1643. Would it make a very serious difference to the expense of running on the Main Line if, instead of $1\frac{3}{4}$ miles of 1 in 40 grade, you had 5 miles of 1 in 33? Well, we simply could not work the railway with the existing stock. That is what it amounts to. You would have to have special stock and special arrangements.

1644. What is a common load on the most powerful engine you have on the line from Hobart to Launceston? 84 tons of a paying load.

1645. But, I suppose you are aware that the policy of railway management all over the world at the present day is to eliminate severe gradients, lay down heavy rails, and employ powerful locomotives? To get economical working, undoubtedly.

1646. You also know that the Colonies of New South Wales and Victoria are now spending many thousands of pounds in eliminating severe grades on different parts of their railway system? I am fully aware of that.

1647. Do you think that is sound policy to adopt? Unquestionably; undoubtedly.

1648. Have you taken out the continuous grade of 1 in 32 and 1 in 33 on the Burnie-Waratah line? In $4\frac{1}{2}$ miles of distance there are practically $2\frac{1}{2}$ miles of continuous 1 in 32 and 1 in 33.

1649. Is there anything as low as 1 in 32? Oh, yes, I am not taking the decimals.

1650. *By the Chairman.*—Mr. Nairn, you said that a continuous length of 1 in 33 on the Main Line would have such effect that the line could not be worked? We have no such grade.

1651. But Mr. Patterson asked you if you had a 5-mile continuation of 1 in 33 what would happen? We could not work it with our present stock. It would be quite impossible.

1652. Can you tell us how that grade is worked on the Waratah line? Oh, very easily, the trains run about two trucks and a carriage; we run about 12 loaded trucks, and a carriage and van.

1653. What you mean is that if you had that grade you would simply have to take a lighter load? You would have to double your engines or increase your power.

1654. You said it would be impossible to work with that grade? I mean to say that it would be impossible under the present conditions.

1655. But you could work it with a lighter load? Oh, yes; you would have to lower your loads very considerably.

1656. And what would that mean in expenditure? Oh, it would entail a very considerable cost. The difference between our standard loads now and the standard loads over a 1 in 33 grade would be very considerable.

1657. Do you know the Burnie-Waratah line? I have been over it.

1658. Are you aware that the grades we are referring to now only exist on the first five miles of that line? Yes.

1659. Would it be a very expensive thing to assist with a banking-engine from the terminal station? You could have a banking-engine to do it; but, I think that if the Government stock were put on the road in a very short time would be knocked to pieces; I do not think the line would stand it. They are running a very flexible single-buffer stock. The Government double-buffer stock is very heavy on the roads; I know that from my own experience of our own lines, and the severe wear and tear.

1660. But, apart from that, would it be an expensive thing to keep a banking-engine to assist trains over the first five miles? Well, you would have to keep the banking-engine running, and you would have to keep a station and sidings, and marshalling yard at the top of the hill. It would result in a very considerable cost in the course of twelve months.

1661. An enormous cost? I could not say that.

1662. *By Mr. Patterson.*—I had intended to call Mr. Deeble about that, but he went away this morning. I did not know that you knew the character of the stock on the Burnie-Waratah line—it is single-buffer stock? Yes.

1663. The same as was used on the Main Line in Mr. Grant's time? Yes.

1664. We have no single-buffer stock now? Only on the West Coast lines, and the Sorell line.

1665. And, of course, the single-buffer stock is extremely flexible as compared with the double-buffer stock? Yes.

1666. If you get a banking-engine employed over the first five miles, and have to have a marshalling station at the top, does not that practically double the cost of haulage through to Waratah? Well, of course you have the engine running a double trip; that doubles the engine mileage to the distance where your marshalling station is.

1667. And of course you would have to pay the fireman and driver of that engine the same daily wages as if they went 150 miles in a day? Quite so.

1668. So that it doubles the cost of haulage? As regards payment of wages—Yes.

1669. *By the Chairman.*—Does it double the cost of haulage right through to Waratah? No, only to the point at which you marshall your trucks again.

1670. Would there not be always a shunting engine at work at a terminal station, like that at Burnie? It depends on the traffic.

1671. Well, if there were enough traffic to require a marshalling yard, there would be enough, I suppose, to necessitate the keeping of a shunting engine at Burnie? Probably; but, a shunting engine is not suitable for use as a banking engine. I could not say that it would be a good thing to employ a banking engine at all about the yard, through points and crossings.

1672. *By Mr. Urquhart.*—But I suppose the man that drove the banking engine could be also employed on the shunting engine? I do not think he could; because, probably, the work of shunting in the yard would clash with the time when the driver had to leave to take his trains up the bank to the marshalling station. We find the same difficulty in Hobart at times with our shunting engine, if we want to take it up to Bridgewater on a short run.

1673. *By Mr. Hall.*—You say that the trains at Burnie consist of one truck and two carriages? That is what they consisted of when I was last there, ten years ago. We took up two trucks and brought down one and a composite carriage, if I remember rightly. I could not speak positively of what they take now.

MR. JONES, called and examined.

Mr. Jones made the statutory declaration.

1674. *By the Chairman.*—Your name is David Jones? Yes.

1675. And you are District Surveyor of Waratah? Yes.

1676. Are you well acquainted with the Waratah District? I have been there something over 25 years.

1677. Do you know the mineral land about it? I do.

1678. Have you surveyed most of the mineral sections there? I have; I was on the first exploration trip through that country in 1875 with Mr. Chas. P. Sprent.

1679. *By Mr. Hall.*—Can you give any information, Mr. Jones, with reference to the tin country in the vicinity of the Meredith Range and Mount Ramsay? Well, I may say, of course, that you are all aware that the tin country practically begins at the Mount Bischoff Tin Mine, and the main run has been traced to 5 miles beyond Waratah, where tin has been obtained; and we think that a company will be formed, shortly, to work it there. But the quantity of ore to the dish does not exceed 2 ozs. Still some 160 acres are held there under a protection area. I would not be quite sure as to the area, because I have not made the surveys; they are simply prospected. The average yield out there is 2 ozs. Further on, at what is called the Whyte River, 5 or 6 tons of tin ore have been won, brought down to Waratah, and shipped away.

1680. During how long a period was that 5 or 6 tons won? It was only worked by two or three men. I couldn't tell you.

1681. Is that lately? This year, I should think. Further on still we come to the tin country in the vicinity of the Meredith Range and Mount Ramsay. There is tin obtained here chiefly in the form of alluvial, associated with iron and also associated with porphyry; just as it occurs in the Mount Bischoff mine, that is, at Mount Ramsay; going on to the south, on to the Meredith Range, you come to the vicinity of the Stanley River, and the head waters of Pine Creek. That is along the east side of the Meredith range. I may remark here, that the parties who brought in the tin from here, spent £9 to bring one ton into Waratah, independently of the freight on the line.

1682. Well, that country you speak of in such high terms: can you assign any reason for it lying practically dormant? Well, of course, there is a road out to the Whyte River, and to the Five Mile. There is an old discovery beyond that, that has been revived by Whitehead, Stanley, and some others. They have a concession from the Government of 160 acres—two 80-acre blocks that they are prospecting upon. Then, there is a track to the old Mount Stewart Mine—just a rough pack-horse track. But, from there, through to the Parson's Hood, which forms the south head of the Meredith Range, they have had to cut their own track to enable them to bring this ore out. I have recommended to Mr. Counsel that a track be cut through there, and he has adopted that suggestion. Were it not that the wet weather set in so severely on Mr. Counsel's last visit to Waratah, that track would have been through by this time.

1683. Now it has been said that the life of the Mount Bischoff Mine is practically limited. Can you give any information with reference to the Bischoff Mine? Yes.

1684. It has also been stated that when that mine pays its last dividend it will be the end of the Bischoff district? I don't think so.

1685. You are a mining surveyor? Yes, I may say, Mr. Chairman, that I have conducted all the surveys of the Mount Bischoff mines. I have had the conduct of all the surveys—all the underground surveys, and the field engineering—for Mr. Kayser, since 1878. Every bit of the work in connection with all the mines there I have had to do. Now, as to the life of the Bischoff mine, I may say, that of course, they are not depending altogether on the brown face for the whole of their ore at the present time. There is the Queen lode, which is a distinct lode, which was worked by the Stanhope Company in the first place. Then it was traced into the Bischoff Company's mine. The general course of it is westerly. That lode has been traced through the north section of the Mount Bischoff Tin Mining Company's block, and it no doubt enters the old Wheal Bischoff's ground which now belongs to the Bischoff Company. I would not be at all surprised to find it junctioning with the Mount Bischoff West Tin Mining Company's lode, which runs north some few degrees east. I know that the lode goes into the Wheal Bischoff Company's mine, which now belongs to the Mount Bischoff Company's property.

1686. Will you give a short outline of the reasons which lead you, from your own knowledge, to believe that the Bischoff mine has a certain life? Well, I can confidently say that the Bischoff mine must have a life, as far as they know at the present time, without prospective work—a life in the brown face alone of from ten to fifteen years on present showing. That is, independent of the Stanhope or North Valley, on both of which there are good lodes.

1687. And the West Bischoff? That is a very good lode, running nearly north. So far, the surveys in connection with that have been confined to one section.

1688. And the Magnet—Can you give us any information about that mine? Yes, I made the underground surveys of that.

1689. And what is your opinion? Now, the mine is putting out 26 tons per week of a class of ore yielding 100 ozs. of silver to the ton, and 25 per cent. of lead, and we are surveying a tram-line there now; and when that is finished they purpose putting out 1000 tons per month, but not of the same class of ore. They are not going to take the same trouble in preparing it for the market. It will average 30 or 40 ozs. silver to the ton, and 12 per cent. lead.

1690. You think they can keep up that yield of 1000 tons a month? Oh, yes. There is not less than 100,000 tons in sight now, above No. 3 level.

1691. Now, Mr. Jones, with reference to your opinion of the land between Waratah and Burnie, now held by the Van Diemen's Land Company—the land through which their line runs—Do you think that land, if thrown open for selection, would be taken up? I should think so, if the terms were easy.

1692. *By the Chairman.*—You know the district from the Waratah to the Pieman River, do you? Yes, sir.

1693. From what radius from Waratah would minerals have to find their way to port over this railway? Would I start from the railway line as a centre?

1694. From the railway terminus at Waratah? Do you mean to be brought into Waratah, or along the line?

1695. I mean, what area of mineral country would this railway serve, taking Waratah as a centre? I should think about twenty miles.

1696. Would minerals discovered as far south as Heazlewood and Whyte River have any other outlet? They could be taken to Corinna; but I do not think they ever would, because they have a good road to Waratah.

1697. You do not think they would ever get to Corinna? No. The objection to that is that the Pieman River is not a good harbour.

1698. Is that a highly mineralised country? Yes. There are plenty of lodes there that would be worked at a good profit, around Zeehan.

1699. Is it a difficult country to prospect? Part of it is very difficult, on account of the dense scrub.

1700. Are you aware that the department is now prosecuting a system of exploratory tracks in that district? Yes, there is a very good track being cut at present by Mr. Webster. That goes to Mount Balfour; and there they have good tin as well as copper. The source of that tin has never been discovered; but if that track is made, and crosses the head waters of the Franklin River, there is no doubt that the source of the tin would be discovered.

1701. Would that come on to this line? Yes, it must. It would go into the Magnet, I presume.

1702. Are you able, from your own knowledge as a surveyor, to say that there is any prospect of an increase in mineral traffic from Waratah? I should say there would be a very large increase, especially when you consider that you have to take down 1000 tons a month from the Magnet mine directly the line is made into it. That is a branch line junctioning with the Emu Bay Railway, $1\frac{1}{2}$ miles from Waratah. The survey is under my conduct, and is nearly completed.

1703. Is the line to be made of such a character as will carry railway stock? Yes, proper locomotives and well-equipped rolling-stock.

1704. What is the length of the line? By my route, 13 miles. They have tried another route that $10\frac{1}{2}$ or 11 miles, but I do not think it will be adopted, because they have a down grade to the bed of the river, and then an up grade to the mine.

1705. The present development of the Magnet mine warrants construction of that character? Yes.

1706. What do you estimate the line will cost? Not more than £1000 a mile; there are no deep cuttings, and there are no expensive bridges.

1707. Are there any mines developed with good prospects adjoining the Magnet mine? No, the lode has been traced, but nothing of great value has been found as yet. The Magnet ore is to be sent to the Sulphide Company of Australia, on account of its having several fluxes associated with it, by reason of which smelting expenses will be practically nil.

1708. Well, you can say that there is every reasonable expectation of an additional traffic of 1000 a month from that mine? Yes, directly this tramway is completed.

1709. *By Mr. Guesdon.*—Mr. Jones, you know something about the value of land, of course, in this district? Yes,

1710. Here is an assessment roll for the district of Emu Bay for the year 1899; there is a property known as Hampshire Hills, 10,000 acres, and it is assessed at a capital value of £1000 or 2s. an acre. Do you think that a fair valuation? No, I do not; not by any means.

1711. What do you think would be a reasonable valuation of it, for assessment purposes? Not less than 15s. per acre. Of course I am speaking now, taking the valuation of the Government land that has been sold up there as a comparison.

1712. And there is another property alongside, Surrey Hills, 150,000 acres, also valued at 2s. an acre?

1713. Well, taking the whole of that, I should not put it at less than 10s. an acre. It is all basaltic soil, or nearly the whole of it; and it is covered with the indigenous grass of this Colony.

1714. Now there is a particular farm here, near Emu Bay, the occupier of it being one, Frederick Ford of Burnie. The farm is of 800 acres. Do you know anything of that land? Where did you say it was?

1715. That is near the Emu River, bordering on the road. Now that is valued at £10 an acre. Is that a fair valuation? Yes, that would be a fair valuation; I would not consider that over-estimated, considering the price that has been paid for land there.

1716. Do you know anything of the sales of land in the vicinity recently by the Van Diemen's Land Company? There were some sales at the Cam, where some of the land sold brought as high as £14 an acre—I am not sure of the price quite. Of course the value of the land as it comes nearer towards the town is considerably more. I tried to buy a piece there a while ago, and I was asked £150 for three-eighths of an acre.

1717. That is £400 an acre? Yes.

1718. Now there is an Emu Bay block of 27,500 acres. Do you know that? Yes. That is also basaltic soil. The company puts the value of that at 30s. an acre, and I should put the value of it at £1 an acre.

1719. It is vacant land? Yes. Of course some of it has been sold, as far out as the Twelve mile, at 30s. per acre.

1720. Well, it is put down here at £10,000, or 7s. an acre. What about Ridgely's? That is grass land.

1721. What would you put that down at? That may be worth 25s. Of course I am not dealing with the land that has been sold, Mr. Guesdon, I am dealing with the vacant land.

1722. *By the Chairman.*—Is there much agricultural land along the line of railway? I should say that nearly the whole of the land right through to Waratah is valuable for agricultural purposes.

1723. Good land? Good land. It is basaltic land, and capable of being made very good by tillage. I do not say it would be good for wheat or oats, because there would be difficulty in getting such grain to ripen on that high ground. But for all kinds of root crops the land is very good indeed. Some of it is very rich.

1724. On each side of the railway? On each side for a considerable distance. Mr. Hall has asked me to say something about the mines held by the Mt. Bischoff Company. It has confined its operations to the two sections first surveyed. Put in addition to this, they hold 240 acres at the North Valley, 80 acres belonging to the old Stanhope Company, 80 acres formerly held by the old Waratah Company, 80 acres of the East Bischoff Company, and 160 acres from the Don Company, upon the whole of which practically no work has been done up to the present, except on the North Valley, where there is a good lode. The old Don Tin company has also got good ore. They are taking stuff from there now, but only in small quantities. So that on the whole, when they talk about the Mt. Bischoff Company being worked out with all this ground available, and with the company still working on the original sections of ten or fifteen years ago, it seems to me they are going very wide of the mark.

HIS HONOR MR. JUSTICE CLARK, *recalled.*

1725. Since you were examined, Mr. Clark, we have discovered that a Bill was prepared, evidently with the intention of being submitted to Parliament, and, it seems, during your term of office a Bill was prepared for the issue of a lease for a term of 1000 terms? I have no recollection of it. My mind is a perfect blank. I would not be certain the Bill was not prepared. I have no recollection of it.

1726. Do you recognise this? It is a list of Bills submitted by you, or by your Government, during the earlier part of the Session of 1892? No. It is impossible that I would recognise it, because it is not my practice to make out any such list.

1727. That is a list from the Crown Law Department. This is the Parliamentary Draughtsman's own copy for his own use. Do you recognise any amongst that list—any Bills that were submitted to the House by your Government before you left office? Well, I see the Metropolitan Drainage down, and I have a distinct recollection of making one Bill for the Metropolitan Drainage, when I was a private practitioner, as counsel. I could not say whether this is that particular Bill. The Devonport Town Board Bill, I think, I also prepared, and, perhaps, others. I remember the King's Island Settlement Bill, too. If the parliamentary draughtsman has drawn up this as a list of the Bills prepared when I was in office in 1892, I can see no reason to doubt its correctness.

1728. During that Session your Government left office, and were replaced by the Dobson-Henry Government, you will remember? Yes. Then I remember bringing in a Bill to deal with the Registration of Deeds; whether this is the Bill or not, I cannot say. I remember the Unclaimed Moneys Bill particularly, because, if I am correct, that Bill was thrown out. It was a Bill following the Law of South Australia, and escheated to the Crown all unclaimed moneys in banks. I also remember the Defamation Bill very distinctly; but it would be impossible for me to recollect every Bill here.

1729. I only want you to notice that a certain Bill there is marked amongst the first Bills of that Session? I have absolutely no recollection of it.

1730. Do you remember ever having seen that Bill? [Witness examines printed document.] I have no recollection of having seen that Bill before. And I feel sure that I did not draft it. It is not my language. But I may have had it put under my notice. And I may have understood that it was to be introduced. I do not for a moment absolutely say that it was never brought under my notice. It may have been. I may have been aware of its existence, or of the intention to introduce it. But I have no recollection of the fact, and I am sure I never drafted it.

1731. Mr. Wise has stated that he believes that he drafted the Bill. I am sure the language is not mine.

1732. But would Mr. Wise draft a Bill without instructions given from you, as the head of the department? Well, I always know what is being done; but it was the practice of each of the departments to send for the draughtsman as they required him, discuss the Bill with him, and give him all needed instructions; and he would then send proofs direct to the head of the department concerned. To my knowledge, Sir Philip Fysh has often done that with regard to Bills dealing with Treasury and Post Office matters, and Sir Edward Braddon has done it frequently. With regard to the Lands and Works Departments, the probability is that he would consult heads of departments about bills, and have frequent consultations with them, without troubling me about the matter at all. Was this Bill ever actually introduced into Parliament?

1733. There is no record of that? Well, that explains something. Before it would be actually introduced as a Government Bill, I would be cognizant of its existence, and be prepared to introduce it, and support it, and explain it to the Committee. But if it were never introduced, I think it is very probable that my knowledge of it would be of the very smallest and most nominal kind. If it had been introduced, I quite believe that I should be aware of its contents, and prepared to support it and explain it in Committee. As it was not introduced, it is probable that I knew very little about it at any time.

1734. Will you look at that letter, Mr. Clark? [Witness examines letter of 11th March, 1892: Appendix XLV.] I have no recollection of the letter; but I see that I have signed it, and I must have been aware of it at the time. It is my signature, right enough.

1735. Will you look at that letter, Mr. Clark?—That is the one following—Do you remember that? [Witness examines letter of 19th March, 1892: Appendix XLVI.] I have no recollection of either of them. I have evidently signed both of them. Have you got the letters to which these were replies?—Have they been supplied to you?

1736. No, I do not think we got them? These are replies to letters written to Messrs. Dobson, Mitchell, and Allport: they must have written to me first.

1737. Written to you privately or professionally? Oh, of course they must have written to me as Attorney-General, because these are official replies. I notice that this correspondence is three years after the signing of that agreement.

1738. You know that your Government left office on the 17th or 18th of August in that year, Mr. Clark? Which year?—1892?

1739. 1892? Well, I had forgotten the date, but I suppose that is correct.

1740. Would you think, from the number of that Bill—marked No. 3, I think—that it was drafted during your term of office? It would not necessarily follow. No; I can only say I have no recollection of it.

1741. Mr. Clark, do you think that this Bill is one that would be drafted prior to the beginning of the Session? Would it be in the hands of the printer early if it were drafted in the office of the solicitor of the company? Probably it would be. I have been told to-day that the draft is in the handwriting of Mr. Mitchell. If it were drafted by the solicitors of the company it might have been printed very early in the Session, or before the Session commenced.

1742. Does this Bill call to your memory any consideration of the matter in Cabinet? Nothing whatever.

1743. But do not these letters imply that you are prepared to bring in a Bill? Well, this first letter makes no reference to the agreement at all—gives no hint that there is any such agreement in existence. The second letter refers evidently to some mention of it by Messrs. Dobson, Mitchell, & Allport, because it says, "Messrs. Blake and Riggall will perceive that Parliament is master of the situation; and that whatever invalid contract the Government may have made, or may make with the Company, could be rescinded by Parliament, and all right of action or claim for compensation by the Company taken away from them by the rescinding action." That is evidently in reply to some mention of an agreement by Messrs. Dobson, Mitchell, & Allport; but I am strongly of opinion that their previous letter, to which my letter of 11th March, 1892, is a reply, made no reference to the agreement, because there is no reference to it in my reply. It looks very much as if what I suggested was that the Company should only get a 14 years' lease, and that Messrs. Dobson, Mitchell, & Allport brought forward the existence of this agreement as a reason why they should get more than I offered them.

1744. Do you not refer to the necessity of a Bill here, Mr. Clark, when you say, "I have already informed you that the Government will ask Parliament next Session for the necessary legislation to enable the Minister of Lands to grant a lease for such longer term as will facilitate the sale of the Van Diemen's Land Company's railway to the promoters of the Waratah and Zeehan Railway, but that, at present, the Government have no power to grant a lease for a longer period than 14 years, with the right of renewal for a similar period"? Yes; well, I say that I have informed him in that letter, do I not?

1745. Yes? Well, this letter of the 11th is only eight days beforehand, in which I point out that the longest lease that the Government have authority to grant by law is 14 years, but that "in the event of a lease for a longer period being required, the Government will apply to Parliament for authority to grant a lease for such further period as the circumstances require"—that is the former letter to which that refers.

1746. But it was evident that such lease was required as could only be given by special legislation—was it not? It appears that Messrs. Dobson, Mitchell, & Allport approached me with a view to obtain legislation in order to enable the Van Diemen's Land Company to sell their railway. That is the ground. Three years after the agreement was signed Messrs. Dobson, Mitchell, & Allport seem to have approached

the Government, through me, to get a lease for a long term to enable the Van Diemen's Land Company to sell its railway.

1747. Is not this evidence of your being willing to legislate to remove the invalidity of the agreement?—"The Government are desirous of assisting in every legitimate manner the construction of the Waratah and Zeehan Railway, but they do not think that granting an illegal and invalid lease would help forward that object, inasmuch as it might be resented by Parliament, and make the Legislature less disposed, than it otherwise would be, to confer the necessary power on the Government to grant a longer lease than that which the law at present permits"—Is not that so? It is evidence of a willingness to legislate in the matter, but not necessarily to validate the agreement.

1748. Does not that clearly imply that there was an intention to ask Parliament to legalise that which you regarded at that time as invalid? Oh, no. The probability is that three years afterwards I had forgotten that I had ever signed that original agreement. In fact, the strong probability is that, at the time of writing this letter, I was not aware of any agreement being in existence to grant a lease to the company for 1000 years. When that agreement was brought to me for my signature I asked Mr. Hannaford if the Minister approved of it, and I signed it when he said yes. I feel confident that when Messrs. Dobson, Mitchell, & Allport approached me on the 11th March I had no recollection or knowledge that there was such a thing in existence as an agreement for a lease for 1000 years. I suppose nobody knew of it except them and the Van Diemen's Land Company, or thought of suggesting it to me, and it was not in my mind. I am confident that the fact of the agreement was not in my mind in the slightest degree when I was conducting this correspondence with Messrs. Dobson, Mitchell, & Allport until it was mentioned by them.

1749. Then, in a further part of your letter you say—"Messrs. Blake and Riggall will perceive that Parliament is master of the situation, and, that whatever invalid contract the Government may have made, or may make, with the company, could be rescinded by Parliament, and all right of action or claim for compensation by the company taken away from them by Act of Parliament"? I have already pointed out that, evidently, when Messrs. Dobson, Mitchell, & Allport wanted something more for the company than I suggested they then drew my attention to the existence of this agreement; but they had not drawn my attention to it when they wrote the letter to which this is a reply. Then, when they got my reply, and I told them that we had only authority to give a lease for 14 years, it is very clear to me that they then drew attention to this agreement that I signed three years before, and to which I referred to it as an invalid and illegal document.

1750. This letter is dated the 19th of March? Yes.

1751. And the Bill which we refer to is Bill No. 3? Yes.

1752. Which would either, would it not, be probably printed early in the session, or prior to the Session commencing? Yes, very probably.

1753. Would not that Bill be in some way brought before you as Attorney-General, or would such a practice exist in the office that Bills would be drafted without any reference to you at all? I have already told you that the draftsman often interviewed the Treasurer directly on financial and Post Office matters, and drafted Bills with his approval. In such cases I was aware of the Bills' existence, and that was all.

1754. *By Mr. Urquhart.*—It is frequently the practice of the Attorney-General to settle private Bills? I did not settle that one.

1755. Would you be surprised to hear that Mr. Mitchell says that you did settle it? I have no recollection of it; that is all I can say. It is not my original draft. I have absolutely no recollection of it. That is really all I can say. I would never undertake absolutely to say that that Bill was never brought under my notice. I can only say I have absolutely no recollection of it; and I am sure that the original draft was not mine. Reading the language struck out as the original language, I am sure it is not my language.

1756. Have you seen this before? [Witness examines document, 3rd October, 1892.] What about this?

1757. Would that indicate that a Bill had been drafted and prepared prior to that time? Drafted by somebody, undoubtedly, I suppose. There was evidently a Bill in existence when this was written. But if Mr. Mitchell says that I settled that Bill I should like him to give me very minute particulars, because I have drafted a lot of Bills under instructions from Messrs. Dobson, Mitchell, & Allport's office.

1758. There is a distinction between drafting and settling, is there not? I have drafted and settled numbers of Bills, and I may have forgotten this one, or Mr. Mitchell may have made a mistake. It is a very different matter settling a Bill prepared outside the department and preparing a Bill emanating from the department. I will look the matter up in my private book. I drafted several railway Bills for Messrs. Dobson, Mitchell, & Allport's office, either for the Van Diemen's Land Company, or the Emu Bay Company, or for both of them. I remember, distinctly, drafting several railway Bills for them, and I think that if I drafted this Bill under circumstances similar to those under which I drafted the railway Bills, I would also remember it—I believe I would. But, at the present moment, I have simply no recollection of it at all.

1759. *By Mr. Guesdon.*—Mr. Clark, of course there are various responsibilities attached to various Government departments? Yes.

1760. And when an instruction comes over from the Lands Office to the Attorney-General's Office to prepare a lease you would send it on, as you have told us, to the Crown Solicitor? Yes.

1761. Do you not think that the responsibility rested upon that office to satisfy itself that the lease was legal—was not *ultra vires* before it was allowed to be presented for signature? Oh yes, undoubtedly.

1762. Well, as concerns this particular proposal, you transmitted it on to the Crown Solicitor, with a small minute? Yes.

1763. Then the responsibility in connection with that rested with that department to see that it was legally carried out? Oh, yes, if the conduct of it remained in that department. The reason I make that remark is from what I have heard, it appears to me that it is possible that the conduct of this business was practically left to the company's solicitors.

1764. There is no doubt that the usual practice was not observed with regard to this transaction? That is what I have heard.

1765. But still, when it came back for perusal and approval, should there be the possibility of such a glaring mistake creeping into a document of this sort, as evidently, has crept in? If it came back with an illegal or invalid amendment it would be the duty of the Crown Solicitor to object to it.

1766. Would you not call a proposal by a Minister to grant 1000 years lease without the sanction of Parliament an invalid element? Well, of course I do not wish now to give a legal opinion respecting the invalidity of this particular agreement. It may be that there was authority to grant a lease for 1000 years. But, assuming that there was no legal authority, it would be the duty of the Crown Solicitor to know that, and to object to it. I do not know what has been disclosed to this Committee, and I do not know whether the agreement was engrossed and submitted to me for signature without the Crown Solicitor having a fair and proper opportunity to peruse it.

1767. But that does not affect the question as to the management of the department? If an opportunity was never given to the Crown Solicitor to object, he could not be responsible, and the question to be asked, it seems to me, is—how did it come about that opportunity was not given to him? Who was responsible for that?

1768. I am only trying to settle the responsibility on the department. It was for the department to point out how the fatal mistake occurred? I have already said, gentlemen, that I have no wish to shrink from any political or corporate responsibility as a member of the Cabinet, nor any responsibility that rests on the Attorney-General's Department. But the thing may have been so irregularly conducted that the Attorney-General's Department may have been practically shunted, and may not have had its usual and proper opportunity of having its voice in the matter. I do not know that it was so; but if the department was in any way shunted, and the business was transacted by the Company's solicitors and the Lands Department, I do not think the Crown Solicitor would be responsible.

1769. But when you signed the agreement, and when you asked Mr Hannaford if this thing was in order, what you meant to express was—"Has this come from the Crown Solicitor in the proper way?" Yes.

1770. Had you any knowledge that that lease was a lease for 1000 years? Mr. Hannaford never attempted to describe the contents. I just looked at it, and saw that it was an agreement with the Van Diemen's Land Company; I should be very sorry to say now what the term was or not. I am very much inclined to think that I did not read it through in the way I would have read it if it had been submitted to me for perusal. I am very doubtful if I really read the document at all, I would not like to say I did not.

1771. The probabilities are that if you had seen that it was a lease for 1000 years you would have opposed it. Yes, I suppose I would.

1772. *By the Chairman.*—You knew it was a legal document, and not a formal paper? It was not submitted to me as a legal document.

1773. On the face of it it was a legal document? Let me explain. The Minister of Lands—all the Ministers, I think—have frequently signed important legal documents from the Crown Solicitor without the Attorney-General being concerned at all. On this occasion I looked upon myself as Mr. Pillinger's substitute, and if he had been in town that thing would have gone to him without the Attorney-General being brought into the matter at all. I do not consider that it was submitted to me in my legal capacity in any way. It has not been the practice in getting papers from any Minister, to send for the Crown Solicitor in reference to them.

1774. *By Mr. Guesdon.*—Then the responsibility is with the Law Officers of the Crown? If it were conducted in the ordinary way the responsibility would be with the Law Officers of the Crown; but if it were not, the responsibility would not rest with them. I do not know where the responsibility is.

1775. If this question were asked of Mr. John Mitchell—you know him pretty well—"Is it the professional practice, Mr. Mitchell, in dealing with a client's money and handing it over as security for a lease, to ascertain whether the lessor has a title?"—and he replied, "Oh, yes; that is the law." Then it went on—"Is that the professional practice?"—and he said, "Yes. Oh, it is the practice."—Then, was there any particular reason why you departed from that practice in this particular instance?"—No. Everybody assumed that the Government had power to do it."—"Then, you did not examine the title?"—"Oh, no."—Then, you departed from usual professional practice?—Oh, I do not know. When we got the documents from the Crown Solicitor's office, we assumed that they knew more than we did."

1776. You follow me? Yes.

1776A. Now, your opinion is that they prepared the draft themselves? From what I have heard, I believe so.

[*Mr. Guesdon* reads further extracts from Mr. John Mitchell's evidence.]

1777. Now, I want you to note this, Mr. Clark.—Do you not think (I am not speaking to you in your judicial, but merely in your professional capacity)—do you not think that a certain amount of responsibility must rest upon the solicitor for the lessee in this particular case, who did not take the ordinary professional precaution of ascertaining whether the title of the lessor was a valid one? Yes; and I will go further, and will say that if the suggestion of an invalid and illegal thing came from the lessees' solicitors, the responsibility certainly must rest upon them. If it is their own suggestion they deliberately take it at their own risk. If they suggest of their own motion that which turns out to be invalid and illegal, they take it at their own risk.

1778. *By Mr. Urquhart.*—But if it is stated by Mr. Norton Smith that the arrangement was entered into between himself and Mr. N. J. Brown, at Circular Head, and that they came to an agreement—

Mr. Guesdon: Mr. Nicholas Brown has distinctly and emphatically denied that.

1779. *By Mr. Urquhart.*—Mr. Norton Smith said so; and if he gave certain instructions to his solicitors, would it not be the duty of those solicitors to act on those instructions? Oh, yes. But, then, if he instructs them to ask for something illegal and invalid, he does it at his own risk; when I referred to the solicitor, just now, suggesting something at his own risk, of course I really meant at his client's risk; because the client has to take the responsibility for all his solicitor does. I mean to say, that the solicitor takes it at his own risk, as representing his client.

1780. *By Mr. Guesdon.*—That does not do away with the duty of the solicitor to take proper precautions on behalf of his client? Oh, no.

1781. *By Mr. Urquhart.*—Is it not the usual practice of the lessee's solicitor to draft a lease and submit it to the lessor's solicitor? It may be done sometimes, but it is certainly not the usual practice.

1782. *By Mr. Guesdon.*—What is the usual practice? The lessor's solicitor drafts a lease.

1783. *By Mr. Urquhart.*—Do you know anything about the Emu Bay Company's lease for the branch line—as to what solicitor drafted that? I do not know anything about it.

1784. *By the Chairman.*—If, as a result of previous negotiations, arrangements had been come to between Mr. Pillinger and the Van Diemen's Land Company's manager to grant a lease in perpetuity, practically, whose function in accordance with the usual practice, would it have been to have drawn up that lease? I think the rule would have been that it should have been prepared in the Crown Solicitor's office.

1785. If the draft had been prepared by Messrs. Dobson, Mitchell, & Allport, and by them submitted to the Crown Law officers, would not the obligation of closely examining and scrutinising that lease have been greater, as concerns the Crown Law officers, than if it had been drafted by themselves? I think they ought to be equally careful in either case. They ought to be as careful in one way as another.

1786. But would they not need to be extra careful if it was drafted by people who would naturally draft it to protect their client's interest? Well, it is just the difference of being careful of choosing your own language to convey what you intend, and carefully scrutinising another man's language to see that you are not committed to more than you intend.

1787. Would you place the Crown Law Officers on a level with an ordinary firm of solicitors in an affair of this kind? How do you mean?

1788. Do you think any higher responsibility rests upon them against improperly taking a chance, or being careless of right and wrong? I think every competent solicitor does that in private practice.

1789. You said something about the responsibility resting on the firm of solicitors who drafted the document that was invalid? I do not think you understood me. I said that if they inserted in the draft something invalid and illegal it must be at their own risk.

1790. Very well,—we know that the lease was drafted there—you know that? I have been informed so. The draft of the document I signed was drafted by them.

1791. Very well, inasmuch as that agreement or receipt contained a condition that was contrary to law, that was not valid, and that could not be carried out, was there not a bigger responsibility on the part of the Crown Law officers for not examining that and discovering it. (No answer.)

1792. Would the Crown Law officers in such circumstances be justified in taking advantage of the fact that they knew this was an invalid document, and submitting it to a Minister? No, certainly not.—Of course they would not. I could not imagine them doing so.

1793. *By Mr. Urquhart.*—In other words, it was their duty to inform the Minister that the thing was invalid? Yes. Their first duty would be to send the draft back to the company's solicitors, and object to it without troubling the Minister at all. That would be their duty in the first instance.

1794. *By the Chairman.*—If you were shown, in evidence, that the Crown Solicitor never saw that document, and that, so far as we can ascertain, it only passed through the hands of a junior clerk who engrossed it, does that indicate that the Crown Law Officers were alive to their duties, and that the business was conducted in a proper manner? I should certainly say that somebody was very negligent. Not necessarily the heads of the department; because you will sometimes get subordinates who will occasionally act in an insubordinate and negligent manner, and do the business before the head is aware of it. Such things do occasionally happen, and I dare say you find it in your own private business. Such things may happen in a lawyer's office, although you would naturally say that in a well-conducted office all precautions would be taken against such an event.

1795. *By Mr. Nicholls.*—Do you consider it possible to construe this agreement as a promise to ask Parliament to grant this lease? Well, you know, I have never seen the document since I saw it reprinted in the *Mercury* a few weeks ago.

1796. First of all it is signed by you on behalf of the Minister of Lands, who, we will assume, had no power to bind the Crown? Yes.

1797. And secondly, its terms are vague and general? Yes.

1797A. Well, in view of these facts, might it not be suggested that this was a promise to obtain power to grant a lease? Well, the Minister of Lands may have intended to sign a document of the description you describe, and this may have been sent over as such; but I wouldn't like to venture an opinion on the construction of this document now.

1798. I understand that, but I question you rather on what you would gather as to the intent of this document from the surrounding circumstances? Well, taking notice of these two letters which the Chairman has put into my hands from Messrs. Dobson, Mitchell, and Allport's office, it is just possible that this agreement may have been promised by the Minister of Lands simply as a foundation for making an application to Parliament; that may be the history of it. Of course it is only speculation; but it is evident from the correspondence three years afterwards, that Messrs. Dobson, Mitchell, and Allport approached the Government with a view to getting them to obtain Parliamentary sanction, that something such as you suggest may be the truth of the matter. I think the first letter shows clearly enough that three years after the agreement was signed the company's solicitors, apparently spontaneously, approached the Government with a view to getting Parliamentary sanction. If these letters are simply representative of a later stage in the same transaction, of which this agreement is the beginning, then the construction Mr. Nicholls puts upon it is a very possible one.

1799. *By Mr. Aikenhead.*—Mr. Pillinger seems to have given specific instructions for the document to be prepared? Yes.

1800. Now none of these documents said anything about the term of 1000 years? That is so, but there is something more important still. The earlier part of the instruction says that the agreement is to be prepared in accordance with an Act of Parliament.

1801. What I want to get at is this: no term of 1000 years is mentioned, and if the Minister intended to get it prepared for a term of 1000 years, it would be so expressed in this memo? It is very evident to me that the Crown Solicitor would never put 1000 years in that document unless he got instructions from Mr. Pillinger.

1802. *By the Chairman.*—Might I ask what construction you would put upon a condition that the Van Diemen's Land Company would subscribe a certain amount on condition that they were allowed to run the line on rails, to carry on a train service in a certain direction, if no period was named? Simply an agreement to that effect.

1803. No. Supposing that you were asked, would you regard it as an agreement in perpetuity? There is an Act of Parliament; but there is nothing about running trains in it.

1804. I am speaking generally. Supposing you had been Minister of Lands at the time, and had agreed to the condition imposed by Mr. Norton-Smith, that the Van Diemen's Land Company was to have the right to run their trains on that breakwater? Yes.

1805. And, supposing that no term at all was mentioned—what interpretation would you put upon it—Would you think they were asking for a right in perpetuity? Oh, I presume that they would be requesting the right to use the breakwater so long as the breakwater existed. But every man is supposed to know the law, and if there was no law in existence authorising any Minister or Government to give a lease in perpetuity, then they would be held to have made that agreement with that knowledge. They may have been, in fact, absolutely ignorant of it; but they would be held to have made the agreement, knowing that such a thing could not be legally given. Therefore, there is a strong presumption in favour of Mr. Nicholl's theory, that, in dealing with the Minister, they had in view the intention of coming to Parliament, in order that Parliament might authorise the issue of the necessary lease.

1806. Would you put the construction upon correspondence of that kind, that they were asking for a right in perpetuity? Yes. But, as I say, dealing with Ministers without any authority to give a lease, they would be presumed to be looking forward to Parliamentary action.

1807. And both parties are supposed to know the law? Yes.

1808. *By Mr. Nicholls.*—The Chairman did not draw your attention to the whole of the circumstances that existed at the time when this agreement was made—In this way: the agreement was signed in 1889? Yes.

1809. For 11 years before that the company had had lines on the various jetties and the breakwater at Emu Bay, and had been using them on sufferance. What I want to ask you, sir, is this: whether, when they got an agreement for a further right to go on that breakwater, it would not be rather on the terms of their former occupancy? Oh, that might be so.

1810. And remain there during convenience? That might be so; but there is this to be said, if I understand you accurately, Mr. Nicholls, they had not paid for the use of the former jetties; as to this breakwater, there was monetary consideration. Now, of course, as I said on the first occasion when I was giving evidence here, it is not a matter of law, but of daily experience that the Van Diemen's Land Company would naturally expect to get some return from that breakwater in return for that £1000 they paid.

[See letter from Mr. Clark. Appendix L.]

SATURDAY, DECEMBER 15, 1900.

MR. JOHN MITCHELL, *recalled and examined.*

1811. *By Mr. Urquhart.*—Can you give the date of your instructions to Mr. A. I. Clark for settling that Bill? I can give you the date of the attendance. I could get it.

1812. You are quite clear in your own mind that Mr. A. I. Clark, in his professional capacity, settled the Bill? I believe he did.

1813. You have already said so. We want to make a certainty of it. I could verify that.

Mr. Nicholls.—I may mention to the Committee that I met Mr. Justice Clark on my way down here this morning, and he informed me that he had found on reference to his books that he did settle the Bill.

APPENDICES.

COPY OF CORRESPONDENCE *RE* LEASE OF RUNNING POWER OVER THE
EMU BAY BREAKWATER.

(I.)

1. From the Master Warden, Table Cape Marine Board to the Agent Van Diemen's Land Company :—

Marine Board Office, Burnie, Emu Bay, 26th June, 1880.

SIR,

AT a meeting of the Marine Board, held on 24th instant, it was resolved that application be made to the Van Diemen's Land Company and to the Mount Bischoff Tin Mining Company, soliciting a subsidy from each of these companies towards the further extension of the jetty improvements now under progress at Emu Bay, in order that a breakwater affording shelter may, if practicable, be constructed by running an additional 200 feet from the end of the present work at an angle of about 25 degrees in a south-easterly direction. It is believed by this Board, from a recent interview with some of its members at Burnie, that the Government will be prepared to advocate, during the coming Session of Parliament, the expenditure of £3000 to £4000 in addition to the £2500 now being expended, provided the companies interested, and the Marine Board contribute amongst them a substantial amount. I have been directed to make an application to the Mount Bischoff Tin Mining Company for £1000 or £1500 towards the object (that company being largely interested), and a same application to you as agent for the Van Diemen's Land Company, and beg that you will have the kindness to recommend such to the favourable consideration of your Directors in London. I feel sure you must be impressed with the absolute necessity which now exists for some better provision for shipping accommodation at Emu Bay; and as the jetty improvements are now in hand, the board considers this a most opportune time for making this appeal, in order to secure the further expenditure if possible, of an additional £8000 or £10,000 upon the termination of the present contract, or probably in conjunction with it, and whilst the advantage offers of obtaining the services of a gentleman possessing the qualifications of the present Engineer-in-Chief. I may add that this Board is quite prepared, upon being provided with the necessary borrowing powers by Parliament, to contribute £1000 conditionally upon the two companies now being applied to favourably entertaining the subject. I shall esteem it a favour if you will lay the matter before your Directors with the least possible delay.

I am,

Sir,

Your obedient Servant,

ARTHUR B. WILLIS, Master Warden.

(II.)

2. From the Agent Van Diemen's Land Company to the Master Warden Emu Bay Marine Board :—
The Van Diemen's Land Company's Office,

Emu Bay, 26th July, 1880.

SIR,

I HAVE the honour to acknowledge the receipt of your favour requesting that this company will contribute a sum of money towards the improvement of the shipping accommodation at the port of Emu Bay. The scheme you submit appears to me very feasible, and I have had much pleasure in forwarding your letter to my Directors, who, I trust will accede to the proposition. I expect to get a reply from them early in October, and will at once acquaint you with it.

I have, &c.

J. W. NORTON SMITH.

(III.)

3. From the Agent Van Diemen's Land Company to the Master Warden Emu Bay Marine Board :—
Van Diemen's Land Company's Office,

Emu Bay, 19th October, 1880.

SIR,

IN reference to your application for assistance from the Van Diemen's Land Company towards the extension of the breakwater now in course of construction at this port, I have now the pleasure of informing you that that company will subscribe One thousand Pounds (£1000), provided the other parties interested in the work subscribe in the proportions mentioned in your letter to me of the 26th June; viz.—

The Government of this Colony, from £3000 to £4000.

The M.B.T.M. Company, from £1000 to £1500.

The Marine Board, £1000.

And provided also, that the Van Diemen's Land Company will be allowed to extend their tramway to the end of the breakwater, should they desire to do so ; in case of such tramway being laid, it would, of course, be worked in the same manner as that laid on the present jetty by the company and the Marine Board conjointly.

The Master Warden.

Your obedient Servant,

J. W. NORTON-SMITH.

(IV.)

Woolnorth, Van Diemen's Land Company,
7th December, 1888.

SIR,

IN view of the absolute necessity for an extension of the Emu Bay Breakwater beyond the point to which funds are now available (inclusive of the £8000 proposed during the last Session of Parliament) will carry it, to make it of sufficient length to provide the necessary protection for shipping, I have the honour to inform you that the V.D.L. Co. will contribute a further sum of £1000, provided that an additional amount of £5000 towards this work be voted by Parliament during the ensuing Session, and also provided that the right be granted to the V.D.L. Co., or their assigns, to run and maintain a railway through the land granted to the Crown in 1872 for wharf purposes, and over the breakwater.

Trusting that this proposal will have your hearty co-operation,

I have, &c.

The Hon. A. T. PILLINGER,
Minister of Lands and Works, Hobart.

J. W. NORTON-SMITH, Agent.

To the Engineer-in-Chief, for remarks.

W.S.
13. 12.

I WOULD suggest that more information be obtained as to the alleged absolute necessity for the further present expenditure, seeing that very shortly the large sum of £24,500 will have been expended on this work, exclusive of £4000 voted for plant, and exclusive of £7250 in local contributions, while the work has been extended far beyond the limit advised by Mr. Napier Bell, if it was to stop short of full completion, at a cost of some £60,000.

J. FINCHAM, Engineer-in-Chief.
13. 12. 88.

To Engineer-in-Chief.

I SHALL be glad if you can obtain information necessary as per your memo.

ALFRED PILLINGER, Minister of Lands.
13. 12. 88.

ATTACHED.

J. FINCHAM.
23. 1. 89.

Emu Bay Jetty and proposals of Manager of Van Diemen's Land Company, in letter of
7th December, 1888—

WITH regard to item 2 marked in letter referred to above, I advise that the right be granted, subject to the right of the Government to run their trains on such railway at any future time ; that the rails be laid so as not to impede the free use of any part of the jetty for cart traffic, and that the railway is worked under such regulations as may be imposed by the Marine Board.

J. FINCHAM, Engineer-in-Chief.
23. 1. 89.

(V.)

19th December, 1888.

EMU BAY JETTY.

SIR,

I HAVE the honour to acknowledge the receipt of your letter, dated 7th instant, stating that the V.D.L. Company will contribute a further sum of £1000, provided that the additional sum of £5000 be voted by Parliament towards this work during the ensuing Session, and that the right be granted to the Company to run and maintain a railway through the land conveyed to the Crown in 1872, for wharf purposes, and over the breakwater.

In reply, I desire to point out that the Government has already expended the sum of £28,500 on this work, (including plant, £4000), and the work has been extended nearly twice as far as recommended by Mr. Napier Bell, pending funds being provided for complete shelter.

Your proposal will, however, receive full consideration, and you will be again communicated with on this matter.

I have, &c.,

P. O. FYSH, for Minister of Lands and Works, (absent).

J. W. NORTON SMITH, Esq., Emu Bay.

	£
41 Vict. No. 10	2500
46 Vict. No. 26	5000
47 Vict. No. 34	4000
49 Vict. No. 44	4000 (plant)
50 Vict. No. 23	5000
52 Vict. No. —	8000
	<hr/>
	28,500
Contributed locally	7250
	<hr/>
	35,750
	<hr/>

(VI.)

21st March, 1889.

EMU BAY JETTY—52 VICT. No. 63—£5000.

SIR,

I HAVE the honour to inform you that all available funds on of the abovementioned work have been expended, with the exception of the vote of £5000 passed last Session, conditionally upon the Van Diemen's Land Company contributing £1000 and the Table Cape Marine Board, £800.

As in accordance with the Act it will be necessary for the above contributions to be paid before any portion of this vote can be expended, I have the honour to request that you will be good enough to forward a cheque at your earliest convenience in order that the works may not be delayed.

I have, &c.,

ALFRED PILLINGER, Minister of Lands and Works.

W. NORTON SMITH, Esq., V.D.L. Company, Emu Bay.

(VII.)

Van Diemen's Land Company, Burnie, 27th March, 1889.

EMU BAY JETTY.

SIR,

I HAVE the honour to acknowledge the receipt of your letter of the 21st instant, advising that a vote for £5000 passed last Session, conditionally upon the Van Diemen's Land Company contributing £1000.

A reference to the correspondence previous to the passing of the Act shows that the Van Diemen's Land Company agreed to contribute £1000 on certain conditions. And we shall be very pleased to carry out this agreement, and we are prepared to make progress payments as the work goes on in the same manner as the former sum of £5000 was paid to the Treasury. But during this month it would be very inconvenient to have to make any considerable cash payments, and, therefore, I will ask you to be good enough to postpone the call for a little time.

I have, &c.,

MONTAGUE BROWN, Assistant Manager.

The Hon. the Minister of Lands and Works, Hobart.

(VIII.)

3rd April, 1889.

EMU BAY JETTY.

SIR,

I HAVE the honour to acknowledge the receipt of your letter of the 27th ultimo, in mode of further contribution of £1000 by Van Diemen's Land Company towards these works; and, in reply, to inform you that Section of Act, 52 Vict. No. 63, requires that payment of the amount named be made before any further expenditure is incurred in connection with these works.

Unless, therefore, this condition is immediately complied with, it will be absolutely necessary for me to issue orders forthwith, for the stoppage of the works.

A similar letter has been sent to the Table Cape Marine Board.

I have, &c.,

ALFRED PILLINGER, Minister of Lands and Works.

The Manager Van Diemen's Land Company, Burnie.

(IX.)

Van Diemen's Land Company, Burnie, 15th April, 1889.

EMU BAY JETTY.

SIR,

I HAVE the honour to acknowledge the receipt of your favour of the 3rd instant, which would have received earlier attention had the writer been at home.

The terms on which you demand payment of the Company's contribution towards the further extension of this work are so entirely different from those on which the last contribution was made, that I am unprepared, at present, to make it. I shall, however, be in receipt of moneys shortly, certainly not later than the 1st proximo, when your request will receive immediate attention, though, considering the promptness with which all applications for payment on account of the last donation were met, I fail to see the reason for this insult being offered to the Van Diemen's Land Company.

I have, &c.

J. W. NORTON SMITH, Agent.

The Hon. A. T. PILLINGER, Minister of Lands and Works, Hobart.

(X.)

From the Minister of Lands and Works to the Agent Van Diemen's Land Company.

Public Works Office, Hobart, 17th April, 1889.

SIR,

I HAVE the honour to acknowledge receipt of your letter, dated 15th instant, in reference to request made by this Department for contribution from your Company, in terms of Act 52 Vict. No. 63. In reply, I desire to inform you that your intimation that this matter will receive your attention not later than the 1st proximo has been noted. With regard to the concluding paragraph of your communication, I very much regret that you should have put a construction upon my letter which was never intended. You will see, upon perusal of the Act, which I enclose, that no other course was open than that adopted in this case.

I have, &c.

ALFRED PILLINGER, Minister of Lands and Works.

(XI.)

101, Macquarie-street, Hobart, 2nd May, 1889.

DEAR SIR,

REFERRING to the letter of 7th December, 1888, written to you by Mr. Norton Smith on behalf of the Van Diemen's Land Company, we are instructed to say that the £1000 is now available, and can be paid over. Will you please instruct the Crown Law Officers to prepare a lease of the land required on which the railway can be laid down, constructed, run, &c. May we request your giving the instructions at once, as the company wish to make their contribution to the Government.

Yours, &c.

DOBSON, MITCHELL, & ALLPORT.

The Hon. A. T. PILLINGER, Esq., Minister of Lands and Works.

To Engineer-in-Chief, for remarks for the information of the Hon. the Minister.

IT is, I think, only necessary that the lease should give the company power to lay down rails on the breakwater in terms of my former recommendation (23/1/89), so as not to obstruct the use of the same by the Government or the public; and also through land granted to Crown in 1872, without delaying matters for fresh survey.

J. FINCHAM.

3. 5. 89.

Forwarded to the Hon. the Attorney-General.

As it is necessary that the contribution of £1000 should be at once made by the Van Diemen's Land Company, in terms of Act 52 Vict. No. 63, the works at Emu Bay Jetty under such Act being now in progress (*vide* copies letters to Manager Van Diemen's Land Company). Will the Honourable the Attorney-General have the necessary document prepared for my signature, guaranteeing the issue of the lease required by the company, in accordance with Manager's letter of 7/12/88, and the Engineer-in-Chief's recommendations of 23rd January, 1889, and 3rd May, 1889. On this understanding, perhaps Messrs. Dobson, Mitchell, & Allport will at once pay the amount.

ALFRED T. PILLINGER, Minister of Lands and Works,
7th May, 1889.

(XI.—*continued.*)

FORWARDED to the Crown Solicitor.

A. INGLIS CLARK.

7. 5. 89.

WITH reference to lease required by Company prior to payment of One thousand Pounds contribution as per your letter of 7th December, 1888, Engineer-in-Chief advises that right be granted subject to right of Government to run their trains over such railway at any future time ; that the rails be laid so as not to impede the free use of any part of the Jetty for cart traffic, and that railway be worked under such regulations as may be imposed by the Marine Board.

Do you agree to these conditions ?

ALFRED PILLINGER, Minister of Lands and Works.

J. W. NORTON SMITH, Esq., Emu Bay.

16th May, 1889.

CONDITIONS under which Van Diemen's Land Company agree to contribute One thousand Pounds towards cost of Emu Bay Breakwater is that right be granted to company to run Railway through land resumed by Crown in 1872 for wharf purposes and over the Breakwater. There is no objection to this being done under certain restrictions, of which Mr. Norton Smith has been notified, and that railway is worked under such regulations as may be imposed by your Board.

Will you please inform me of any provisions your Board would like inserted in lease.

ALFRED PILLINGER, Minister of Lands and Works,

16th May, 1889.

The Master Warden, Table Cape Marine Board, Burnie.

(XII.)

[TELEGRAM.]

From Burnie,

17th May, 1889.

CONDITIONS agreed to subject to the following: Government to pay proportionate cost of maintenance when running their trains over railway. In event of Marine Board imposing harassing regulations appeal to be made to the Minister of Lands and Works.

J. W. NORTON-SMITH.

To Hon. Minister, Lands and Works.

CONDITIONS agreed to by Mr. NORTON SMITH approved.

ALFRED PILLINGER.

17. 5. 89.

FORWARDED to the Crown Solicitor.

17. 5. 89.

(XIII.)

101, Macquarie-street, Hobart, 20th May, 1889.

DEAR SIR,

HEREWITH draft receipt, on which being signed by the Minister of Lands and Works, we can hand you cheque for £1000.

Yours, &c.,

DOBSON, MITCHELL, & ALLPORT.

E. D. DOBBIE, Esq., Crown Solicitor.

"IN consideration of the sum of One thousand Pounds this day paid by the Van Diemen's Land Company to the Government of Tasmania, the said Government agrees to grant to the Company, their successors and assigns, a Lease for the term of 1000 years from the date hereof of a strip or strips of land ten feet wide in or about the positions shown by red lines in the tracing hereto annexed, and also the right to lay down, construct, maintain, work, and run a line or lines of railway, together with all works, stations, and sheds incidental or necessary thereto on the said strip or strips of land, and for the consideration aforesaid the said Government agree to grant to the said Company, their successors and assigns, for the same period, the right to lay down, construct, maintain, work, and run a line of railway and all necessities thereto on the present Emu Bay Breakwater and on any further or future extension or alteration thereof or additions thereto, or on any piers thereto. But it is hereby declared that the said Government shall have the right to run trains over the said lines of railway on their paying to the said Company, their successors or assigns, a fair and just proportion of the moneys for the time being expended by the Company in the maintenance of the said lines of railway (such proportion to be ascertained by arbitration in case of dispute): And provided that the said running by the Government shall be at times convenient and suitable to the proper working by the said Company, their successors or assigns, of their said lines of railway: And provided that the rails on the said Breakwater be so laid as not to impede the use of the said Breakwater for cart traffic: And provided that the said running shall be subject to rules and regulations that may be

made by the Governor in Council : Provided that the said running shall also be subject to the rules and regulations made by the Table Cape Marine Board, but as to these, should any question or dispute arise between the said Board and the Company, their successors or assigns, then the same question or dispute shall be decided by the Minister of Lands and Works for the time being, whose decision shall be final."

Dated this 21st day of May, 1889.

A. INGLIS CLARK,
for the Minister of Lands and Works.

(XIV.)

Attorney-General's Office, Hobart, 16th July, 1889.

MEMO.

THE enclosed telegram from the Master Warden, Emu Bay, to the Hon. the Minister of Lands, dated the 2nd June, is returned; with a memo. endorsed thereon by the Crown Solicitor on this date.

W. STOPS, Secretary.

To the Hon. the Minister of Lands.

Emu Bay, 2nd June, 1889.

PLEASE forward me draft proposed lease to railway company *re* jetty.

MASTER WARDEN.

Minister of Lands and Works.

I SHALL be glad if the Hon. the Attorney-General will direct that draft lease be forwarded to the Office, in order that the request of the Master Warden may be complied with.

ALFRED PILLINGER, Minister of Lands and Works.

The Hon. the Attorney-General.

3rd June, 1889.

THE lease is, at the present time, with Messrs. Dobson and Mitchell, for perusal on behalf of the Van Diemen's Land Company.

A. INGLIS CLARK.

3rd June, 1889.

MESSRS. Dobson & Mitchell have been applied to several times for this Draft Lease, but without result. Can the Law Department procure same and forward to the Master Warden for perusal?

ALFRED PILLINGER, Minister of Lands and Works.
13. 7. '89.

REFERRED to the Crown Solicitor.

W. STOPS, Secretary.
16. 7. '89

I THINK it very irregular on the part of the Public Works Department to apply to a solicitor for any Draft forwarded to him from this office for perusal, and such a practice, if carried out, would lead to endless confusion. I expect to receive the Draft Lease from D. M. & A. to-morrow, approved on the part of the Van Diemen's Land Company, and if the Minister so desires, it can be sent to him to be forwarded to the Master Warden, although I do not see why this course should be followed, as the Marine Board are not parties to the Lease.

EDW. D. DOBBIE.
16th July, 1889.

The Hon. the Attorney-General.

THE Marine Board has control of the Port, and has been promised a perusal of the lease, to see that public interests are properly protected. The delay is occasioning inconvenience, and the application was made from this Department to Messrs. Dobson and Mitchell to prevent a further delay, for which this Department is held responsible.

ALFRED PILLINGER.
17. 7. '89.

PLEASE return these papers.

FORWARDED to the Crown Solicitor with reference to the memo. of the Hon. the Minister of this date.

W. STOPS, Secretary.
17. 7. '89.

(XV.)

Public Works Office,
Hobart, 3rd July, 1889.

SIR,

As I understand the Van Diemen's Land Company are not disposed to assist in the future extension of the Emu Bay Breakwater by any further contribution towards the cost of the work, I have the honour to ask whether you will recommend for the favourable consideration of your directors the conveyance of certain land at Blackman's Point to the Government for public purposes, in consideration of an additional sum of say £6000 being expended on extending the breakwater.

The land in question is shown on accompanying plan, and consists of two areas, as follows :—First, 2½ acres in block A., now chiefly the quarry and yard for the breakwater work ; second, something less than ½ an acre, in block B., between high and low water mark. In all, three acres to be conveyed to the Government, with the right to quarry on block C. (containing about ½ an acre), under existing restrictions as to level of bottom of quarry.

I have, &c.,

ALFRED PILLINGER, Minister of Lands and Works.

J. W. NORTON SMITH, Esq., V.D.L. Company, Emu Bay.

(XVA.)

Public Works Office, Hobart, 5th August, 1889.

SIR,

In reference to your letter of 13th ultimo, I have the honour to inform you that I think it most likely that there may be considerable opposition to the proposed vote on the part of certain members of the House, unless I am in a position to show that your Company is willing to assist in some way, and I have, therefore, to ask you to reconsider your views so that the vote may not be jeopardised.

I hope that the matter can be dealt with at once, as far as your undertaking to make a recommendation to your Directors for what we require,—and believe that when the time comes for the construction of a Railway, the great advantages to be gained both by the Van Diemen's Land Company and the Emu Bay and Bischoff Company, in the connection of their railways with the general system of the Colony, will be so apparent to them that they will not find fault with the second request made for the purpose of facilitating that object.

I have, &c.,

ALFRED PILLINGER, Minister of Lands and Works.

J. W. NORTON SMITH, Esq., Burnie.

(XVI.)

101, Macquarie-street, Hobart, 22nd July, 1889.

VAN DIEMEN'S LAND COMPANY AND GOVERNMENT.

DEAR SIR,

WE send draft lease herewith for perusal.

Yours very truly,

DOBSON, MITCHELL, & ALLPORT.

E. D. DOBBIE, Esq., Crown Solicitor.

(XVII.)

COMMISSIONER OF CROWN LANDS TO VAN DIEMEN'S LAND COMPANY.

Crown Solicitor's Office, 23rd September, 1889.

DEAR SIR,

I CANNOT agree to the alterations made by you in the Draft Lease. There must be a time limited for the construction of the railway, otherwise your clients might defer its construction until the last year of the term, and thereby prevent the construction of a railway by the Government, there not being sufficient room on the Breakwater for two lines. I have seen the Minister, who states that it is not his wish to insist upon the railway being commenced until the present extension is completed, but that it must be completed within twelve months after notice being given. I have, therefore, altered the Draft Lease accordingly, and now return it for your perusal.

Yours truly,

Messrs. DOBSON, MITCHELL, & ALLPORT, Solicitors.

EDW. DOBBIE.

(XVIII.)

Van Diemen's Land Company, Burnie, 25th September, 1889.

SIR,

LEASE OF LAND AT EMU BAY FOR RAILWAY PURPOSES.

I HAVE the honour to request that you will not insist on the insertion of a clause compelling the Company to construct their railway along the centre of the breakwater without consulting the Table Cape

Marine Board. I am of opinion that if the road be laid somewhat on one side it will be more convenient for all parties concerned, and that if you could inquire into the matter on the spot you would be of my opinion. Knowing that you are only desirous of protecting the public interest in this matter, I trust that you will favour me by granting the above request.

I have, &c.

J. W. NORTON SMITH, Agent.

The Hon. ALFRED PILLINGER,
Minister of Lands and Works, Hobart.

To Engineer-in-Chief for remarks.

MINISTER OF LANDS AND WORKS.
27.9.89.

THE Hon. the Minister.—I quite concur with Mr. Norton Smith; the centre is not the proper place.

J. FINCHAM, Engineer-in-Chief,
28.9.89.

FORWARDED to the Hon. the Attorney-General.

ALFRED PILLINGER.
30.9.89.

REFERRED to the Crown Solicitor.

F. STOPS, Secretary.
30.9.89.

As it appears to be agreed that the centre is not the proper place for the railway, it will be necessary to define, either by diagram or otherwise, the position of the railway, as it would be injudicious to allow the Company to construct it on any portion of the breakwater they might choose.

E.I.C. 2.10.89.

E. D. DOBBIE.
1.10.89.

(XIX.)

101, Macquarie-street, Hobart, 8th October, 1889.

DEAR SIR,

WE return draft Lease, with two proposed additions. Kindly return same at your earliest convenience.

Yours, &c.,

DOBSON, MITCHELL, & ALLPORT.

E. D. DOBBIE, Esq., Crown Solicitor.

(XX.)

Crown Solicitor's Office, Hobart, 11th October, 1889.

Re EMU BAY LEASE FOR RAILWAY.

DEAR SIR,

REFERRING to Mr. J. Norton-Smith's letter of 25th ultimo to the Hon. the Minister of Lands and Works, which you have perused, I have to inform you that the Minister is content to alter the form of Lease so that the company may place their line of railway upon any portion of the breakwater which may be approved-of by the Minister.

Yours truly,

E. D. DOBBIE.

Messrs. DOBSON, MITCHELL, & ALLPORT, Solicitors, Hobart.

(XXI.)

Engineer-in-Chief's Office, Hobart, 16th November, 1889.

LEASE TO THE VAN DIEMEN'S LAND COMPANY.

SIR,

The plan attached to the lease (which plan I see for the first time to-day), indicates concessions of a rather more extended character than I contemplated in my former recommendations that the Company should be allowed to lay a railway down on the Emu Bay Breakwater, *i.e.*, to perpetuate the present concessions enjoyed by them.

The plan evidently indicates provision for connection with a future extension of the Government railways to Wynyard.

In view of this, and of the references contained in the lease to the General Manager of Government Railways, I think it should be forwarded to him, with this Memo., for any remarks he may choose to make before the Honourable the Minister signs it.

J. FINCHAM, Engineer-in-Chief.

MEMO. for the Honourable the Minister.

REFERRED to the General Manager accordingly.

ALFRED PILLINGER, Minister of Lands and Works,
18. 11. 89.

HONOURABLE MINISTER,

PLEASE see Memo. herewith.

FRED. BACK.
21. 11. 89.

(XXII.)

Tasmanian Government Railways,
General Manager's Office, 21st. November, 1889.

LEASE TO THE VAN DIEMEN'S LAND COMPANY.

WITH regard to the enclosed copy of a proposed agreement for leasing for one thousand years certain land, together with certain rights to use the breakwater at Emu Bay, to the Van Diemen's Land Company in consideration of a contribution towards the cost of the breakwater of £1000 (One thousand Pounds), and a yearly rent of 1s. (One Shilling) per annum, I am of opinion that such proposal would be detrimental to the interests of the Colony, and a source of future embarrassment to the Railway Department in the event of the extension of the Government railways to Burnie.

The agreement is silent as to the rights of the Van Diemen's Land Company to charge storage, wharfage, or haulage rates to the public, but I take it they can at least make any increase in their rates they please.

The interest on £1000 at 4 per cent. could be met by a charge of only 6d. per ton on 1600 tons of goods. Such a charge is about half the average rate for similar services in the other Colonies.

If the control of the wharves remained in the hands of the Government they could be made a source of revenue, and if even only a nominal sum were charged there would be a revenue increasing with the prosperity of the Colony.

I am of opinion that the concession proposed to be given to the Company, which practically embraces the freehold of certain strips of land, the key to the whole undertaking, is worth not less than £10,000, and further, I am of opinion that in the event of a purchase of the line by the Government the concession, when part of a going concern, would be valued in connection with the line at nearly twice the amount I have named.

If it is decided to allow the Van Diemen's Land Company, as a matter of public convenience, to use the wharf (and no doubt such will be the case) it might be advisable, until the Government line is constructed, to grant the right to use the wharf from time to time; such permits extending over a period of not more than one year at a time, and on payment of a small fee, say a yearly rent equal to 3½ per cent. on £1000, the amount proposed in the agreement as the contribution of the Company towards the cost of the breakwater, say, £35 per annum.

FRED. BACK, General Manager.

MEMO. for Hon. Minister of Lands and Works.

(XXIII.)

THE right to lay rails and price to be paid has been approved and notified prior to embodiment of provision in the formal agreement; and if it were otherwise, the Manager would require to be seized of all the facts to enable him to express final opinion.

I do not see that he makes any remarks at all upon the chief point as to which it was desirable that he should be consulted—marked 5. 12. 89. (a.), (b.)—and has probably overlooked it.

As I think the question is important, I suggest that papers be referred back to him.

J. FINCHAM, Engineer-in-Chief.
5. 12. 89.

Honourable the Minister.

To General Manager accordingly.

B. STAFFORD BIRD, for Minister of Lands and Works.
5. 12. 89.

(XXIV.)

I duly considered Mr. Fincham's Memo. in all its bearings. The real point to be dealt with is the one I have underlined in red. I have gone over my report to you again, and see no reason to modify or alter it in any particular. If the progress of the Colony during the next ten years increases in the same

ratio as in the last ten years, it will, in my opinion, be found that it would have been cheaper to have made the Van Diemen's Land Company a present of £10,000, than to have carried out the proposed agreement

FRED. BACK.
7. 12. 89.

Honourable the Minister.

(XXV.)

COPY OF ENDORSEMENTS.

The right to lay rails, and price to be paid, has been approved and notified prior to embodiment of provision in the formal agreement, and if it was otherwise the Manager would require to be seized of all the facts to enable him to express final opinion.

I do not see that he makes any remarks at all upon the chief point as to which it was desirable that he should be consulted (marked 5.12.19 a-b), and has probably overlooked it. As I think the question is important, I suggest the papers be referred back to him.

J. FINCHAM, Engineer-in-Chief.
5. 12. 1889.

GENERAL Manager.
Accordingly.

B. STAFFORD BIRD, Minister of Lands and Works.
5. 12. 1889.

I duly considered Mr. Fincham's memo. in all its bearings. The real point to be dealt with is the one underlined in red. I have gone over my report again, and see no reason to modify or alter it in any particular. If the progress of the Colony during the next 10 years increases in the same ratio as in the last 10 years, it will, in my opinion, be found that it would have been cheaper to make the V.D.L. Company a present of £10,000 than to have carried out the proposed agreement.

FRED. BACK.
7. 12. 1889.

HON. Minister.

It appears that the Van Diemen's Land Company are asking further concessions than those agreed to, viz.—running powers over B. & C., evidently with a view to future extension of railway to Wynyard. Will the General Manager please express his views on these proposed concessions.

ALFRED PILLINGER,
10. 12. 1889.

TO GENERAL MANAGER,

TO HONOURABLE MINISTER,

AFTER discussing this matter with you I have nothing further to add to my former correspondence. It would be well to refuse the strip of land, which would form connection with line to Wynyard.

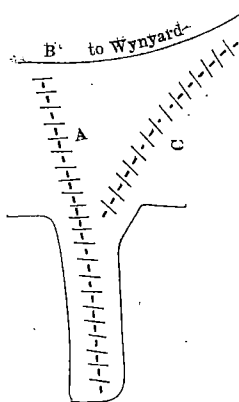
FRED. BACK.
24. 12. 1889.

(XXVI.)

Engineer-in-Chief's Office, Hobart, 10th December, 1889.

EMU BAY JETTY AND VAN DIEMEN'S LAND COMPANY.

MEMO.



I CANNOT advise the Hon. the Minister to sign the agreement with the Van Diemen's Land Company now before him until the General Manager replies to the question raised by me in his interest, viz., "as to connection with Wynyard extension of Government Railways," for neither of his memoranda refer to it.

Nothing more is necessary to be said as to payment of £1000 by the Company, as the Act of Parliament disposes of that question, and the interest on that amount is the equivalent of the alternative proposed by Mr. Back, that they should pay £35 per annum.

Moreover, as the railway on the jetty will be as much at the disposal of the Government as of the Company, and the general public will also have free access to it, I disagree entirely with the General Manager's views.

J. FINCHAM, Engineer-in-Chief.

The Hon. the Minister of Lands and Works.

A Line approved by Minister.
B & C Suggestions originating with
V.D.L. Coy. re extension
to Wynyard.

(XXVII.)

General Manager's Office, 11th December, 1889.

BURNIE Breakwater.—Engineer-in-Chief refers to an Act in his memo. of yesterday. Kindly have me furnished with copy before I report further to you.

FRED. BACK, General Manager.

The Hon. the Minister of Lands and Works, Hobart.

(XXVIII.)

Tasmanian Government Railways,
Engineer-in-Chief's Office, Hobart, 3rd January, 1890.

EMU BAY BREAKWATER.

Agreement for Lease of Land to the Van Diemen's Land Company.

THE plan attached to Agreement forwarded for the signature of the Minister of Lands and Works is one that has never been prepared or previously checked in the Public Works Office, and indicates more extensive concessions than were ever contemplated by the department.

The limit of the concession was a perpetuation of the present access to the Breakwater as enjoyed by the Van Diemen's Land Company, on an improved line shown in pink colour on tracing herewith, marked "Jan. 2/90, P.W.D."

The uncoloured lines of railway on this tracing (of Jan. 2/90) are coloured pink on plan, presumably prepared by the intended lessees, and give them a command of connection with the future extension of Government railways, which is thought to be undesirable by the General Manager.

A. INGLIS CLARK, for Minister of Lands and Works, absent.

(XXIX.)

Public Works Office, Hobart, 21st January, 1890.

P.W.C. Act, 53 Vict. No. 54, Item 19.

SIR,

I HAVE the honour herewith, to submit a revised plan showing the land which it is proposed that the Van Diemen's Land Company shall grant to the Government of Tasmania in connection with the provisions of the Act of Parliament above quoted. I also append statement of certain conditions to be observed.

PLAN.—The Block A. to be granted to the Government for purposes connected with the extension of the North-Western Railway, and for erection of Public Buildings, as hereafter may be required.

The Block C. to be granted to the Government for the purposes of quarrying stone for Jetty or Breakwater works until such works are completed.

The Blocks B. and BB., to be granted to the Government for purposes of future wharfage, or an equivalent portion of C. to be permanently transferred to the Government in the event of the Van Diemen's Land Company electing to retain Block BB.; such election to be made forthwith.

GENERAL.—Reservation 20 feet wide to be made for continuing North Terrace Road to Jetty and Blackman's Point.

Mr. W. Jones to relinquish his claim to existing lease upon the terms stated in your letter of 8th instant, viz., conditionally on the Crown giving another lease to him of a piece of ground 80 feet long by 40 feet wide (about 11 and $\frac{3}{4}$ perches) on the flat from which stone has been taken for construction of the breakwater, for 21 years from 1891, the date of his being put in possession, the exact site of the proposed leasehold to be selected by your (*i.e.* the Government) officer and himself conjointly, this being subject to the reservation contained in Mr. Jones's letter of 17th instant, of the Government being allowed to purchase (if necessary) his interest in the existing lease, the purchase money, in the event of dispute, to be settled by arbitration.

I have, &c.,

ALFRED PILLINGER, Minister of Lands and Works.

(XXX.)

101, Macquarie-street, Hobart, 13th February, 1890.

DEAR SIR,

Re VAN DIEMEN'S LAND COMPANY.

WE would like to get the Lease herein completed, and out of hand.

Yours very truly,

DOBSON, MITCHELL, & ALLPORT.

E. D. DOBBIE, Esq., Crown Solicitor.

FORWARDED to Engineer-in-Chief for his information.

EDW. D. DOBBIE.
13. 2. '90.

(XXXI.)

101, Macquarie-street, Hobart, 7th March, 1890.

DEAR SIR,

WE beg to draw your attention to the continued delay in the matter of the Van Diemen's Land Company's Lease. The money was paid, in good faith, on 21st May last; but no Lease yet.

Yours very truly,

DOBSON, MITCHELL, & ALLPORT.

E. D. DOBBIE, Esq., Crown Solicitor.

REFERRED to the Engineer-in-Chief for his information.

E. D. DOBBIE.
7. 3. '90.

PAPERS, lease, and fresh tracings sent to Crown Solicitor, with memo. of Engineer-in-Chief, dated 3rd January, 1890.

JAMES FINCHAM, Engineer-in-Chief.
8. 3. 90.

(XXXII.)

Van Diemen's Land Company, Burnie, 8th March, 1890.

SIR,

EMU BAY BREAKWATER.

I HAVE the honour to acknowledge the receipt of your telegram of 6th instant, and the pleasure of informing you that your consent to the extra width of road from North Terrace removes the last obstacle to the further extension of the breakwater. I am in receipt of a telegram from my directors, consenting to grant to the Crown the three acres of land indicated by the letters A, B, and BB, on the plan I have the honour to receive from you under cover of your favour of 21st January, substantially on the terms mutually agreed upon between us, by conversation, letters, &c., viz.:—That the land in question is to be used for public purposes only; such public purposes to include the reservation of a road one chain wide connecting the North Terrace with the breakwater, the construction of a railway from Burnie westward, the erection of Bonded Store, Marine Board and Customs offices, and such other buildings for public purposes as may from time to time be found necessary, and for providing space for depositing goods to be loaded into or discharged from vessels.

That a right of way, 20 feet wide, from the road near North Terrace to the land at Blackman's Point north of Block A, in a convenient position for an approach, and the right of constructing a railway across Block A, to connect the proposed railway shunt on the said land on Blackman's Point with the Emu Bay and Mount Bischoff Railway, and of maintaining and working the same, be reserved to the company.

That you will use your best endeavours to secure the extension of the present work to a total length of at least 600 feet.

You, doubtless, have a description of the ground in your office; if you will be good enough to forward same to me I will pass it on to my directors, in order that the Grant Deed may be completed without unnecessary delay.

I have, &c.,

J. W. NORTON SMITH, Agent.

(XXXIII.)

Re Van Diemen's Land Company's Lease.

Crown Solicitor's Office,
11. 3. '90.

DEAR SIRS,

IN reference to your frequent applications as to delay in this matter, I have to refer you to Memo. of Minister of Lands and Works of 3rd January last (which you have already seen), and copy of which I now enclose. The Minister, upon the recommendation of the Engineer-in-Chief, declines to grant the lease with the present plan attached, but is willing to execute the lease with the plan marked "January 2nd, 1890, P.W.D." (which you have also seen), attached. If your clients are willing to accept the lease on those terms, please let me know, and the matter can be at once completed.

Yours, &c.,

EDW. D. DOBBIE.

Messrs. DOBSON, MITCHELL, & ALLPORT, Solicitors.

101, Macquarie-street, Hobart,
11th March, 1890.

DEAR SIR,

YOUR tardy reply to our numerous applications *re* the V.D. Land Company's lease is just to hand, and the position taken up is something extraordinary. The Government obtained a cheque for £1000 from the company, and this was paid in pursuance of the provisions contained in a written agreement. Are we to consider that this agreement will not be carried out on your part?

Yours very truly,

DOBSON, MITCHELL, & ALLPORT.

E. DOBBIE, Esq., Crown Solicitor.

FORWARDED to Minister of Lands and Works, for his consideration.

EDW. D. DOBBIE.
11. 3. '90.

REFERRED to Engineer-in-Chief.

H. E. PACKER.
12. 3. '90.

THE Crown Solicitor has all the papers.

J. FINCHAM.
14. 3. '90.

E. DOBBIE, Crown Solicitor.

Re VAN DIEMEN'S LAND COMPANY'S LEASE.

MEMO.

ALL papers, with engrossment of lease, and two diagrams forwarded to the Hon. the Premier for his information.

The Hon. the Premier.

EDW. D. DOBBIE.
13. 3. '90.

(XXXV.)

Re VAN DIEMEN'S LAND COMPANY'S LEASE.

Crown Solicitor's Office, 19th March, 1890.

DEAR SIRS,

IN reply to yours of this day, I must refer you to the Minister of Lands to whom your letters have been forwarded, and with whom the matter now rests, so far as I know.

Yours truly,

EDW. D. DOBBIE.

Messrs. DOBSON MITCHELL, & ALLPORT, Solicitors.

(XXXVI.)

101, Macquarie-street, Hobart, 19th March, 1890.

Re VAN DIEMEN'S LAND COMPANY'S LEASE.

DEAR SIR,

WE have had some correspondence with the Crown Solicitor herein; we are referred to you for a reply. Kindly let us have same at your early convenience.

Yours very truly,

DOBSON MITCHELL, & ALLPORT.

The Hon. A. T. PILLINGER, Minister of Lands and Works.

(XXXVII.)

101, Macquarie-street, Hobart, 28th April, 1890.

DEAR SIR,

THE Honourable the Attorney-General has referred us to you to ascertain what the Government will do in the matter of the Van Diemen's Land Company's Lease. If convenient, we should like to know the above during to-day.

Yours very truly,

DOBSON, MITCHELL, & ALLPORT.

The Hon. A. T. PILLINGER, Minister of Lands and Works.

INSTRUCTIONS are awaited in reference to decision of the Honourable the Premier.

HONOURABLE THE MINISTER.

J. FINCHAM.
29. 4. 90.

It has been decided to allow the Van Diemen's Land Company facilities to run their present railway on to breakwater, care being taken to reserve all necessary crossings which may be required for extension of Government railways. Please advise me as to this before I communicate with Messrs. Dobson, Mitchell, & Allport.

ALFRED PILLINGER.
29. 4. 90.

TO ENGINEER-IN-CHIEF.

(XXXVIII.)

Tasmanian Government Railways,
Engineer-in-Chief's Office, Hobart, 2nd May, 1890.

MEMORANDUM.

It having been decided that the right to lay down a line of rails on the Emu Bay Breakwater by the Emu Bay and Mount Bischoff Railway Company or the Van Diemen's Land Company shall no longer be questioned, all that is necessary to be done now, prior to the signing of the lease, is to obtain the sanction of the Van Diemen's Land Company to a condition that, with the construction of certain turn-outs or shunts leading on to Blackman's Point (not originally indicated by the Company, but now stated to be necessary for proper working of line on Breakwater), the Government shall have the right to construct upon, across, or over any of the lines for which right-of-way is to be granted, such sidings or lines of rails as may be required by the Minister of Lands to connect and use the Breakwater line as part of the Government Railway system, without payment of tolls or any charges whatsoever.

J. FINCHAM, Engineer-in-Chief.

The Hon. the Minister of Lands and Works.

(XXXIX.)

Department of Lands and Works, 2nd May, 1890.

GENTLEMEN,

I HAVE the honor to acknowledge the receipt of your letter of 28th ultimo, and, in reply, to inform you that all further difficulty will be removed, both as to the signing of the lease and the acceptance of the grant of three acres of land at Blackman's Point, as proposed by the Van Diemen's Land Company, if they will assent to the following conditions, viz.:—That with the construction of certain turn-outs or shunts leading on to Blackman's Point (not originally indicated by the Van Diemen's Land Company, but now stated to be necessary for proper working of their line on the breakwater), the Government shall have the right to construct upon, across, or over any of the lines for which right-of-way is to be granted, such sidings or lines of rails as may be required by the Minister of Lands and Works for the time being to connect and use the breakwater line as part of the Government Railway system without payment of tolls or any charges whatsoever.

I have, &c.,

ALFRED PILLINGER, Minister of Lands and Works.

MESSRS. DOBSON, MITCHELL, & ALLPORT, Solicitors, Hobart.

(XL.)

101, Macquarie-street, Hobart, 21st May, 1890.

V.D.L. COMPANY'S LEASE.

DEAR SIR,

WE sent a copy of your last letter herein to Mr. Smith, and he instructs us that the new position taken up by you cannot for one moment be entertained. He is willing to come to an arrangement, allowing the Government to run their train over the lines at the Breakwater on a proportionate cost of maintenance being paid. Our instructions are that if no settlement is come to within a week then action must be taken to have the agreement specifically enforced. We trust that in the time allowed you will see your way clear to meet Mr. Smith in what he offers. Of course this letter is without prejudice.

Yours faithfully,

DOBSON, MITCHELL, & ALLPORT.

The Honourable A. T. PILLINGER, Minister of Lands and Works.

(XLI.)

Department of Lands and Works, 27th May, 1890.

EMU BAY BREAKWATER AND VAN DIEMEN'S LAND COMPANY'S LEASE.

GENTLEMEN,

I HAVE the honour to acknowledge the receipt of your letter of 21st inst., and to request that you will kindly allow the matter to remain in abeyance until the return, about the end of this week, of the Engineer-in-Chief from the West Coast.

I have, &c.

ALFRED PILLINGER, Minister of Lands and Works.

Messrs. DOBSON, MITCHELL, & ALLPORT, Solicitors, Hobart.

(XLIIA.)

Public Works Office, Hobart, September 5th, 1890.

EMU BAY BREAKWATER AND VAN DIEMEN'S LAND COMPANY.

GENTLEMEN,

IN reply to your letter of 21st May last, I have the honour to inform you that the Government will, of course, pay a proportionate part of the cost of maintenance of the portions of the breakwater line which may be used jointly by the company and the Government, and I regret that the omission of this fact from my letter of 2nd May last should have caused any misunderstanding on this point.

The conditions as now arranged between the company and the Government are, I understand, as follows:—

The Van Diemen's Land Company or the Emu Bay and Mount Bischoff Company to have the right to lay down a line of rails on the Emu Bay breakwater. The Government to have the right to use such line, and also to construct upon, across, or over any of the lines for which right of way is to be granted by them such sidings or lines of rails as may be required to connect and use the breakwater line constructed by the company as part of the Government Railway system without payment of any tolls or charges other than the proportion of maintenance above stated.

The Van Diemen's Land Company to grant to the Government three acres of land at Blackman's Point as shown on the plan attached to my letter to Mr. Norton Smith, dated 21st January, 1890, and marked respectively A., B., and Bb.; the block marked C. to be temporarily granted to the Government for the purpose of quarrying stone for jetty or breakwater works until such works are completed.

The Government to grant a lease to the Van Diemen's Land Company of the strips of land coloured yellow on attached tracings for the purposes of their railway, such strips to be of the width of 10 feet throughout, and also the right to lay down rails and use the same along a space not exceeding 10 feet in width in the centre of the present breakwater, and any extension thereof or a like space of same width or any other portion of the breakwater which may be approved by the Minister of Lands and Works.

A Reservation to the Van Diemen's Land Company, one chain wide, to be allowed for continuing North Terrace Road to breakwater and Blackman's Point.

Mr. Jones to relinquish his lease so far as the block 'A.' is affected, conditionally on the Crown giving him a lease for 21 years of a piece of land 80' x 40' in the portion of the gullet excavated and fronting on the Government land between breakwater and the said gullet or opening; or his lease to be terminated and compensation paid therefor. Reservation of a right of way 20 feet wide to be made from the North Terrace to the land on Blackman's Point, north of block A, in a convenient position for an approach.

Reservation to the Van Diemen's Land Company of the right of constructing a railway across the extreme north-east angle of block A. to connect the proposed railway shunt on the said land on Blackman's Point with the Emu Bay and Mount Bischoff Railway, and of maintaining and working the same.

I shall be glad to have confirmation of the above.

ALFRED PILLINGER, Minister of Lands and Works.

Messrs. DOBSON, MITCHELL, & ALLPORT, Solicitors, Hobart.

(XLIII.)

Chief Secretary's Office, 24th October, 1891.

Re VAN DIEMEN'S LAND COMPANY'S LEASE.

DEAR SIR,

YOUR letter of the 22nd October received during my absence from office. I do not understand the request you make therein, as I explained to you, Mr. Mitchell, before leaving for Melbourne, that the agreement made to grant a lease for one thousand years was *ultra vires* of the powers of the Minister, who has no power to grant leases of Crown lands beyond that conferred by the Crown Lands Act. The agreement in question was not prepared in this office.

Yours truly,

E. D. DOBBIE.

Messrs. DOBSON, MITCHELL, & ALLPORT, Solicitors.

Crown Solicitor's Office.

V.D.L. COY.'S LEASE.—(Letter from Dobson, Mitchell, & Allport.)

SUBMITTED for the consideration of the Hon. the Attorney-General. I have already verbally explained the position of matters herein.

EDW. D. DOBBIE.
3-11-'91.

Crown Solicitor's Office, 3rd November, 1891.

DEAR SIRs,

I HAVE already informed the Hon. the Attorney-General of the position of matters herein, and, as requested, I will again bring the question under his notice.

Yours truly,

EDW. D. DOBBIE.

Messrs. DOBSON, MITCHELL, & ALLPORT, Solicitors.

(XLIII.)

Chief Secretary's Office, 3rd December, 1891.

VAN DIEMEN'S LAND COMPANY.

DEAR SIRs,

YOUR letter of to-day's date received. The preparation of Bills for Acts of Parliament is not performed in this office.

The matter has already been brought under the notice of the Hon. the Attorney-General. See my letter to you of 3. 11. 91.

Yours truly,

EDW. D. DOBBIE.

Messrs. DOBSON, MITCHELL, & ALLPORT, Solicitors.

SAME. DOBSON, MITCHELL, & ALLPORT'S LETTER.

FORWARDED to the Hon. the Attorney-General. I do not know what object the writers have in sending this communication. They must know that their request is impossible. The letter has been acknowledged.

EDW. W. DOBBIE.
3. 12. 91.

The Hon. the Attorney-General.

(XLIV.)

Crown Solicitor's Office, Hobart, 2nd November, 1892.

DEAR SIRs,

Re VAN DIEMEN'S LAND COMPANY'S LEASE.

I am instructed by the Hon. the Attorney-General to forward you draft of a Bill to authorise the issue of a lease to the Van Diemen's Land Company and to inform you that the Government are prepared to introduce such Bill into Parliament in the form now submitted, conditionally upon a satisfactory arrangement being made with reference to the three acres of land to be surrendered by the company to the Queen.

Yours truly,

E. D. DOBBIE.

Messrs. DOBSON, MITCHELL, & ALLPORT, Solicitors, Hobart.

(XLV.)

Attorney-General's Office, Hobart, 11th March, 1892.

Re V.D.L. COMPANY.

DEAR SIRs,

IN reply to your letter to me of the 22nd ultimo, requesting to be informed what the Government are prepared to do in regard to granting a lease to the V.D.L. Co. of the strip of Crown Land on which a portion of the company's railway is constructed, I have now to inform you that the longest lease which the Government have authority of law to grant at the present time is fourteen years, with the right of renewal for a similar period; but in the event of a lease for a longer period being required by the company in connection with the sale of their railway to the promoters of the Waratah and Zeehan railway, the Government will apply to Parliament for authority to grant a lease for such further period as the circumstances require.

I have, &c.,

A. INGLIS CLARK.

Messrs. DOBSON, MITCHELL, & ALLPORT.

(XLVI.)

Attorney-General's Office, Hobart, 19th March, 1892.

DEAR SIRs,

Re V.D.L. Co.

I AM in receipt of your letter to me, enclosing copy of letter to you from Messrs. Blake and Riggall. I have already informed you that the Government will ask Parliament next Session for the necessary legislation to enable the Minister of Lands to grant a lease for such longer term as will facilitate the sale of the V.D.L. Co.'s Railway to the Promoters of the Waratah and Zeehan Railway, but that at present the Government have no power to grant a lease for a longer period than fourteen years, with the right of renewal for a similar period.

The Government are desirous of assisting in every legitimate manner the construction of the Waratah and Zeehan Railway, but they do not think that granting an illegal and invalid lease would help forward that object, inasmuch as it might be resented by Parliament, and make the Legislature less disposed than it otherwise would be to confer the necessary power on the Government to grant a longer lease than that which the law at present permits. Messrs. Blake and Riggall will perceive that Parliament is master of the situation, and that whatever invalid contract the Government may have made, or may make, with the company could be rescinded by Parliament, and all right of action or claim for compensation by the company taken away from them by the rescinding Act. But I do not apprehend any opposition on the part of Parliament to authorising the granting of a lease for such period as the circumstances of the case require, and in the meantime I would suggest the advisability of the company accepting a lease for fourteen years, which course would strengthen the hands of the Government in approaching Parliament for authority to grant a lease for a longer period.

I have, &c.,

Messrs. DOBSON, MITCHELL, & ALLPORT.

A. INGLIS CLARK.

(VLVII.)

16th November, 1892.

EMU BAY BREAKWATER.

As I understand that the question of the Emu Bay Breakwater is exercising attention at the present time, I beg to enclose herewith the copy of a letter written by me on the subject, in November, 1889, for your perusal.

FRED. BACK, General Manager.

The Hon. the Minister of Railways.

(XLVIA.)

November 21st, 1892.

WE are instructed to ask if you will carry out the agreement of the former Minister in this matter, and if not, kindly state your reasons fully.

Messrs. DOBSON, MITCHELL, & ALLPORT.

The Honourable WILLIAM HARTNOLL.

(XLVIII.)

Minister's Office, Lands and Works Department,
November 22nd, 1892.

MY DEAR SIRs,

IN answer to yours of yesterday's date, I desire to state that your Mr. Mitchell was present at the interview referred to, and is well acquainted with all that transpired. I fail to see that it can be construed that what I then stated the Government were prepared to do fails to carry out the agreement to which you refer.

Yours faithfully,

Messrs. DOBSON, MITCHELL, & ALLPORT.

WILLIAM HARTNOLL.

(XLVIA.)

Lands and Works Office, Hobart, 24th March, 1897.

SIR,

WITH reference to a piece of land (about three acres) at Blackman's Point which was taken from your Company in connection with the construction of the Emu Bay Breakwater, I find, upon reference to official records, that the transfer of the portion of land in question to the Crown was never effected, owing to a dispute as to the boundaries thereof, your contention being that the land should be taken from low-water mark, while this Department, supported by the Crown Law Officers held that it should be from high-water mark.

I shall be glad to know whether such difficulty still exists so far as you are concerned, as this Department is now desirous of having the matter brought to a definite termination.

I have, &c.

ALFRED PILLINGER, Minister of Lands and Works.

J. W. NORTON SMITH, Esq., Manager
Van Diemen's Land Company, Emu Bay.

(XLIX.)

EXTRACT from a letter of the General Manager of Railways, addressed to the Hon. the Minister of Railways, and dated August 12th, 1897, when the General Manager was directed to report on a proposal to erect a Custom House near the Burnie breakwater :—

“ Whilst on this subject I should like to refer to my report to you, dated 21st November, 1889, on the proposal to hand over certain rights to use the breakwater at Burnie to the Van Diemen's Land Company for a period of 1000 years. I wrote you that it was not advisable to grant this concession to the company, and now—eight years afterwards—I am thoroughly confirmed in my opinion.”

(L.)

Judges' Chambers, 15th December, 1900.

DEAR MR. MULCAHY,

ON referring to my fee-book, I find an entry on 23rd April, 1892, of a Draft Bill to authorise the Minister of Lands to grant a lease of a strip of land to the V.D.L. Co., which is charged to Messrs. Dobson, Mitchell, & Allport; but that Bill would not be introduced into Parliament by a Minister as a Government Bill until it had been approved by the Cabinet; and I am informed that there does not appear to be any record of it having been introduced into Parliament in the Session of 1892, and I have not any recollection of it ever having been considered by the Cabinet.

I remain of the same opinion which I expressed to the Committee yesterday, that the original language of the Draft Bill then shown to me is not mine, and, if it is the same Bill which is entered in my fee-book, I must have worked upon a draft prepared and submitted to me by the solicitors for the V.D.L. Co.

I am, &c.

A. INGLIS CLARK.

Hon. E. MULCAHY, Chairman Select Committee.

(LI.)

[TELEGRAM.]

Launceston, 15th December, 1900.

ASSESSMENT Return in respect of Emu Bay and Mount Bischoff Railway posted to your address. It will be seen that local authority has accepted Mr. Norton Smith's figures.

To Commissioner of Taxes, Hobart.

WILL HUNT, Collector.

(LII.)

EXTRACTS from original Grant Deed of land, in Emu Bay District, to V.D.L. Company.

AND SIXTHLY all that block or tract of land situate lying and being in the District known as Emu Bay in our said Island of Van Diemens's Land and containing altogether about Fifty thousand acres be the same more or less bounded on the south-east side by the Emu River from Emu Bay in Bass Straits to the Northern boundary of the Hampshire Hills Block, on the south by a due west line of three hundred and four chains and fifty links along that block crossing the old road leading from Deloraine to Emu Bay and also crossing the Guide River, on the west by a due south line of fifty chains also along that block, thence again on the south by a due west line of one hundred and thirty chains along Crown land to St. Mary's River, thence on the western side by that river to its junction with the Cam River, thence on the north-west side by the last-mentioned river to its junction with Bass Straits aforesaid, and on the north-east side by Bass Straits and Emu Bay to the Emu River aforesaid being the point of commencement.

TOGETHER with all and the singular rights, royalties, members, privileges, and appurtenances whatsoever to the said lands and hereditaments belonging or in anywise appertaining: TO HAVE AND TO HOLD the said several tracts of land, and all and singular the hereditaments and premises hereby granted or intended so to be and every part with the appurtenances unto the said Van Diemen's Land Company, their successors and assigns for ever freed and for ever discharged of and from all and every the Quit Rents conditions provisos, limitations and restrictions in the said letters patent or charter expressed or contained: IN WITNESS whereof we have caused our trusty and well beloved Sir WILLIAM THOMAS DENISON Our Lieutenant-Governor of our said Island of Van Diemen's Land and its Dependencies to affix to these presents the Great Seal of Our said Island and its Dependencies this twenty-seventh day of July in the year of Our Lord One thousand eight hundred and forty-eight and in the twelfth year of our reign.

(LIII.)

CONTRIBUTIONS BY VAN DIEMEN'S LAND COMPANY ON ACCOUNT EMU BAY BREAKWATER.

	£	
21st July, 1886	1500	} Placed to Credit of 46. 26. 1.
30th July, 1887	2000	
14th May, 1888	1500	
23rd May, 1889	1000	} Placed to Credit of 52 Vict. No. 63.
	£6000	

MOUNT BISCHOFF RAILWAY.

Cost of One Mile of 61-lbs. Permanent Way.	
440 24' 61-lb. steel rails, 95·857 tons at £9	£863
880 bar fishplates, 3·401 tons at £10	34
1760 bolts, nuts, and washers, 1·05 tons at £37 10s.	39
9572 spikes, 2 tons at £22	44
	<u>£980</u>
40-lb. permanent way rails and fastenings as above, 68·891 tons at £9	£621
	<u>£259</u>
Difference of cost per mile.....	75
Half new sleepers, 1000 at 1s. 6d.....	40
200 cubic yards ballast, at 4s.....	132
Labour, relaying, per 1 yard, 1s. 6d.	<u>£506</u>
37½ miles of renewal, at	£18,975
One third of the cost of 40 sets of points and crossings.....	400
Relaying, total cost	<u>£19,375</u>

JOHN M. M'CORMICK, Engineer of Existing Lines.

As amended by the Select Committee.

A

B I L L

TO

Authorise the Governor to purchase the Line A.D. 1900.
of Railway known as "The *Emu Bay* and
Mount *Bischoff* Railway," and for other
purposes.

WHEREAS it is deemed expedient that the Governor should be PREAMBLE.
authorised, for and on behalf of the Colony of *Tasmania*, to purchase
the *Emu Bay* and Mount *Bischoff* Railway hereinafter defined, and that
the several other powers and authorities hereinafter mentioned should
5 be conferred upon the Governor and the Minister of Lands and
Works respectively :

Be it therefore enacted by His Excellency the Governor of *Tasmania*
by and with the advice and consent of the Legislative Council and
House of Assembly, in Parliament assembled, as follows :—

10 **1** This Act may be cited as "The Mount *Bischoff* Railway Purchase Short title.
Act, 1900."

2 In this Act, unless the context otherwise requires—

Interpretation.

"The Minister" means the Minister of Lands and Works for
the time being :

15 "The Company" means "The *Emu Bay* Railway Company,
Limited," and any person or persons claiming, by, through,
or under the Company :

"Land" includes buildings :

"The Railway" means—

20 **1.** The Railway, so far as the same has been constructed
from [*Burnie* to *Waratah*, including the permanent
way thereof, and all works, buildings, stations,
and erections erected or built on or connected with
the said Railway ;] (Crown land (contiguous to the
25 Breakwater) at *Burnie* to *Waratah*, including the
permanent way thereof, and all works, build-
ings, stations, and erections constructed, or built
upon or connected with the said railway; and also
including any easement in connection with the said

[Bill 110.]

* * The words proposed to be struck out are enclosed in brackets [] ; those to be
inserted, in parentheses ().

Mount Bischoff Railway Purchase. [64 Vict.]

A.D. 1900.

railway exercised by the Company or its predecessors in title, and all claims of the Company, or its predecessors in title, to any such easement, whether arising out of agreement or otherwise) and

- II. All land upon which the same are respectively constructed, erected, or built, and all lands used in connection therewith; and
- III. All plant, locomotives, tenders, carriages, trucks, rolling stock, steam engines, machinery, or any parts of the same, all furniture, tools, implements, and appliances of every kind whatsoever, and all stores and railway material of the Company used in connection with the Railway.

PART I.

Governor may purchase Railway.

3 It shall be lawful for the Governor, if he shall see fit, for and on behalf of the Colony of *Tasmania*, to purchase, for a sum not exceeding Two hundred and five thousand five hundred Pounds, the said Railway, together with all rights, privileges, powers, and advantages whatsoever affecting or appurtenant to the said Railway which are or may become vested in, held, enjoyed, or possessed by or conferred on the said Company, or any person claiming by, through, or under the same.

Power to make settlement as to Company's Contracts.

4 If the Railway shall be purchased by the Governor under the power hereinbefore conferred upon him, the Governor may, if he shall see fit, make such a settlement with the Company as he may deem expedient in regard to any contracts entered into or accepted by the Company in connection with the maintenance, construction, and working of the Railway.

No compensation to officers of Company.

5 In the event of the Governor purchasing the said railway no sum of money shall be payable or paid by the Governor to any officer or servant of the Company by way of compensation for any loss of office or employment suffered by such officer or servant by reason of the purchase of such Railway.

Defrayment of cost of purchase. 56 Vict. No. 56.

6 The purchase-money of the Railway shall be defrayed out of moneys to be hereafter provided by Parliament for that purpose.

Power to lease Railway.

7 It shall be lawful for the Minister, with the consent of the Governor, to grant to any person or company a lease of the Railway or any part thereof, together with any Crown land used or occupied in connection therewith for a term not exceeding Ninety-nine years at a rental of not less than Eight thousand Pounds, subject to such covenants, terms, and conditions as to the Minister may seem fit.

Governor may grant power to other persons to act.

8 It shall be lawful for the Governor from time to time to appoint any person or persons in his name, and for and on behalf of the Colony, to exercise any of the powers vested in the Governor by this Act, and for that purpose to enter into negotiations and to sign, seal, execute, and deliver all such agreements, contracts, and other documents as may be necessary or expedient in or about the sale and purchase of the said Railway under the provisions of this Act; and everything done by any


[64 VICT.]

Mount Bischoff Railway Purchase.

such person or persons under such appointment shall be binding upon A.D. 1900.
the Colony.

9 Nothing herein contained shall render the Governor personally Governor not
liable for anything done or omitted to be done by him under this Act. liable.

PART II.

5 10 The Minister may, if the Governor [in Council] approves,  Power to Minister
purchase, acquire, and take, for Railway or other public purposes, the to purchase lands.
whole or any portion of any land forming any part of the pieces of land
in the Town of *Burnie*, which pieces of land are delineated upon a chart or
plan deposited in the office of the Minister at *Hobart*, and signed by
10 the President of the Legislative Council and the Speaker of the House
of Assembly.

11 The Minister, his officers and workmen, may at all reasonable Power to enter
times in the day-time, upon giving Twenty-four hours' previous notice upon lands.
in writing to the owner or occupier of any land forming any part of the
15 piece of land, enter into and upon such land for the purpose of survey-
ing or valuing the same.

12 *The Lands Clauses Act* shall, except as hereby expressly varied, 21 Vict. No. 11
be incorporated with this Act; but— incorporated.

20 I. There shall not be incorporated with this Act the Sections and
provisions of the said Act hereinafter mentioned; that is to
say,—Section Eight, whereby it is provided that the capital
is to be subscribed before the compulsory powers are to be
put in force; Section Nine, whereby it is provided that the
25 certificate of the Justices shall be evidence that the capital
has been subscribed:

II. In the construction of this Act and the said incorporated Act
this Act shall be deemed to be the Special Act, and the
Minister shall be deemed to be "the promoter of the
undertaking."

30 13 Any notice required to be given by or on behalf of the Queen Notices.
or the Governor in Council by virtue of the provisions of *The Lands* 21 Vict. No. 11.
Clauses Act or this Act, shall be sufficient if signed by the Minister

14—(1.) Notwithstanding anything to the contrary contained in any If either party to
Act, if either party is dissatisfied with the award of the Arbitrators or an award is dis-
35 Umpire, and either party desires to have the compensation settled by a satisfied therewith
Judge of the Supreme Court, and shall, within Twenty-one days after a Judge of the
notice of the making of such award has been given to such party, signify Supreme Court
such desire by notice in writing to the other party, then the amount of such may decide
compensation shall be ascertained by a Judge of the Supreme Court in thereon.
40 such manner as he deems advisable, and subject to such conditions as
such Judge sees fit to impose; and such Judge may also, in his discre-
tion, make any Order as to the person by whom the costs of such
proceedings shall be borne.

(2.) Where the party dissatisfied with the award gives notice to the
45 other party as aforesaid, then such award shall not be made a Rule of
Court until such Judge, by an Order in writing under his hand, deter-
mines the matter in dispute.

(3) The Rules made by the Judges of the Supreme Court under 36 Vict. No. 19.
"The Main Line of Railway Amendment Act, No. 2," shall be appli-

A.D. 1900.

cable to all proceedings which shall be taken for carrying out the provisions of this Section.

Defrayment of
cost.

15 The purchase-money of any land taken under the provisions of this Part of this Act shall be appropriated out of moneys to be hereafter provided by Parliament for the purpose. 5.

PART III.

Certain land
vested in Her
Majesty.
53 Vict. No. 54.

16 The land described in the Schedule hereto, being portion of the land mentioned in Item Nineteen in the First Part of the Schedule to "The Public Works Construction Act, 1889," shall, without the necessity of any surrender or connecting title other than this Act, be surrendered to and become vested in and be held enjoyed, possessed, 10 and used by Her Majesty the Queen for public purposes, freed and discharged from all claims and demands by or on the part of the *Van Diemen's Land* Company, and by or on the part of any person claiming by, through, or under such Company.

PART IV.

(It shall be
lawful for the
Minister to
acquire land.)

(A) It shall be lawful for the Minister, if the Governor approves, to 15 take and acquire for public purposes the land described in the Schedule (2.) hereto.)

(Compensation to
be paid to owner.)

(B) The amount of compensation to be paid to the owner of such land so taken and acquired shall be referred to the determination of Two arbitrators, one of whom shall be appointed by the Minister, and 20 the other by the said owner, and for the purpose of this Section "The Arbitration Act, 1892," shall apply.)

SCHEDULE.

(1.)

TOWN OF BURNIE.

2A. 1R. 29P. Portion of 50,000 acres granted to the Van Diemen's Land Company.

Bounded on the north-west by one chain forty-four links and three-quarters of a link south-westerly, commencing at a point on Bass Strait distant four chains and eighty-five links or thereabouts north-easterly from the angle formed by the eastern side of Wilson-street with North Terrace; on the south-west by five chains fifty-six links and three-quarters of a link south-easterly; again on the south-west by one chain and fifty-six links south-easterly; on the south-east by one chain thirty-three links north-easterly; again on the south-east by four chains eight links and three-quarters of a link north-easterly; on the north-east by five chains and forty-four links north-westerly to Bass Strait aforesaid; and thence by that Strait to the point of commencement.

(2.)

TOWN OF BURNIE.

All that piece of land, so far as the same is not already the property of the Crown, commencing at the north angle on Bass Strait, of two acres one rood twenty-nine perches, as described in Schedule (1.) and bounded by the north-east boundary of that land and by a line forming a continuation of that boundary south-easterly to Emu Bay; thence by that bay northerly (to include Blackman's Point) to Bass Strait aforesaid; and thence by that strait to the point of commencement.)